

Chapter V

Land Revenue

5.1 Tax Administration

Principal Secretary (Revenue) is in-charge of the administration of Revenue Department. The Chief Commissioner of Land Administration (CCLA) is responsible for administration of Revenue Board's Standing Orders (BSO), The Telangana Water Tax Act, 1988, The Telangana Irrigation, Utilisation and Command Area Development Act, 1984, The Telangana Agricultural Land (Conversion for Non-agricultural Purposes) Act, 2006 (NALA) and orders issued there under. At the district level, the Collectors of each of the 33 districts of the State are responsible for administration of land revenue. The organogram of the Department of land administration is given below.

Figure-5.1: Organogram



5.2 Trend of receipts

Actual receipts from Land Revenue during the years 2016-17 to 2020-21 along with the Budget Estimates is given in the following Table.

Table 5.1 Receipts from Land Revenue

(₹ in crore)

Year	Budget Estimates	Actual Receipts	Variation Excess (+) / Shortfall (-)	Percentage of variation
2016-17	93.48	129.54	(+)36.06	38.56
2017-18	152.00	110.93	(-) 41.07	27.02
2018-19	134.38	136.22	(+) 1.84	1.37
2019-20	141.19	201.16	(+) 59.97	42.47
2020-21	181.36	53.22	(-)128.14	70.66

Source: Finance Accounts

As seen from the above, there were wide variations in the annual receipts of Land Revenue and NALA during the period 2016-17 to 2020-21. A sharp decrease of 58.92 per cent has been recorded in the receipts from the year 2016-17 to 2020-21.

5.3 Impact of Audit

During the last five years, we had pointed out 336 cases of non / short levy and realisation of fee, non / short levy of interest with total revenue implication of ₹140.49 crore in 335 unit offices through Inspection Reports. Of this, Department accepted observations valued at ₹117.40 crore in 2017-18.

5.4 Results of Audit

Audit of land revenue receipts was conducted through a test check of relevant records in 54 Revenue Divisional Offices¹ (out of 68) and 47 Tahsildar offices² (out of 585) to gain assurance that the fees are levied, collected and accounted for in accordance with the relevant Acts, Codes and Manuals and that the interests of the Government are safeguarded. Instances of deviations / non-compliance with the provisions of the Acts and Rules in 141 cases involving an amount of ₹10.04 crore, due to various reasons were noticed as detailed in **Table 5.2**.

Table 5.2: Category of Audit observations on Revenue Receipts

(₹ in crore)

Sl. No.	Category of Audit observations	No. of Audit deviations	Amount
1	Short levy of conversion tax and non-levy of penalty	113	1.44
2	Short collection of regularisation amount	21	8.57
3	Other Irregularities	7	0.03
	Total	141	10.04

During the year 2019-21, the Department accepted under-assessments and other deficiencies amounting to ₹8.66 lakh in seven cases (pertaining to previous years) and realised the amount during the year.

There are three broad categories of audit observations as shown in Table 5.2, under Land Revenue. Similar irregularities, errors / omissions may also exist in other units not covered in the test audit. The Department may, therefore, examine all the units to ensure that taxes are levied and collected as per provisions of the Acts and Rules.

Significant cases of non-compliance with the provisions of the Acts / Rules in 71 cases amounting to ₹2.04 crore are detailed in the succeeding paragraphs.

¹47 during 2019-20 and seven during 2020-21.

²Seven during 2019-20 and 40 during 2020-21.

5.5 Short levy of regularisation fee of Government land with dwelling units

With an intent to alienate the unobjectionable Government lands / surplus lands (under the Urban Land Ceiling Act) and provide dwelling units and permanent structures to the occupants, the scheme of regularisation was introduced³ on payment basis. The rates of regularisation fee payable were based on the (i) nature of land and (ii) extent of land in possession by the occupants⁴.

Further, possession of Government land as extension or appurtenant to a dwelling unit on the land already owned or assigned is to be considered for regularisation on payment of full basic value.

During the test check (between December 2020 and February 2021) of land revenue records, we noticed in 32 cases⁵ pertaining to four Tahsildar offices⁶ that regularisation fee was short levied due to incorrect classification of land and incorrect adoption of market value of the land. This resulted in short levy of regularisation fee amounting to ₹99.88 lakh. Tahsildars assured detailed reply.

The matter was referred to the Government in September 2021. Reminders were issued in January 2022 and April 2022; replies have not been received.

5.6 Short levy of Conversion Tax and non-levy of penalty

As per Section 3(1) and 4(1) of the Telangana Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006, Conversion Tax at the rate of three *per cent*⁷ of market value of the land is to be levied if agricultural land is put to use for non-agricultural purposes.

Further, Sections 6(1) and (2) provide that if agricultural land is utilised for non-agricultural purposes without prior permission, it is deemed to have been converted and attracts fine / penalty of 50 *per cent* over and above the Conversion Tax levied.

During the test check (between June 2019 and January 2021) of the land revenue records, we noticed in 34 cases⁸ pertaining to 12 Revenue Divisional Offices⁹ that Conversion Tax

³ G. O. Ms. No. 59 Revenue (Assignment-I) Department, dated 30 December 2014

⁴ Extent	₹ Per Square Yard
Up to 250SqYds	25 <i>per cent</i> of the basic value as on 2 June 2014
Up to 500SqYds	50 <i>per cent</i> of the basic value as on 2 June 2014
Above 500 SqYds	75 <i>per cent</i> of the basic value as on 2 June 2014
Non-residential Possessions	Irrespective of extent, Basic Value as on 2 June 2014

⁵ Incorrect classification of land – 3 cases; incorrect adoption of market value – 29 cases.

⁶ Abdullapurmet, Bandlaguda, Jinnaram and Saidabad.

⁷ As per G.O.Ms.No.4 Revenue (Land Matters) Department dated 5 January 2016, the existing rate of conversion tax was reduced from 9 *per cent* to 3 *per cent*.

⁸ Short levy-24 cases, Penalty- six cases, both short levy and penalty- four cases.

⁹ RDOs –Achampet, Adilabad, Bodhan, Devarakonda, Ibrahimpatnam, Kamareddy, Kandukur, Keesara, Medak, Peddapally, Sangareddy and Warangal (Rural).

was short levied due to adoption of incorrect market value of the land and penalty was not levied on deemed conversion of land. This resulted in short levy of Conversion Tax and non-levy of penalty amounting to ₹79.76 lakh.

Revenue Divisional Officer (RDO) Sangareddy replied (January 2020) that no construction / development activities took place as on date of issue of conversion proceedings and as such the question of penalty levy would not arise. Reply of the RDO is not acceptable as the land was classified as plots as per Pahani¹⁰, even before the date of application submitted by the individual for conversion. Hence, the land was already deemed to have been converted and penalty was leviable in this case.

Three RDOs¹¹ replied (February 2020) that notices would be issued to the concerned for payment of deficit Conversion Tax / Penalty. Remaining RDOs assured detailed reply.

The matter was referred to the Government (August, September 2021). Reminders were issued in January 2022 and April 2022; replies have not been received.

5.7 Short collection of regularisation fee on regularisation of ULC lands

Government introduced¹² a scheme to regularise excess lands which were vested with Government¹³ under Urban Land Ceiling (ULC) Act to the occupants of such lands on payment basis.

The allotment under this Scheme is confined to excess lands in the occupation of parties where such occupation is evidenced by a registered document¹⁴ that is registered prior to the date of this order. The rate of regularisation fee payable¹⁵ is based on the extent of land in possession by the occupants.

During the test check (between January and February 2021) of land revenue records, we noticed in five cases relating to two Tahsildar offices¹⁶ that regularisation fee was short levied due to incorrect adoption of market value and incorrect calculation of extent of the land held by occupants. This resulted in short collection of regularisation fee amounting to ₹24.07 lakh.

¹⁰Pahani is a land related legal document issued by the Tahsildar and it contains details of landowner name, extent of land etc.

¹¹Ibrahimpatnam, Keesara and Peddapalli.

¹²G.O.Ms.No.92 Revenue (ULC) department, dated 26 May 2016.

¹³Section 10(6) of The Urban Land (Ceiling and Regulation) Act, 1976.

¹⁴Para 10(c) of G.O.Ms.No.92 Revenue (ULC) department, dated 26 May 2016.

¹⁵Possession up to 250 sq. yds: 25 per cent of the Basic value of the land as on the date of this order.

Possession up to 500 sq. yds: 50 per cent of the Basic value of the land as on the date of this order.

Possession above 500 sq. yds: 75 per cent of the Basic value of the land as on the date of this order.

For notified slums up to 125 sq.yds: 10 per cent Basic value of the land.

¹⁶Kukatpally and Medipally.

Tahsildar, Medipally replied (February 2021) that the matter would be brought to the notice of the Revenue Divisional Officer. Tahsildar, Kukatpally assured (January 2021) detailed reply.

The matter was referred to the Government in September 2021. Reminders were issued in January 2022 and April 2022; replies have not been received.

Hyderabad
The 22 Aug 2022


(SUDHA RAJAN)
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Countersigned

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The 26 Aug 2022


(GIRISH CHANDRA MURMU)
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