

## CHAPTER IV LAND REVENUE

### 4.1 Results of Audit

Test check of records of Land revenue offices conducted during the year 2004-05 revealed non/short levy of revenue amounting to Rs.41.10 crore in 304 cases which broadly fall under the following categories:

(Rupees in crore)			
Sl. No.	Nature of irregularity	No. of cases	Amount
1	Non/short levy of water rate/land revenue	56	5.90
2	Non/short of non agricultural land assessment	11	0.35
3	Non/short levy of road cess	38	0.60
4	Non adjustment of local cess	1	0.40
5	Non recovery of regularisation charges for encroachment	4	0.09
6	Alienation of Government lands, non recovery of market value	6	1.05
7	Recovery of dues under Revenue Recovery Act	13	22.69
8	Non levy of interest on arrears of land revenue	138	9.21
9	Other irregularities	37	0.81
<b>TOTAL</b>		<b>304</b>	<b>41.10</b>

During the year 2004-05, the Department accepted under assessments etc., of Rs.1.25 lakh in three cases pertaining to earlier years. The same was realised during the year.

A few illustrative cases involving Rs.3.93 crore are mentioned in the following paragraphs:

## 4.2 Short levy of water tax

As per the provisions of AP Water Tax Act, 1988, water tax is leviable for each fasli<sup>#</sup> year on all lands receiving water from any Government notified source. For this purpose, all major and medium irrigation projects are to be regarded as category-I while other Government sources which supply water for not less than four months in a year are regarded as category-II. Rates are higher in respect of lands irrigated by category-I source.

During the course of audit of nine<sup>\*</sup> mandal revenue offices (MROs), between May 2004 and February 2005, it was noticed that water tax amounting to Rs.24.67 lakh was levied short during the period from 1 July 1999 to 30 June 2002 i.e., fasli years 1409 to 1411. This was either due to levy of tax on land lesser than irrigated area or application of lower rate i.e., rates applicable to category-II area were applied to category-I irrigated area.

After this was pointed out, MROs Medak and Chatrai replied that the demand would be revised. MRO Chodavaram (Visakhapatnam district) replied in May 2004 that first crop was irrigated on dry lands hence Rs.100 per acre was levied. Reply is not tenable as the rate of tax depends upon the nature of crop and for paddy rate of Rs.200 was to be adopted instead of Rs.100. MROs Polaki and Tsundururu replied that action would be taken to levy water tax. Other MROs replied that the matter would be examined.

The above matter was referred to the Department between August 2004 and April 2005 and Government in June 2005, response was not received (September 2005).

## 4.3 Incorrect grant of remission of water tax

As per provisions of AP Water Tax Act, 1988, water tax is leviable on all types of land receiving water from Government sources. Further, as per integrated village accounts only Government is competent to waive water tax and Collectors are required to obtain orders from Government wherever such cases of waiver arise.

Test check of Jamabandi records of 31<sup>#</sup> MROs conducted between May 2004 and March 2005 revealed that remission of water tax amounting to

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<sup>#</sup> Fasli year means period of 12 months from July to June. Adding 590 to fasli year comes to Christian year

<sup>\*</sup> Chatrai, Chodavaram, Krosur, Machavaram, Medak, Nadendla, Nelakondapalli, Polaki, and Tsundururu

<sup>#</sup> Andole, Bapatla, Bheemunipatnam, Bhimadole, Chilkur, Golugonda, Gundlapally, K. Kotapadu, Kamavarapukota, Korukonda, Kotabommali, Kotanandur, Kotauratla, Munagapaka, Narayanpur, Narsipatnam, Padmanabham, Parvathipuram, Payakaraopet, Rajendranagar, Ramabhadrapuram, Rambilli, Rolugunta, S. Rayavaram (Visakhapatnam District), Seethanagaram, Sankhavaram (East Godavari District), Sompeta (Srikakulam District), Tadepalligudem, Therlam, Undi and Vepada

Rs.3.21 crore was granted during the period 1 July 1999 to 30 June 2003 i.e., for the fasli years 1409 –1412 by the jamabandi officers without sanction of Government.

After this was pointed out, MRO, Chilkur of Nalgonda district stated that remission of water rate was given as per Government orders. Reply is not tenable as Government orders quoted by the MRO relate to remission of land revenue and not water tax. In 19 cases, it was stated that the matter would be examined. In four cases, it was stated that ratification orders of Government would be obtained. In six cases, it was replied that remission was granted as per orders of Collector/jamabandi officers since the villages were under drought or cyclone affected. In one case, it was stated that the jamabandi officer granted remission of water tax as per orders of Chief Commissioner of Land Administration. Replies are not tenable as only Government has the power to grant remission which has to be recorded in village account.

The above matter was referred to the Department between September 2004 and May 2005 and Government in May/June 2005, response was not received (September 2005).

#### **4.4 Non/short levy of road cess in command areas of irrigation projects**

Under Andhra Pradesh Irrigation, Utilisation and Command Area Development Act, 1984, read with notifications issued thereunder, road cess at the rate of Rs.12.35 per hectare per annum is leviable for laying roads and their upkeep in the command areas of Nagarjunasagar, Sriramsagar and Tungabhadra projects. According to a clarification issued in August 1989<sup>φ</sup> by Commissioner of Land Revenue, road cess is leviable on all ayacutdars<sup>•</sup> irrespective of formation of roads and supply of water in their command areas of the above projects.

During the course of audit of 38<sup>&</sup> MROs, it was noticed between December 2003 and March 2005 that road cess amounting to Rs.47.20 lakh was either not levied or levied short during the period 1 July 1999 to 30 June 2003 (fasli years 1409 to 1412).

After this was pointed out, MRO, Ipur replied that levy of road cess was ceased from 1.7.1998 (fasli year 1408) onwards. The reply is not tenable, as there was no time frame limiting levy of road cess. Four MROs replied that

<sup>φ</sup> Z 1486/88 dated 28 August 1989

<sup>•</sup> Ayacutdars are land owners in command areas of irrigation projects

<sup>&</sup> Balakonda, Bandiatmakur, Bapulapadu, Bonakal, Chandarlapadu, Chilakaluripeta, Chimakurthy, Chintakani, Dacheipalli, Dharmaram, Dondapally, G.Kondur, Gurazala, Ipur, Kadapa, Kallur, Karempudi, Kondapuram, Krosuru, Machavaram, Martur, Mylavaram, Nadendla, Narasaraopet, Nelakondpalli, Odela, Peddamudiam, Pullalacheruvu, Simhadripuram, Tallur, Thondur, Thullur, Uyyalawada, Vatsavai, Vemula, Waddepally, Wyra and Yerrupalem

road cess was levied on the extent of land that actually received water and was irrigated and not on entire notified land due to non release of water/the area being drought affected. Reply is not tenable as road cess is leviable, irrespective of supply of water unless specified otherwise by Government. Six MROs replied that the matter would be examined. While two MROs replied that the matter would be brought to the notice of higher authorities and action taken on receipt of orders, other MROs replied that road cess would be levied and collected and intimated to audit. Further reports have not been received.

The above matter was referred to the Department between August 2004 and May 2005 and Government in June 2005, response was not received (September 2005).

#### **4.5 Non realisation of market value of lands alienated**

According to board standing orders (BSO) issued by the erstwhile Board of Revenue, alienation of Government lands to a company, private individual or institution for any public purpose will normally be on collection of its market value/occupancy price and subject to the terms and conditions prescribed in BSO. BSO permits authorities competent to sanction grants of land to hand over possession of land pending formal approval of alienation proposal, in emergency cases. However, no time frame has been prescribed for finalising such proposals.

During the course of audit of three<sup>♦</sup> MROs, it was noticed between May and July 2004 that in five cases relating to a Press Club, Andhra Pradesh State Housing Corporation, Meteorological Department of Government of India, a sports authority and an agricultural market yard, advance possession of Government land measuring 20.47 acres valued at Rs.59.21 lakh was handed over to the institutions/Central Government Department concerned. In one case though alienation of land was finalised in 2003 for land handed over in 1991, action for realisation of market value of land was not taken. In other cases land was handed over between 1998 and 2002. However action for submission of alienation proposals to the Government was not taken. The delay ranged between three and seven years. This resulted in non realisation of revenue of Rs.59.21 lakh.

After this was pointed out, it was stated between May and July 2004 that action would be taken to collect market value.

The above matter was referred to the Department between August 2004 and April 2005 and Government in June 2005, response was not received (September 2005).

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<sup>♦</sup> Damaracharla, Kavali and Vizianagaram

#### **4.6 Non realisation of market value of encroachments**

Government of Andhra Pradesh issued orders in October 1995 to regularise encroachments in the form of dwelling houses on Government lands situated in areas notified as urban in 1991 census and in industrial townships. According to guidelines, district level committees have been empowered to regularise the encroachments falling in their districts on payment of market value fixed by them subject to condition that market value has to be paid either in four instalments within a period of one and half year or in one lumpsum after issue of regularisation orders. If the encroacher does not pay the market value in time, the regularisation shall stand cancelled and encroacher evicted.

During the course of audit of MRO, Medak in November 2004, it was noticed that on the recommendation of district level committee, Joint Collector, Medak, regularised 29 cases of encroachments in April 1999 raising a demand of Rs.6.21 lakh. None of the encroachers have paid the demanded amount. However, neither the regularisation orders were cancelled nor were the encroachers evicted.

After this was pointed out, the MRO replied in May 2005 that an amount of Rs.16,200 was recovered in respect of one beneficiary and in respect of remaining 28 cases involving Rs.6.05 lakh, steps are being taken under RR Act. Reply is not tenable as RR Act can be invoked only in respect of revenue arrears cases whereas the instant cases relate to eviction/regularisation of encroachers.

The above matter was referred to Department in May 2005 and Government in June 2005, response was not received (September 2005).

#### **4.7 Non levy of interest**

Under the provisions of Andhra Pradesh Revenue Recovery (APRR) Act, 1864, public revenue due on land shall bear interest at the rate of *six per cent* per annum. Dues payable under various Acts relating to levy of water tax, drainage cess, drainage maintenance fee and NALA<sup>§</sup> provide that the dues under these Acts be treated as public revenue and attract levy of interest under the APRR Act.

<sup>§</sup> Non agricultural land assessment

During the course of audit of 140<sup>▲</sup> MROs it was noticed between May 2004 and March 2005 that interest amounting to Rs.6.64 crore was not levied on dues recoverable during the period from 1 July 1999 to 30 June 2003 (F 1409 to 1412).

After this was pointed out, MRO, Miryalaguda replied in June 2005 that interest was levied as pointed out by audit and 29<sup>€</sup> MROs stated that in the revised integrated village accounts prescribed there is no provision for levy of interest. The reply is not tenable as interest is leviable under APRR Act. Eleven<sup>©</sup> MROs replied that the matter would be brought to the notice of District Collectors/Chief Commissioner of land administration. Two<sup>•</sup> MROs replied that due to continuous drought, interest could not be collected. The reply is not tenable, as interest is leviable as per Act. MRO, B.N. Kandriga replied that due to drought declared by the Government, land revenue and interest was not collected and proposals for write off would be submitted to Government for waiver. Other MROs replied that the matter would be examined and necessary steps would be taken to levy and collect interest as pointed out by audit.

The above matter was referred to the Department between June 2004 and May 2005 and Government in June 2005, response was not received (September 2005).

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▲ Allavaram, Amudalavalasa, Anumula, Asifnagar, Avanigadda, Ballikurava, Bandiatmakur, Bandlaguda, Bapatla, Bapulapadu, Bellamkonda, Bheemunipatnam, Bhimadole, Bhogapuram, Burgampadu, B.N. Kandriga, Challapalli, Chandarlapadu, Charla, Chatrai, Chebrole, Chilakaluripet, Chilkur, Chintakani, Chirala, Choutuppal, Dacheppally, Damaracharla, Duggirala, Durgi, Eddanapudi, Edlapadu, Etcherla, Gannavaram, Ghanapur, Ghantasala, Gonegandla, Gudur (Kurnool), Gudur (Nellore), Gundlapally, Gurazala, G. Konduru, Hayathnagar, Ibrahimpatnam, Ichapuram, Ipur, Jiyyannavalasa, J. Penguluru, Kadapa, Kadem, Kalidindi, Kalla, Kallur, Kamalapuram, Kamareddy, Kandukur, Kankipadu, Karlapalem, Karampudi, Kirlampudi, Konijerla, Karamchedu, Kollipara, Korukonda, Kotabommali, Kotanandur, Krosur, Kruthivenu, KVB Puram, Machavaram, Maddipadu, Malkajgiri, Mantralayam, Martur, Medak, Miryalaguda, Mogalturu, Movva, Mudinepally, Munagapaka, Muppala, Mylavaram, Nadendla, Nagalapuram, Nandigama, Nandivada, Narasaraopet, Nizamabad, Nuzvid, Owk, Pamur, P. Gannavaram, Palakoderu, Pamidimukkala, Papannapeta, Parchur, Parvathipuram, Payakaraopet, Pedaparupudi, Penuganchiprolu, Pithapuram, Pitlam, Poduru, Polaki, Ponnuru, Qutbullapur, Ramayampet, Rangampet, Ravikamatham, Razole, Rentachintala, Sakhinetipalli, Sarubujjulu, Simhadripuram, Shankarampet, Sompeta, Srikalahasti, Tadepalligudem, Talleruvu, Talluru, Tanuku, Tekkali, Terlam, Thottembedu, Tirupati, Tiruvuru, Tsundur, Undi, Unguturu (Krishna), Unguturu (West Godavari), Vatsavai, Veeravasaram, Vemulapally, Visakhapatnam (U), Vissannapeta, Wyra, Yeleswaram, Yemmiganur, Yerpedu, and Zaheerabad

€ Amudalavalasa, Anumula, Ballikurava, Choutuppal, Durgi, Eddanapudi, Gonegandla, Gundlapally, Kalla, Kotabommali, Krosur, Machavaram, Malkajgiri, Mantralayam, Martur, Nadendla, Pithapuram, Qutbullapur, Pamur, P. Gannavaram, Ramayampet, Rentachintala, Sarubujjulu, Simhadripuram, Tanuku, Terlam, Vemulapally, Yemmiganur and Zaheerabad

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• KVB Puram and Yerpedu