

CHAPTER IV

LAND REVENUE

4.1 Tax Administration

The administration of Land Revenue Department vests with the Principal Secretary, Revenue Department. For the purpose of administration, the State has been divided into six divisions and each division is headed by the Divisional Commissioner who is assisted by District Collectors. There are 36 District Collectors, 121 revenue sub divisions, 358 Tahsils headed by the Tahsildar. The Revenue Inspector and Village Officers (*Talathi*) are responsible at the grass root level for collecting the land revenue and dues recoverable as arrears of land revenue.

4.2 Result of audit

There are 890 auditable units in the Land Revenue Department, out of these, audit selected 95 units for test check wherein 7,784 cases of Non – Agriculture Assessment (NAA), Zilla Parishad cess (ZP), Village Panchayat cess (VP), occupancy price, lease rent, encroachment and permission of extraction of minor minerals were finalized. Out of these, 6,763 cases (approx. 86.88 *per cent*) were selected for test check. During scrutiny, audit noticed short/non levy of NAA, ZP/VP cess, occupancy price, lease rent, unearned income *etc.* of ₹ 197.73 crore in 518 cases (approx. 7.65 *per cent* of sampled cases). These were pointed out to the concerned assessing authorities through 304 audit observations. These cases are illustrative only as these are based on test check of records. Audit pointed out some of the similar omissions in earlier years, not only these irregularities persist but also remain undetected till next audit is conducted. There is a need for the Government to improve the internal control system including strengthening of internal audit so that recurrence of such cases can be avoided. Irregularities noticed broadly fall under the following categories.

(₹ in lakh)			
Sr. No.	Category	No. of observations	Amount
1	Non levy/Short levy of measurement fees, <i>sanad</i> fee, license fee <i>etc.</i>	78	14,240.18
2	Non levy/Short levy of fine, non – auction/Short recovery of surface rent on account of sand ghats, royalty <i>etc.</i>	68	336.86
3	Non levy/Short levy/incorrect levy of Non – Agriculture assessment (NAA), ZP/VP cess and conversion tax	34	875.80
4	Non levy/Short levy of occupancy price, lease rent, unearned income <i>etc.</i>	17	954.13
5	Others	107	3,365.57
Total		304	19,772.54

During the year 2017–18, the Department accepted and recovered underassessment and other deficiencies of ₹ 17.57 crore pertaining to 499 cases, of which three cases involving ₹ 0.33 lakh were pointed out during 2017-18 and the rest during earlier years.

In one case, entire amount of ₹ 91.40 lakh on account of occupancy price was recovered after being pointed out by audit in March 2017.

A few observations involving ₹ 16.59 crore are mentioned in the following paragraphs.

4.3 Short recovery of unearned income

As per Revenue and Forest Department (R&FD) resolution (September 1983) permission to sell agriculture land held as class-II occupant¹ for agriculture purpose shall be granted subject to payment of 50 *per cent* of net unearned income² and 75 *per cent* of unearned income in case of sale of agriculture land for non-agriculture purpose respectively. The R&FD clarified (September 2006) that in case of transfer of class-II land, if the market value so determined is less than the price realised by way of sale, the unearned income shall be determined on the sale price. Further, as per instruction 29 of ASR, if Government land situated in rural area is allotted for non-agriculture purpose, market value shall be determined at 50 *per cent* of non-agriculture rates prescribed in the ASR for that zone.

4.3.1 Scrutiny of records of two offices³ revealed (May & June 2016) that, in three cases of Class-II land held on new tenure, the Divisional Commissioner⁴ had accorded (September 2014 & March 2015) sale permission to land holder for sale of land admeasuring 6.63 hectare to purchasers for agriculture purpose. The Department had recovered unearned income of ₹ 0.28 crore. The details of calculation of unearned income and market value of land were not available on record.

Audit observed (May & June 2016) that in these cases, land was sold (April 2013 & November 2014) by the land holders to the purchasers for agriculture purpose at a consideration of ₹ 1.67 crore. Thus, unearned income of ₹ 0.84 crore (i.e. 50 per cent of ₹ 1.67 crore) was recoverable against ₹ 0.28 crore recovered by the Department. This resulted short levy of unearned income of ₹ 0.56 crore.

On this being pointed out (May & June 2016), the Department intimated (November 2018) recovery of ₹ 11.87 lakh in one case of Solapur district. In other case (Palghar district), the Additional Chief Secretary, Revenue Department, Mantralaya, Mumbai stated (April 2019) that agreement to sale was executed in April 2013 for sale of land for non-agriculture purpose and sale deed was executed in May 2015 for agricultural purpose after obtaining

¹ Class-II Occupants shall consist of persons who hold unalienated land in perpetuity subject to restrictions on the right to transfer.

² Unearned income means the difference between current market value or the price realised by way of sale whichever is higher and the occupancy price paid at the time of allotment plus cost of improvement.

³ Collector, Solapur and Tahsildar, Palghar, District Palghar.

⁴ Pune and Konkan Division.

required permission from Revenue authorities and thus, an amount of ₹ 6.25 lakh and ₹ 6.05 lakh was recovered (April 2015) on account of unearned income in the above cases. The reply of the department is not acceptable as the agreement to sale (April 2013) was for the consideration of ₹ 57 lakh and ₹ 55.20 lakh respectively and do not mention about the agriculture/Non-agriculture purpose. However, the sale-deed was executed (May 2015) for the consideration of ₹ 12 lakh each. The clarification on the reduction of amount of consideration in sale deed was sought (May 2019) from the Additional Chief Secretary, Revenue Department, Mantralaya, Mumbai. Reply thereto was awaited (October 2019).

4.3.2 Scrutiny of records of two offices⁵ revealed (March 2014, July 2016 and September 2016) that, in five cases of Class-II land held on new tenure, the Divisional Commissioner, Pune had accorded⁶ sale permission to land holders for sale of land admeasuring 13.58 hectare for non-agriculture purpose. The Department had recovered⁷ unearned income of ₹ 7.19 crore. The details of calculation of unearned income and market value of land were not available on record.

Audit observed⁸ that in these five cases, the land was sold (April 2007, October 2007, April 2008, September 2012 and June 2016) by the land holder to a purchaser for non-agriculture purpose at the consideration of ₹ 27.85 crore. The unearned income of ₹ 20.88 crore⁹ was recoverable from the land holder. However, the Department recovered ₹ 7.19 crore against the unearned income. This has resulted short levy of unearned income of ₹ 13.69 crore.

The Tahsildar, Pune (City) stated (September 2017) that in one case amount of ₹ 37.97 lakh was recovered (September 2017) and in other two cases notices were issued to the concerned. The dates of issue of notices were not furnished. Further action taken in recovering the amount has also not been received (October 2019).

The above observations were brought to the notice of the Department (between January 2018 and March 2018) and Government (between May 2018 and June 2018); their reply has not been received (October 2019).

4.4 Short levy of occupancy price due to application of incorrect rates

As per Government of Maharashtra (GoM), Revenue & Forest Department (R&FD) resolution (May 2006), while allotting Government land on occupancy or on lease basis, valuation of such land should be determined as per rates prescribed in Annual Statement of Rates (ASR) as on date on which order is passed for allotment of Government land.

⁵ Collector, Pune (two cases) and Tahsildar Pune (three cases).

⁶ May 2007, August 2007, April 2008, June 2012 and December 2015.

⁷ June 2012, January 2016, August 2017, September 2017 and October 2017.

⁸ March 2014, July 2016 and September 2016.

⁹ 75 per cent of ₹ 27.85 crore.

4.4.1 Scrutiny of records in the Office of the Tahsildar, Junnar District, Pune revealed (May 2016) that in three cases¹⁰ the District Collector, Pune (December 2013) had sanctioned and allotted Government land in Taluka Junnar, District Pune to MSEDCL for erecting of electricity substations. The department collected occupancy price of ₹ 25.23 lakh¹¹. The details of calculation of market value/occupancy price for land were not available on record.

Audit observed that the market value of the pieces of the land as per the rates prescribed in ASR 2013 and instructions contained in G.R. (April 2008) was ₹ 63.48 lakh. Accordingly, occupancy price of ₹ 63.48 lakh was recoverable instead of ₹ 25.23 lakh collected by the Department. This resulted in short levy of occupancy price of ₹ 38.25 lakh¹².

After this was pointed out (May 2016) the Tahsildar, Junnar stated (May 2016) that the recovery will be made and reported to audit after due scrutiny of the matter.

4.4.2 Scrutiny of records in Office of the Tahsildar, Baramati, District Pune revealed (January 2018) that the District Collector, Pune sanctioned (December 2013) and allotted Government land admeasuring 6,000 sqm bearing *gat* number 11/1, Zone No. 4.3.1 situated at *mouza* Baramati, Tahsil Baramati, Pune to MSEDCL for erecting of electricity substations by levying occupancy price of ₹ 35.10 lakh. The details of calculation of market value/occupancy price for land were not available on record.

Audit observed that the rate of ₹ 2,950 per sqm was applicable to the above land (*gat* number 11/1, Zone No. 4.3.1) in terms of ASR 2013 and applying this rate and slabs as mentioned in the GR (April 2008) the market value of the land worked out to ₹ 1.59 crore. Thus, occupancy price of ₹ 1.59 crore should have been recovered. The under valuation of the market value of land had resulted in short levy of occupancy price of ₹ 1.24 crore¹³.

In reply Tahsildar, Baramati stated (January 2018) that after due verification of facts, final compliance would be furnished.

The above observations were brought to the notice of the Department (January 2018 and March 2018) and Government (April and June 2018); their reply has not been received (October 2019).

4.5 Short recovery of *nazarana*

As per Government of Maharashtra (GoM), Revenue and Forest Department (R&FD) Circular (July 2002), if the Class-II land is converted into Class-I

¹⁰ (a) land admeasuring 0.80 hectare (*i.e.* 8,000 sqm) bearing *gat* number 735/1 under zone no. 4 situated at *mouza* Khodad (b) land admeasuring 7,190 sqm bearing survey number 1/37 under zone no.1 situated at *mouza* Pimpalwandi and (c) land admeasuring 1.65 hectare (*i.e.* 16,500 sqm) bearing *gat* number 383 under zone no.3 situated at *mouza* Khanapur.

¹¹ ₹ 15.30 lakh + ₹ 5.31 lakh + ₹ 4.62 lakh.

¹² ₹ 8.50 lakh + ₹ 7.16 lakh + ₹ 22.59 lakh.

¹³ (occupancy price to be levied ₹ 1.59 crore) – (occupancy price levied ₹ 35.10 lakh).

land for non-agriculture purpose, then the *nazarana*¹⁴ amount equivalent to 50 per cent of market value of the land should be recovered from the applicant.

Scrutiny of records in office of the Sub-Divisional Officer (SDO), Haveli, Pune revealed (July 2015) that SDO passed an order between August 2013 and January 2014 to grant permission for conversion of class-II land to non-agriculture purpose in 10 cases. The *nazarana* amount of ₹ 2.87 crore was levied and recovered.

Audit observed (July 2015) that the out of total 6,181 sqm land in these 10 cases, SDO had recovered *nazarana* amount on 5,032 sqm of land, by excluding the land demarcated for road and other purpose. The SDO should have recovered the *nazarana* amount on total 6,181 sqm of land permitted for conversion. The market value of total 6,181 sqm of land was worked out to ₹ 7.17 crore on which *nazarana* amount of ₹ 3.59 crore was recoverable. Thus, there was short recovery of *nazarana* amount of ₹ 71.68 lakh¹⁵.

The SDO accepted the facts and stated that notices for recovery have been issued in all these cases and an amount of ₹ 5.68 lakh was recovered (April 2018) in two cases.

The above observation was brought to the notice of the Department (March 2018) and Government (June 2018); their reply has not been received (October 2019).

¹⁴ *Nazarana* is an amount recoverable from the Class-II land holder who wish to transfer Class-II land from agricultural use to non-agricultural use or from one non-agricultural use to another non-agricultural use.

¹⁵ (*Nazarana* leviable - ₹ 3.59 crore) – (*Nazarana* levied - ₹ 2.87 crore).