

# Chapter VI

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## Land Revenue

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## 6.1 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 Act) 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 alongside.

**Figure-6.1: Organogram**



## 6.2 Trend of receipts

Actual receipts of Land Revenue during the years 2017-18 to 2021-22 against the Budget Estimates is exhibited in the following Table.

**Table 6.1: Receipts of Land Revenue**

Year	Budget Estimates	Actual Receipts	Variation Excess (+) / Shortfall (-)	(₹ in crore)
				Percentage of variation
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
2021-22	165.03	0.90 <sup>1</sup>	(-)164.13	(-)99.45

*Source: Finance Accounts*

<sup>1</sup> The actual receipts for the year 2021-22 were ₹0.90 crore as per Finance Accounts. However, the Department stated in February 2023 that consequent on introduction (November 2020) of Dharani (An Integrated Land Records Management System) portal, the collections towards NALA were being booked under the Head 0030-02-103-01 (Stamp duty on impression of documents). Details of remittances exclusive towards NALA sought for by Audit were not furnished by the Department.

As seen from the above table, though the percentage of variation decreased from the year 2017-18 to 2018-19, the variation has further increased during 2019-20 to 2021-22 due to huge gap between budget estimates and actual receipts. However, drastic decrease in the actual receipts was noticed during the current year as compared to last year due to the reasons mentioned in foot note on the pre-page.

### 6.3 Impact of Audit

During the last five years, Audit had pointed out cases of non / short levy of regularisation fee and non / short realization of regularisation fee, non / short collection of conversion tax, non / short levy of interest with total revenue implication of ₹138.93 crore in 329 unit offices through Inspection Reports. Of this, Department accepted the observations valued at ₹117.40 crore in 2017-18 and ₹0.09 crore in 2019-21.

### 6.4 Results of Audit

During the year 2021-22, audit of land revenue receipts was conducted through a test check of relevant records in 24 Revenue Divisional Offices (out of 68) and 52 Tahsildar offices (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 94 cases involving an amount of ₹1.97 crore due to various reasons were noticed as detailed in **Table 6.2**.

**Table 6.2: Category of Audit observations on Revenue Receipts**

(₹ in crore)			
Sl. No.	Category of Audit observations	No. of deviations	Amount
1	Non / short collection of conversion fee / penalty	33	0.41
2	Short collection / incorrect exemption of regularisation fee on ULC / Government lands	14	1.04
3	Short / non collection of mutation charges in documents	38	0.47
4	Short levy of duties and fee on GPA, gift and sale deeds	6	0.03
5	Others	3	0.02
	<b>Total</b>	<b>94</b>	<b>1.97</b>

There are five broad categories of audit observations under Land Revenue this year. 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 25 cases<sup>2</sup> amounting to ₹3.42 crore are detailed in the succeeding paragraphs.

## 6.5 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 to provide dwelling units and permanent structures to the occupants, the scheme of regularisation was introduced<sup>3</sup> on payment basis.

The rates of regularisation fee payable were based on the (i) nature of possession (Residential or Non-Residential) and (ii) extent of land in possession by the occupants<sup>4</sup>.

During the test check (between December 2020 and March 2022) of land revenue records, Audit noticed in 16 cases<sup>5</sup> pertaining to five Tahsildar offices<sup>6</sup> that regularisation fee was short levied due to incorrect classification of nature of possession and incorrect adoption of market value of the land.

This resulted in short levy of regularisation fee amounting to ₹3.22 crore. Tahsildars assured detailed reply.

The matter was referred to the Government in December 2022. Reply has not been received.

<sup>2</sup> Out of 25 cases, 16 cases (₹0.74 crore) pertained to the year 2021-22, while nine cases (₹2.68 crore) were prior to 2021-22.

<sup>3</sup> G.O.Ms.No.59 Revenue (Assignment-I) Department, dated 30 December 2014 read with G.O.Ms.No.12, Revenue (Assignment-I) Department, dated 30 January 2015.

<sup>4</sup> Extent	₹ Per Square Yard
Up to 250 SqYds	25 <i>per cent</i> of the basic value as on 02 June 2014
Up to 500 SqYds	50 <i>per cent</i> of the basic value as on 02 June 2014
Above 500 SqYds	75 <i>per cent</i> of the basic value as on 02 June 2014
Non-residential Possessions	Irrespective of extent, Basic Value as on 02 June 2014

<sup>5</sup> Incorrect classification of possession *i.e.*, residential or commercial - eight cases, incorrect adoption of market value – eight cases.

<sup>6</sup> Ameerpet, Golconda, Karimnagar, Nampally and Shaikpet.

## 6.6 Short collection of regularisation fee on regularisation of ULC lands

Government introduced<sup>7</sup> a scheme to regularise excess lands which were vested with Government under Urban Land Ceiling (ULC) Act<sup>8</sup> to the occupants of such lands on payment basis.

The rate of regularisation fee payable<sup>9</sup> is based on the extent of land in possession by the occupants. Regularisation fee shall be paid in three installments<sup>10</sup> and a rebate of five *per cent* is applicable if the entire amount of regularisation fee is paid within three months of notice.

During the test check (September 2021) of land revenue records, Audit noticed in seven cases relating to Tahsildar office, Alwal, that regularisation fee was short levied due to incorrect allowance of rebate and incorrect application of rates for the extent of land held by occupants.

This resulted in short collection of regularisation fee amounting to ₹14.72 lakh. Tahsildars assured detailed reply.

The matter was referred to the Government in December 2022. Reply has not been received.

## 6.7 Non-levy of penalty on deemed conversion of agricultural land

The Telangana Agricultural Land (Conversion for Non-Agricultural Purposes) Act (NALA Act), 2006, provides for conversion of agricultural lands to non-agricultural purposes with the approval of the Competent Authority<sup>11</sup> and on payment of Conversion Tax.

Section 6(1) and (2) of the Act further 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 February 2021 and September 2021) of the land revenue records, Audit noticed that in two cases pertaining to two Tahsildar Offices<sup>12</sup>, penalty was not levied on deemed conversion of land amounting to ₹5.47 lakh.

<sup>7</sup> G.O. Ms.No. 92, Revenue (ULC) Department, dated 26 May 2016.

<sup>8</sup> Section 10(6) of The Urban Land (Ceiling and Regulation) Act, 1976.

<sup>9</sup> Possession up to 250 sq. yds: 25 *per cent* of the Basic value as on 26 May 2016.  
Possession up to 500 sq. yds: 50 *per cent* of the Basic value as on 26 May 2016.  
Possession above 500 sq. yds: 75 *per cent* of the Basic value as on 26 May 2016.  
For Notified Slums up to 125 sq.yds: 10 *per cent* of the Basic Value.

<sup>10</sup> 40 *per cent* in one month, 30 *per cent* in four months and the remaining 30 *per cent* in seven months from the date of issue of demand notice.


<sup>11</sup> Revenue Divisional Officer or any officer notified by the Government in this behalf.

<sup>12</sup> Alwal and Medipally.

Tahsildar, Medipally replied that conversion tax amount was calculated as assessed by Dharani portal. The reply of the Department is not acceptable as only conversion fee was calculated by the portal. The penalty to be levied under NALA Act has to be levied separately.

The matter was referred to the Government in December 2022. Reply has not been received.

**Hyderabad**  
**The 03 May 2024**



**(P. MADHAVI)**  
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**Telangana**

**Countersigned**

**New Delhi**  
**The 06 May 2024**



**(GIRISH CHANDRA MURMU)**  
**Comptroller and Auditor General of India**