

CHAPTER VI

LAND REVENUE

6.1 Tax Administration

The Chief Commissioner of Land Administration (CCLA) is responsible for administration of Revenue Board's Standing Orders (BSO), Andhra Pradesh (AP) Irrigation, Utilisation and Command Area Development Act, 1984, AP Water Tax Act, 1988, AP Agricultural Land (Conversion for Non-agricultural Purposes) Act, 2006 and Rules and orders issued thereunder. The State of Andhra Pradesh consists of 13 districts, each of which is headed by a District Collector who is responsible for the administration of the respective district. Each district is divided into revenue divisions and further into *mandals*¹³¹, which are kept under administrative charge of Revenue Divisional Officers (RDOs) and Tahsildars, respectively. Each village in every *mandal* is administered by a Village Revenue Officer (VRO) under the supervision of the Tahsildar. VROs prepare tax demands under all the Acts mentioned above for each *mandal* from the village accounts and get them approved by the *Jamabandi* officers¹³² concerned. VROs/Revenue Inspectors are entrusted with the work of collection of revenue / taxes such as water tax, conversion tax for agricultural lands etc. At Government level, Principal Secretary (Revenue) is in overall charge of administration of the Revenue Department.

6.2 Internal Audit

Department did not have a structured Internal Audit Wing that would plan and conduct Audit in accordance with a scheduled audit plan.

¹³¹ *Mandal* is the jurisdictional area of each Tahsildar.

¹³² *Jamabandi* officer is District Collector or any other officer nominated by him not below the rank of Revenue Divisional Officer.

6.3 Results of Audit

Test-check of records of 44 offices of Land Revenue Department conducted during the year 2015-16 showed non-levy / short realisation of conversion tax/penalty and other irregularities involving ₹ 1.64 crore in 24 cases, which broadly fell under the categories as given in Table 6.1.

Table 6.1: Results of Audit

(₹ in crore)			
Sl. No.	Category	No. of cases	Amount
Revenue Receipts			
1.	Non-Levy / Short Levy of Conversion Tax and Penalty on Conversion of Agricultural Land for Non-Agricultural Purpose	16	1.17
2.	Other Irregularities	3	0.42
	Total	19	1.59
Revenue Expenditure			
1.	Excess Payment of Land Compensation	3	0.02
2.	Other Irregularities	2	0.03
	Total	5	0.05
Total		24	1.64

During the year 2015-16, the Department accepted under-assessments and other deficiencies of ₹ 93.86 lakh in six cases pointed out during the year 2015-16. An amount of ₹ 18.21 lakh was realised in these cases during the year 2015-16.

A few illustrative cases, involving ₹ 91.55 lakh, are discussed in the succeeding paragraphs.

6.4 Maintenance of Land Records

6.4.1 Introduction

Entry 18 under List II-State List of the Seventh Schedule to the Constitution, *inter alia*, empowers the State Government to legislate on land, that is to say, rights in or over land, land tenure, collection of rent, transfer and alteration of agricultural land, land improvement, etc. Maintenance of land records, survey for revenue purposes and records of rights fall within the scope of Entry 45 under the said State List of the Seventh Schedule to the Constitution.

As per Standing Order¹³³ (BSO) 34 A of Andhra Pradesh Board of Revenue, it is necessary to maintain and update the land records based on day to day changes such as sale, alienation, change of classification etc., to protect Government lands from encroachment, settle boundary disputes, correctly assess taxes and enable *ryots*¹³⁴ to establish their rights over land in the court of law.

¹³³ BSOs are the standing orders concerning revenue issued by the Andhra Pradesh Board of Revenue during its existence. Later, it was replaced by the Revenue Commissioners under the Andhra Pradesh Board of Revenue (Replacement by Commissioners) Act 1977.

¹³⁴ *Ryots* means farmers.

6.4.2 Scope and Objectives

Audit on maintenance of land records was conducted from November 2015 to May 2016 covering the period of five *fasli*¹³⁵ years from 1420 to 1424 (01 July 2010 to 30 June 2015). Audit of 40 *mandal* offices¹³⁶ (including pilot study of one office at Jangareddygudem) was taken up by selecting three *mandals* from each of the thirteen districts.

Audit was conducted to assess the status of availability of basic land records and their maintenance at village and *mandal* levels by regular updation, completion of *Jamabandi*¹³⁷ within the stipulated timeframe and to ascertain the mechanism for proper maintenance and updation of land records.

The basic land records to be maintained are:

- Re-Settlement Register (RSR) (also known as “A” Register) which contains details of survey numbers of Revenue Village, total area, ownership, nature of land (*Inam*¹³⁸, Government / *Poramboke*¹³⁹), type of soil, source of irrigation, etc. This Register is necessary to identify the ownership, to make assessments and to dispose of land transfers.
- Field Measurement Book (FMB) is the pictorial representation of survey fields / sub-divisions recorded in RSR. It contains the details of total extent of land in survey number, location of the land, its directions and boundaries.
- Village Map (village plan) is an index to FMB and enables an inspecting officer to identify any field on the ground and useful in investigation of disputed boundaries, detection of encroachments, etc.

Deputy Director / Assistant Director, Survey and Land Records (DD / AD, S and LR) is responsible for preparation and maintenance of RSRs, FMBs and Village Maps of all the villages in a district. Copies of RSRs, FMBs and Village Maps are provided to Tahsildar offices to be maintained by the *Mandal* Surveyor and Village Revenue Officers (VROs). Tahsildar is responsible for overall maintenance of land records. VRO is responsible for preparation and maintenance of village accounts.

¹³⁵ *Fasli* year means the period of 12 months from 1 July to 30 June. Adding 590 to *fasli* year one can get the corresponding calendar year.

¹³⁶ Alluru, Anantapuram, Bandi Atmakur, Bobbili, Bommanahal, Chirala, Chittoor, Dharmavaram, Guntur, Jangareddygudem, Jiyyammavalasa, Kadapa, Kakinada Urban, Karamchedu, Kavali, Kurnool, Nandyal, Narasaraopet, Nathavaram, Nellore, Nidadavole, Ongole, Palasa, Pedana, Penamaluru, Pentapadu, Proddatur, Railway Kodur, Rajahmundry Urban, Ramachandrapuram, Rompicherla, Santhabommali, Srikakulam, Srikalahasti, Tadepalligudem, Tirupati Urban, Vijayawada Urban, Visakhapatnam Rural, Visakhapatnam Urban and Vizianagaram.

¹³⁷ *Jamabandi* means finalisation of Village Accounts.

¹³⁸ *Inam* lands are lands gifted by rulers in recognition of services.

¹³⁹ *Poramboke* means the lands which are not assessed to revenue records and belong to the entire community i.e., Government lands.

At *Mandal* level, Record of Rights in Form I B (ROR I B), Government Land Register (Village Account No.1), Register of Changes (Village Account No.2), *Adangal*¹⁴⁰ (Village Account No.3) and Register of Assignments, Register of Transfer of Lands, Register of Leased out Lands, Bought-in-Lands Register are important land records. Audit was confined to maintenance of these records.

Audit Findings

Audit observed number of compliance deficiencies which are discussed in the subsequent paragraphs.

6.4.3 Not conducting Re-Survey despite expiry of first settlement period

As per Para I of Chapter XVI of Hyderabad Survey and Settlement Manual, first settlement is guaranteed only for a period of 30 years. For re-settlement re-survey has to be conducted. As per Para 3 of Introduction to the Andhra Pradesh Survey Manual of Departmental Rules (Vol. I), re-survey is conducted when the changes in occupation and in the boundaries of fields are too numerous to be dealt with by the Revenue staff, or when the previous survey is considered defective. It gives an account of the extent, ownership, fertility of the soil, source of irrigation, etc. As such re-survey has to be taken up to project the ground realities.

Based on the information furnished by the Office of the Commissioner, Survey Settlement and Land Records, Andhra Pradesh, Audit observed that no re-survey has been conducted in the State during the last 69 years.

Not conducting re-survey for such a long period gives rise to land disputes among *Pattadars*¹⁴¹ and between *Pattadars* and Government.

6.4.4 Not conducting Re-Survey on abolition of *Inams* and Estates

Fair Land Register (FLR) is a land record prepared for *Inam* / Estate villages¹⁴². It is prepared on the basis of survey / re-survey and settlement operations and is essential to know the ownership, extent, nature of lands, irrigation source, etc.

In six Tahsildar offices¹⁴³ Audit observed that eight villages¹⁴⁴ were *Inam* / Estate villages. Survey of these villages was not taken up even after the abolition of *Inams* or Estates 60 years ago i.e., in 1956 through enactment of

¹⁴⁰ *Adangal* is an important land record which contains details of land such as owner's details, extent, assessment, water rate, soil type, nature of possession of the land, liabilities, tenancy and crops grown etc.

¹⁴¹ Lands which are owned by individuals (private lands).

¹⁴² Estate villages were the villages granted in favour of certain persons to collect land revenue on behalf of king.

¹⁴³ Narasaraopet, Nidadavolu, Pentapadu, Rompicherla, Tirupati Urban and Visakhapatnam Rural.

¹⁴⁴ Adavivaram, Lingamguntla Agraharam, Pentapadu, Sankarapuram, Settupalli, Umamaheshwaram, Venkatapuram and Vipparlapalli Agraharam.

“The Andhra Pradesh (Andhra Area) *Inams* (Abolition and conversion into Ryotwari) Act” and that no FLR was prepared.

6.4.5 Status of availability of basic Land Records

As per BSO 34 A of Andhra Pradesh Board of Revenue (Vol.II), each village in the *mandal* must have one RSR, one village map and each survey number of the village must have FMB. After preparing the basic land records through survey and settlement operations, they are required to be maintained and updated on a regular basis.

Offices of 40 Tahsildars test checked have 903 villages. Hence, these offices are required to maintain 903 RSRs and village maps. When Audit called for the information in respect of availability of these land records, 38 *mandals* furnished information on availability of RSRs, 17 *mandals* furnished information on FMBs and 30 *mandals* furnished information on village maps.

Status of availability of basic land records is given below:

No. of <i>Mandals</i> which furnished information	No. of records to be maintained	Available	Missing
38 (Out of 40 <i>mandals</i> test checked)	RSRs		
	877	840	37
17 (Out of 40 <i>mandals</i> test checked)	FMBs		
	1,16,530	1,14,202	2,338
30 (Out of 40 <i>mandals</i> test checked)	Village Maps		
	618	595	23

Details of records available/missing in 40 selected *mandals* are given in Annexure-I. From the above it is evident that 37 RSRs, 2,338 FMBs and 23 village maps were missing in the *mandals*. Further, information on RSRs from 2 *mandals*¹⁴⁵, village maps from 10 *mandals*¹⁴⁶ and FMBs from 23 *mandals*¹⁴⁷ has not been received (December 2016).

The Department did not take any precautionary measures to maintain and preserve the land records intact.

¹⁴⁵ Jangareddygudem and Kakinada Urban.

¹⁴⁶ Railway Kodur, Rajahmundry Urban, Ramachandrapuram, Rompicherla, Santhabommali, Srikakulam, Srikalahasti, Tadepalligudem, Vijayawada Urban and Vizianagaram.

¹⁴⁷ Alluru, Bobbili, Chirala, Jangareddygudem, Jiyammavalasa, Kadapa, Kakinada Urban, Karamchedu, Kavali, Narasaraopet, Nathavaram, Nellore, Ongole, Palasa, Proddatur, Railway Kodur, Rajahmundry Urban, Ramachandrapuram, Rompicherla, Santhabommali, Srikakulam, Vijaywada Urban and Vizianagaram.

6.4.6 Scanning / Computerisation of Land Records

Government of Andhra Pradesh had issued orders¹⁴⁸ (March 1995) to scan and computerise the basic land records.

When the information on scanning / computerisation of basic land records was called for in the 40 Tahsildar offices test-checked, 38 *mandals* furnished information on availability of RSRs and 30 *mandals* furnished information on Village Maps. However, in respect of FMBs, only 17 offices had furnished information.

Status of scanning of the basic land records is as detailed below:

No. of Mandals which furnished information	Total	Available	Scanned	Not scanned
38 (Out of 40 <i>mandals</i> test checked)	RSRs			
	877	840	827	13
17 (Out of 40 <i>mandals</i> test checked)	FMBs			
	1,16,530	1,14,202	1,14,202	0
30 (Out of 40 <i>mandals</i> test checked)	Village Maps			
	618	595	506	89

From the table, it is evident that though 13 RSRs and 89 village maps were available, they were not scanned. Further, information on scanning of RSRs from 2 *mandals*¹⁴⁹, village maps from 10 *mandals*¹⁵⁰ and FMBs from 23 *mandals*¹⁵¹ has not been received (December 2016). Details of scanning of these records *mandal*-wise are given in Annexure-II.

Consequences of improper Maintenance of Land Records

Proper maintenance of land data / records at village / *mandal* level and conducting periodical re-surveys and regular updation of basic land records are of vital importance. A few cases of land disputes due to incorrect maintenance of land records are discussed below:

6.4.7.1 Failure to alienate land for public purpose

Audit observed (January 2016) in office of Tahsildar, Nidadavole that a piece of land measuring 0.20 acres in Survey Number 906/2 of Sammisrigudem village was proposed to be alienated in favour of Home Department for construction of police station. Tahsildar had forwarded the alienation proposals (18 January 2013) to the Revenue Divisional Officer, Kovvuru. The alienation proposals could not be finalised as there was discrepancy between

¹⁴⁸ G.O.Ms.No.166, Revenue (SS) Department, dated 30 March 1995.

¹⁴⁹ Jangareddygudem and Kakinada Urban.

¹⁵⁰ Railway Kodur, Rajahmundry Urban, Ramachandrapuram, Rompicherla, Santhabommali, Srikakulam, Srikalahasti, Tadepalligudem, Vijayawada Urban and Vizianagaram.

¹⁵¹ Alluru, Bobbili, Chirala, Jangareddygudem, Jiyammavalasa, Kadapa, Kakinada Urban, Karamchedu, Kavali, Narasaraopet, Nathavaram, Nellore, Ongole, Palasa, Proddatur, Railway Kodur, Rajahmundry Urban, Ramachandrapuram, Rompicherla, Santhabommali, Srikakulam, Vijaywada Urban and Vizianagaram.

the names of *pattadars* in Fair Land Register (FLR) i.e., Permanent Register and the *Adangal*.

It was further observed that in *Adangal (fasli 1423)*, the total area of land was 2.91 acres against the above survey number. Out of this, an extent of 1.50 acres was in the name of *Mandal* Parishad Development Office and the balance of 1.41 acres was in the name of another person. However, in FLR, 2.91 acres of land was shown in the names of two other persons. Thus, due to discrepancy in the ownership between two registers, alienation proposal in favour of the Police Department could not be finalised.

In reply, Tahsildar stated that the detailed reply would be submitted after examining the matter.

6.4.7.2 Alienation of Government Land without maintenance of proper Land Records

As per BSO 24 of Andhra Pradesh Board of Revenue (Vol.I), Government land can be alienated for any bonafide public/ private purposes by the competent authority. Alienation of Government land will be granted after preparing the sub-division record (sub-division of survey number concerned). The details of transfer of land due to alienation will be noted in the Village Account 1, *Adangal* and Settlement Fair *Adangal*¹⁵² (SFA).

In Tahsildar, Visakhapatnam Urban *mandal*, Audit observed that an extent of 1,445 acres of land in survey number 55 of Mulagada village was recorded as *Konda Poramboke*¹⁵³ in SFA. Out of this, six new survey numbers (56 to 61) were carved out (September 1988) with a total of extent of land of 25.94 acres. Of these newly carved out survey numbers, an extent of 14.53 acres (survey numbers 57, 58 and 59) was alienated in favour of religious and educational institutions, etc. Against 14.53 acres alienated, details of 14.00 acres were not reflected in SFA. For the remaining three survey numbers (56, 60 and 61), covering an extent of 11.41 acres, Village Account 1 (Government Land Register) was not maintained.

In reply, Tahsildar stated that action would be taken to rectify the errors.

However, in the absence of records, it is not clear as to how the Department would rectify the above errors.

¹⁵² SFA is the Settlement Fair *Adangal* which is prepared for an estate village and is equivalent to RSR.

¹⁵³ Lands on hillocks which are reserved for State or communal purposes.

6.4.8 Non-maintenance of village level Land Records

Government of Andhra Pradesh had introduced integrated village accounts through an order¹⁵⁴ (March 1992) and prescribed nine village accounts¹⁵⁵ to be maintained for different purposes. During the scrutiny of records, it was observed that in a number of cases village accounts were not being maintained.

In three *mandals*¹⁵⁶, Village Account 1 (Government Land Register), in 10 *mandals*¹⁵⁷, Village Account 2 (Register of Changes), and in the office of the Tahsildar, Visakhapatnam Urban *mandal*, Village Account 3 (*Adangal*) were not being maintained.

When this was brought to notice of the Department, all the Tahsildars (except Visakhapatnam Urban) replied that village accounts would be maintained henceforth. Tahsildar, Visakhapatnam Urban replied that as this was an urban *mandal*, village accounts were not required to be maintained. The reply is not tenable as Government did not dispense with maintenance of the above village accounts in urban *mandals*.

6.4.9 Improper maintenance of village level Land Records

6.4.9.1 Discrepancy in extent of land

During the scrutiny of records of office of the Tahsildar, Dharmavaram *mandal*, Audit observed that there was discrepancy in the extent of land between RSR and *Adangal*. As per the RSR, the total extent of land in Dharmavaram village was 8,996.66 acres whereas in *Adangal* (2011-12) the extent was 9,783.82 acres.

In reply, Tahsildar stated that action would be taken to rectify the difference.

6.4.9.2 Discrepancy between manual and computerised records

As per provisions of AP Survey Manual, whenever a survey number is sub-divided, *Mandal* surveyor should prepare sub-division record. On approval of sub-division by the Department of Survey and Settlement of Land Records, sub-division number should be recorded in FMB and RSRs. Accordingly, Tahsildar has to update these changes in ROR I B and Village Account 3.

¹⁵⁴ G.O.Ms.No.265, Revenue (L.R.-II) Department, dated 10 March 1992.

¹⁵⁵ Village Account 1 (Government Land Register), Village Account 2 (Register of Changes), Village Account 3 (*Adangal*), Village Account 4 (Register of holidays and Asami-wise Land Revenue Demand Register), Village Account 5 (Demand, Collection and Balance Register), Village Account 6 (Chitta – Daily Collection Register), Village Account 7 (Irsalnama - Register of Reconciliation), Village Account 8 (Register of Irrigation sources) and Village Account 11 (Receipt Register).

¹⁵⁶ Kadapa, Visakhapatnam Rural and Visakhapatnam Urban.

¹⁵⁷ Bandi Atmakur, Dharmavaram, Guntur, Kadapa, Pentapadu, Penamaluru, Nandyal, Vijayawada Urban, Visakhapatnam Rural and Visakhapatnam Urban.

During the scrutiny of the land records such as *Adangal*, Village Account 2 and ROR I-B pertaining to Meenavalluru village of Pentapadu *mandal*, the following discrepancies were observed.

As per RSR and Village Account 3 (*Adangal*), an extent of 1.20 acres of land was in the names of 'X' and 'Y' in Survey No.46/1. 'Y' sold his land of 0.60 acres to two persons in 2015. Audit observed that the prescribed procedure for sub-dividing the land was not being followed. As a result, the fact of sub-dividing the land was not recorded in the ROR I-B and Village Account 3. However, when transaction was updated in the system, survey number was automatically sub-divided into 46-1/A and 46-1/B. Thus, creation of sub-division in computerised register without approval and consequent discrepancy in manual and computerised register was not in order.

In reply, Tahsildar stated that the discrepancy was due to computer software which was designed in such a way that whenever a division occurs in any survey number, it would automatically sub-divide existing numbers and allots a new sub-division number to the land newly carved out.

However, automatic sub-division of survey numbers in computerised records without making changes in manual records creates mismatch between manual and computerised land records. Therefore, the Department needs to rectify computer software and record changes parallelly in the registers manually maintained.

6.4.9.3 Procedural lapses in maintaining village accounts

As per Government order¹⁵⁸ (March 1992) village accounts are to be maintained in the prescribed format, on a printed form on yearly basis.

During scrutiny of records it was observed that in the following Tahsildar offices, records were not being properly maintained.

In two Tahsildar offices¹⁵⁹ Audit observed that Village Account 1 was not maintained in the prescribed format. Besides, the same register was continued for four years, instead of maintaining it on yearly basis.

Tahsildar, Jangareddygudem maintained Village Account 2 in a note book. In Tadepalligudem *mandal*, Village Account 2 register was continued for five years (*fasli* 1420 to 1424) instead of maintaining it on annual basis.

On this being pointed out, three Tahsildars¹⁶⁰ replied that the village accounts would be maintained in prescribed format and on printed form.

¹⁵⁸ G.O.Ms.No.265, Revenue (L.R.-II) Department, dated 10 March 1992.

¹⁵⁹ Jangareddygudem and Pentapadu.

¹⁶⁰ Jangareddygudem, Pentapadu and Tadepalligudem.

6.4.9.4 Discrepancies between village level Land Records and *mandal* level Land Records

In Vanukuru village of Penamaluru *mandal*, there was discrepancy in the area of Government land in some survey numbers between *Mandal* Government Land Register and Village Account 1 {detailed in Annexure-III (a)}.

In Vidyadharapuram village of Vijayawada Urban *mandal*, in three cases, difference in names and extent of land was observed in Village Account 1 and Village Account 3 for *fasli* year 1421 {detailed in Annexure-III (b)}.

Following discrepancies were observed in the registers maintained at Jingeru village of Pedana *mandal*:

- Government land as per *Mandal* Government Land Register was 205.51 acres; whereas in *Adangal* it was shown as 206.55 acres. Thus, there was discrepancy of 1.04 acres.
- Similarly in survey number 5/11, the extent of land as per *Mandal* level Government Land Register was 0.81 acres whereas it was shown as 0.51 acres in Village Account 3.
- Extent of land purchased in survey number 186/2C was recorded in Village Account 2 as 0.29 acres for *fasli* year 1420. The same was however shown as 0.31 acres in Village Account 3 for *fasli* year 1421 {detailed in Annexure-III (c)}.

On this being pointed out, three Tahsildars¹⁶¹ replied that the above errors would be rectified.

6.4.10 Incorrect classification of patta land as assigned land

As per BSO 15, Government lands are assigned to the landless poor either on payment of market value or free of cost. Provisions of Andhra Pradesh Assigned Lands (Prohibition of Transfers) Act, 1977, prohibit assigned lands being alienated. Section 22 A (1) of Registration Act, 1908, contains list of lands which are not to be registered and includes 'assigned lands'.

During scrutiny of records of Diguvamasapalli village of Chittoor *mandal*, Audit observed that there were discrepancies between Village Account 1 and 3 as detailed below.

As per Village Account 3 (*Adangal* for *fasli* 1421) 'X' was the *pattadar* of an extent of 0.30 acres. However, the same was classified as 'assigned land' in Village Account 1 (Government Land Register) and included (2015) in the list of lands prohibited from registration under the provisions of Registration Act, 1908. As such, the rights of the *pattadar* were in jeopardy as the *pattadar* cannot alienate the land by sale, gift, etc.

¹⁶¹ Pedana, Penamaluru and Vijayawada Urban.

Further, Audit observed from the village accounts pertaining to Thenebanda village of Chittoor *mandal*, that as per Village Account No.1 an extent of 0.10 acres (survey no.290/7) was acquired from Mr. 'A' for construction of houses under Indiramma Housing Scheme for weaker sections. On cross verification of this land with the list of lands mentioned under Section 22 A (1) of Registration Act, the said land continued to be in the name of Mr. 'A' which was incorrect.

On this being brought to notice, Tahsildar replied that these errors would be rectified.

6.4.11 Omission to include Government Land in inventory register

As per Section 22 A (1) of Registration Act, 1908, Government prohibited certain categories of land from registration.

During scrutiny of the records in Tahsildar, Bandi Atmakur *mandal*, Audit observed that 38 survey numbers / sub-survey numbers with total extent of land of 69.58 acres recorded in RSR and *Adangal* as Government lands were omitted from inclusion in *Mandal* Government Land inventory register.

Non-inclusion of the above survey numbers in *Mandal* Government Land inventory register might lead to encroachment of Government lands.

In reply, Tahsildar stated that the omitted survey numbers would be included in the list of lands prohibited from registration under the Registration Act.

As land records are very important, action needs to be taken to rectify these errors.

6.4.12 Failure to maintain registers / records at *mandal* level

As per the provisions of BSO and *Mandal* Accounts Manual, Register of Bought-in-Lands, Register of Leased out Lands, Register of Relinquishment and Register of Transfer of Lands are to be maintained in *mandal* offices.

During scrutiny of records, Audit observed that in all the 40 *mandals* none of these registers was maintained.

In reply, all the Tahsildars except Srikakulam stated that action would be taken to maintain all the registers. Tahsildar, Srikakulam stated that these were not readily traceable.

6.4.13 Failure to complete *jamabandi* within prescribed time

As per the instructions issued in BSO 12(5), *jamabandi* is to be completed before the end of *fasli* i.e., 30 June. *Mandal* demand statements must be closed within 15 days after the completion of *fasli*, so as to finalise the settled demand in respect of water tax, road cess and preparation and updation of land records such as Government Land Register (Village Account 1), Register of Changes (Village Account 2) and *Adangal* (Village Account 3).

Audit scrutinized *jamabandi* records for five *fasli* years from 1420 to 1424 of the 40 selected *mandals*.

Out of 200 *jamabandis* due in 40 *mandals* during the last five *fasli* years, only 86 *jamabandis* (43.00 per cent) were completed with delays ranging from one to more than three years. In Anantapuram *mandal*, one *Jamabandi* (0.50 per cent) i.e. *jamabandi* for the *fasli* 1420 was completed in time. In eight cases (4.00 per cent), though *jamabandi* was completed, the dates of completion of *jamabandi* could not be ascertained. In 105 cases (52.50 per cent) *jamabandi* was not completed.

Out of the above 105 cases, *jamabandi* was not completed in four *mandals*¹⁶² (20 cases) for any of the five *fasli* years (1420 to 1424) as detailed in Annexure-IV.

After Audit pointed out the cases, 29 Tahsildars¹⁶³ replied that the matter would be brought to the notice of higher authorities for taking necessary action; seven Tahsildars¹⁶⁴ replied that the matter would be examined; three Tahsildars¹⁶⁵ replied that *jamabandi* for the *faslis* 1420 to 1422 was completed and that for the *faslis* 1423 and 1424 *jamabandi* was under process. Tahsildar, Kakinada Urban replied that the *jamabandi* could not be completed in time due to administrative reasons.

6.4.14 Conclusion

Audit observed that in many offices Provisions of Land Laws relating to maintenance of land records were not complied with. Settlement is guaranteed for a period of 30 years. Even though more than 60 years had elapsed no re-survey was taken up. Early precautionary measures such as scanning/computerisation were not taken up to preserve basic land records. Government lands which do not have proper records were alienated. Discrepancies were observed between computerised and manual records. Lands were incorrectly classified. Government lands were not included in the Government land inventory. Basic land records, registers maintained at *mandal* level and Village Accounts were either not being maintained or maintained improperly. Further, there was undue delay in finalisation of Village Accounts.

The matter was referred to the Government in August 2016; reply has not been received (December 2016).

¹⁶² Chirala, Guntur, Kadapa and Srikakulam.

¹⁶³ Alluru, Bandi Atmakur, Chirala, Chittoor, Guntur, Jangareddygudem, Kadapa, Karamchedu, Kavali, Kurnool, Nandyal, Narasaraopet, Nellore, Nidadavole, Ongole, Pedana, Penamaluru, Pentapadu, Proddatur, Railway Kodur, Rajahmundry Urban, Ramachandrapuram, Rompicherla, Srikalahasti, Tadepalligudem, Tirupati Urban, Vijayawada Urban, Visakhapatnam Rural and Visakhapatnam Urban.

¹⁶⁴ Bobbili, Jiyammavalasa, Nathavaram, Palasa, Santhabommali, Srikakulam and Vizianagaram.

¹⁶⁵ Anantapuram, Bommanahal and Dharmavaram.

6.5 Levy of conversion tax and penalty

As per Section 3(1) of AP Agricultural Land (Conversion for Non-agricultural Purposes) Act, 2006, no agricultural land in the State shall be put to non-agricultural purpose, without the prior permission of the competent authority. Section 4(1) provides that every owner¹⁶⁶ or occupier of agricultural land shall pay conversion tax at the rate of nine *per cent* of the basic value¹⁶⁷ of the land converted for non-agricultural purposes. If any agricultural land has been put to non-agricultural use without obtaining permission, the RDO who, under Section 5, is the competent authority to convert the land use from agricultural use to non-agricultural use, shall impose a penalty of 50 *per cent* of the conversion tax under Section 6(2).

As per Rule 6(i) of AP Agricultural Land (Conversion for Non-agricultural Purposes), Rules, 2006, for the purpose of calculation of conversion tax, the basic value as notified by Government from time to time, for the land as on the date of application shall be taken into account. Further, as per Rule 6(iv), where land is deemed to have been converted for non-agricultural purposes, the date for purpose of calculation of basic value shall be the earliest of (i) the date of detection of conversion by the competent authority, (ii) the date of entry into village accounts or (iii) the date of application by owner/occupier.

6.5.1 Non-levy of conversion tax and penalty on approved layouts due to lack of Coordination between Revenue and Panchayat Raj Departments

As per Rule 6 of AP Gram Panchayat Land Development (Layout and Building) Rules, 2002, Gram Panchayats are the executive authorities to sanction permission for layout proposals. Division Level Panchayat Officers (DLPOs) exercise supervision, control and provide guidance to the Gram Panchayats under their jurisdiction¹⁶⁸.

During the course of audit, layouts approved by the Gram Panchayats coming under DLPOs' jurisdiction were cross verified with the conversion granted in the office of Sub-Collector, Parvathipuram. Audit observed (August 2015) that in 32 cases, layouts were approved by Gram Panchayats and 143.96 acres of land were converted without authorisation from the Sub-Collector. Neither had the individuals / organisations approached the office concerned nor did the Department make any effort to levy conversion tax in these cases. Thus, lack of coordination between the Department of Revenue and Panchayat Raj Department led to non-levy of conversion tax (₹ 43.02 lakh) and penalty (₹ 21.51 lakh) amounting to ₹ 64.53 lakh.

¹⁶⁶ As per Section 2(m) of the Act, 'owner' includes any lessee/local authority to whom lands have been leased out by State Government or the Central Government.

¹⁶⁷ 'Basic value' means the land value entered in the Basic Value Register notified by Government from time to time and maintained by the Sub-Registrar.

¹⁶⁸ G.O.Ms.No.70, PR & RD (Rules) Department, dated 29 February 2000.

After Audit pointed out (August 2015) the cases, Government replied (September 2016) that an amount of ₹ 10.90 lakh had been remitted in four cases and action was being initiated in the remaining cases.

6.5.2 Non-levy / short levy of conversion tax and penalty on mining or quarry leases due to lack of Coordination between Revenue and Industries & Commerce Departments

As per Rules 11 and 12 of the AP Minor Mineral Concession Rules, 1966, (APMMCR) Director, Mines and Geology (DMG) and Deputy Directors (DDs) are empowered to grant mining / quarry leases for minor minerals in the State. As per Rules 10 and 31 of the APMMCR, Assistant Director, Mines and Geology (ADMG) is the administrative authority who monitors the mining / quarrying operations carried out by the leaseholders in the area under his jurisdiction.

Section 2(m) (i) of the AP Agricultural Land (Conversion for Non-agricultural Purposes) Act, 2006 defines “Owner” so as to include any lessee to whom lands have been leased out by the State Government or Central Government. Section 4(1) of the Act provides that every owner or occupier of agricultural land shall pay conversion tax for using the land for non-agricultural purposes. Hence, every land leased for mining/quarrying is to be converted and is liable for levy of conversion tax.

Audit obtained information (September 2015) from ADMG, Eluru on mining/quarry leases that were executed between 1 April 2013 and 31 March 2015. This was cross checked with the permissions issued by RDO, Eluru. Audit observed (September 2015) in the office of RDO, Eluru, that though 11 quarry leases covering an area of 15.43 acres were granted (between April 2013 and March 2015), none of the lessees had applied for conversion of their lands from agricultural use to non-agricultural use; nor did the Department take any action to levy conversion tax/penalty. Thus, lack of coordination between the Department of Revenue and the Department of Industries and Commerce (Mines and Geology) led to non-levy of conversion tax (₹ 11.06 lakh) and penalty (₹ 5.53 lakh) amounting to ₹ 16.59 lakh.

After Audit pointed out (September 2015) the cases, Government replied (September 2016) that the matter would be pursued.

6.5.3 Short levy of conversion tax due to under-valuation

During scrutiny of records in the office of RDO, Srikakulam, Audit observed (June 2015) that an individual had applied (23 April 2013) for conversion of 1.55 acres of agricultural land for non-agricultural purposes and paid conversion tax accordingly. However, RDO had accorded permission for conversion of the land by adopting basic value of ₹ 10 lakh per acre instead of ₹ 77.44 lakh per acre. Thus, due to adoption of land value as ₹ 15.50 lakh instead of ₹ 120.03 lakh, the Department levied tax of ₹ 1.44 lakh against ₹ 10.80 lakh (at nine *per cent*) leviable. This resulted in short levy of conversion tax of ₹ 9.36 lakh.

After Audit pointed out (June 2015) the case, Government replied (September 2016) that an amount of ₹ five lakh had been collected from the applicant and the remaining amount would be collected soon.

6.5.4 Non-levy of penalty on conversion of agricultural land to non-agricultural use without prior permission

During scrutiny of records in the office of RDO, Eluru, Audit observed (September 2015) that the competent authority had issued (April 2013) permission to an applicant for conversion of 1.49 acres of agricultural land to non-agricultural use and collected appropriate conversion tax. However, as per the inspection report (March 2013) of the Tahsildar, the layout had already been approved (2008) by the Panchayat; roads were formed and a few plots were sold to others. As the land was converted from agricultural use to non-agricultural use without prior permission, penalty under Section 6(2) of the Act was to be levied. However, authorities had levied only conversion tax of ₹ 2.15 lakh leaving aside penalty to the tune of ₹ 1.07 lakh.

After Audit pointed out (September 2015) the case, Government replied (September 2016) that the matter would be pursued.