

## CHAPTER III LAND REVENUE

### 3.1 Results of audit

Test check of the records of the land revenue offices conducted during the year 2006-07 revealed non/short levy of revenue amounting to Rs. 13.29 crore in 110 cases which broadly fell under the following categories.

(Rupees in crore)			
Sl. No.	Nature of irregularity	No. of cases	Amount
1.	Non-levy of interest on arrears of land revenue	40	3.35
2.	Incorrect grant of remission of water tax	16	1.43
3.	Non/short levy of NALA	5	1.28
4.	Alienation of Government land - non recovery of market value	4	0.69
5.	Non/short levy of water rate/land revenue	15	0.48
6.	Non/short levy of road cess	13	0.27
7.	Other irregularities	17	5.79
	<b>Total</b>	<b>110</b>	<b>13.29</b>

During the year 2006-07, the department accepted underassessments and other deficiencies totalling Rs. 5.83 lakh in two cases pertaining to the period prior to 2006-07. During the year Rs. 44,000 was realised in three cases.

A few illustrative cases involving Rs. 2.10 crore are mentioned in the following paragraphs.

3.2 Incorrect grant of remission of water tax

The Andhra Pradesh (AP) Water Tax Act, 1988, provides for the levy of water tax on all types of land receiving water from the Government sources. Only the Government is competent to remit water tax and the Collectors are required to obtain orders from the Government before granting any waiver. The remission granted by the Government has to be noted in Account 4-B of the village accounts.

Test check of the *jamabandi*<sup>1</sup> records finalised between 2003-04 and 2005-06 in respect of 15<sup>2</sup> *mandal* revenue offices revealed that the remission of water tax amounting to Rs. 1.38 crore was granted by the *jamabandi* officers<sup>3</sup> for the years 1 July 2000 to 30 June 2004 i.e., *fasli* years<sup>4</sup> 1410-1413, without the sanction of the Government. This resulted in short realisation of Government revenue.

After the cases were pointed out between April 2006 and March 2007, eight<sup>5</sup> *mandal* revenue officers (MRO) accepted the audit observation and stated (April 2006 and March 2007) that action would be taken to obtain orders of the Government for remission of water tax. Five MROs<sup>6</sup> replied that the matter would be examined. MRO, Nellimarla replied that the Government had declared the *mandal* as drought hit and that the Collector of Vizianagaram had published this in the gazette. MRO, Thondangi replied that remission of water tax was allowed by the *jamabandi* officer due to heavy rains. These replies are not tenable as grant of remission of water tax without the approval of the Government was incorrect and resulted in non-realisation of water tax of Rs. 1.38 crore.

The above matter was referred to the department between March and April 2007 and the Government in April 2007; their response has not been received (December 2007).

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<sup>1</sup> *Jamabandi* means finalisation of village accounts and demand

<sup>2</sup> Bobbili, Chapadu, Gajapathinagaram, Kakumanu, Kanchili, Kohir, Mentada, Nandigama, Nellimarla, Pedakakani, Pulivendla, Reddygudem, Santhamaguluru, Shivampet and Thondangi

<sup>3</sup> *Jamabandi* officer is District Collector or any other officer nominated by him not below the rank of revenue divisional officer (RDO)

<sup>4</sup> *Fasli* year means period of 12 months from July to June. Adding 590 to *fasli* year comes to Christian year. i.e., corresponding Christian year for *fasli* year 1410 was from July 2000 to June 2001

<sup>5</sup> Kanchili, Kohir, Mentada, Nandigama, Pedakakani, Pulivendla, Reddygudem and Shivampet

<sup>6</sup> Bobbili, Chapadu, Gajapathinagaram, Kakumanu and Santamaguluru

### 3.3 Blocking of revenue of market value of the land alienated

According to the Board<sup>7</sup> standing orders (BSO), alienation of the Government land 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 the BSO. The BSO permits handing over of the possession of the land pending formal approval of the alienation proposal, in emergency cases. No time frame has, however, been prescribed for finalising such proposals.

During the course of audit of five<sup>8</sup> *mandal* revenue offices between December 2005 and January 2007, it was noticed that in two cases alienation was finalised but the value of land amounting to Rs. 41.05 lakh was not realised. Alienation in respect of other three cases was yet to be finalised resulting in blocking of revenue of Rs. 34.64 lakh as mentioned below:

Name of mandal	Name of the agency	Extent of land alienated	Value of land (Rs. in lakh)	Date of handing over of land
<b>Cases of non-realisation of market value of lands alienated</b>				
Nirmal	Private educational institution	1.08 acre	34.84	Encroachment was since 1988 and alienation was ordered in February 2005
Remarks: The Government issued orders in February 2005 for alienation of land at the rate of Rs. 600 per square yard. No amount has been collected even after two years of the Government orders.				
Srungavarapukota	AP State Road Transport Corporation	7.31 acre	6.21	1990 Finalised in January 2001
Remarks: The alienation was finalised by the Government in January 2001. The reasons for delay in finalisation of alienation even though the land was handed over in 1990 were not furnished. The cost of land alienated was not collected even after five years from the date of finalisation of alienation.				
<b>Cases of blocking of revenue of market value of lands alienated</b>				
Kakinada	AP Eastern Power Distribution Company Limited	1,566 sq.yds.	20.67	October 2004
Remarks: The proposal for alienation was not sent by the MRO. It was stated that the requisition in prescribed form (Form No. 24) was not received from the user agency, which was called for in March 2006.				

<sup>7</sup> Board of Revenue stands abolished w.e.f. 1 February 1977 and replaced by five commissioners. In the application, notification, scheme, form or order, any reference to the board of member shall be deemed to be a reference to the commissioner concerned

<sup>8</sup> Indukurpet, Kakinada, Nirmal, Srungavarapukota and Yerragondapalem

Name of mandal	Name of the agency	Extent of land alienated	Value of land (Rs. in lakh)	Date of handing over of land
<b>Cases of blocking of revenue of market value of lands alienated</b>				
Indukurpet	AP Tourism Development Corporation	7.02 acre	9.13	August 2002
Remarks: The proposals for the alienation of land was sent by the MRO to the Collector through the RDO <sup>9</sup> in September 2006 after a lapse of four years. The alienation proposal is yet to be finalised. The blocking of revenue was Rs. 9.13 lakh.				
Yerragondapalem	Bharat Sanchar Nigam Limited	0.25 acre	4.84	January 2005
Remarks: The MRO had sent alienation proposals to the District Collector in November 2005 but these have not been finalised.				
<b>Total</b>			<b>75.69</b>	

This resulted in blocking of Government revenue of Rs. 75.69 lakh.

The above matter was referred to the department between October 2006 and April 2007 and Government in April 2007; their reply has not been received (December 2007).

### 3.4 Non/short levy of water tax

**3.4.1** According to the provisions of AP Water Tax Act, water tax is leviable for each *fasli* 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 the other Government sources which supply water for not less than four months in a year are regarded as category-II. The rates of water tax are higher in respect of lands irrigated by category-I source. The rate for aquaculture is Rs. 500 and for *duffasal*<sup>10</sup> crop it is Rs. 350 per acre.

During the course of the audit of nine<sup>11</sup> *mandal* revenue offices, between May 2006 and March 2007, it was noticed that during the period from 1 July 2000 to 30 June 2004 i.e., *fasli* years 1410 to 1413, there was non/short levy of water tax of Rs. 22.52 lakh as mentioned below:

(Rupees in lakh)					
Sl. No.	Name of the Mandal	Period	Nature of observation	Amount	Remarks
1	Ananthasagaram, Pamarru, Porumamilla	1 July 2000 to 30 June 2003	Water tax was not levied	2.73	The MROs accepted the audit observation and stated that demands would be raised.

<sup>9</sup> Revenue Divisional Officer

<sup>10</sup> Duffasal crops are those, the cultivation of which lasts during two seasons

<sup>11</sup> Ananthasagaram, Kakumanu, Kajuluru, Mamidikuduru, Palakonda, Pamarru, Porumamilla, Thotapalligudur and Vangara

(Rupees in lakh)

Sl. No.	Name of the Mandal	Period	Nature of observation	Amount	Remarks
2	Thotapalligudur	1 July 2000 to 30 June 2002	Water tax was not levied for second crop	7.61	The MRO accepted the audit observation and stated that demands would be raised.
3	Vangara	1 July 2000 to 30 June 2001	Water tax was levied at Rs. 100 per acre instead of Rs. 200 per acre for lands irrigated with category I source of water	2.18	The MRO accepted the audit observation and stated that demands would be raised.
4	Palakonda	1 July 2000 to 30 June 2003	Water tax was levied on sugar cane, a duffasal crop by adopting rate of Rs. 200 per acre instead of Rs. 350 per acre	4.35	The MRO replied that the matter would be examined
5	Kakumanu, Kajuluru, Mamidikuduru	1 July 2000 to 30 June 2004	Water tax was levied on lesser extent of land than actually irrigated	5.65	The MROs replied that the matter would be examined
<b>Total</b>				<b>22.52</b>	

**3.4.2** The AP Water Tax Act, provides for levy and collection of water tax in respect of all lands receiving water for irrigation purposes from Government sources of irrigation notified by the Collector from time to time for the lands under commandable *ayacut*<sup>12</sup> under his jurisdiction.

Test check of the records of the MRO, Vajrapukotturu conducted in May 2006 revealed that though paddy was irrigated in 4,947.99 acres under a project<sup>13</sup> during 1 July 2000 to 30 June 2001 i.e., *fasli* year 1410, water tax was not levied on the ground that the District Collector, Srikakulam had not notified the source of water. Non-issue of notification by the District Collector resulted in loss of revenue of Rs. 9.90 lakh for the above period. Loss of revenue for the period 1 July 2001 to 30 June 2003 i.e., *fasli* years 1411 and 1412 could not be worked out due to non-furnishing of details of irrigation during the period. *Jamabandi* from July 2003 onwards has not been completed (May 2006).

The above matter was referred to the department between October 2006 and April 2007 and the Government in April 2007; their response had not been received (December 2007).

<sup>12</sup> The area of an irrigation work which is irrigated from the water supplied for such irrigation work

<sup>13</sup> Vamsadhara project

### 3.5 Non/short levy of road cess in command areas of the irrigation projects

Under AP Irrigation, Utilisation and Command Area Development Act, 1984, read with the notifications issued thereunder, road cess at the rate of Rs. 12.35 per hectare per annum is leviable for laying of roads and their upkeep in the command areas of Nagarjunasagar, Sriramsagar and Tungabhadra projects.

According to a clarification issued in August 1989<sup>14</sup> by the Commissioner of Land Revenue, road cess is leviable on all *ayacutdars*<sup>15</sup> irrespective of the formation of roads and supply of water in their command areas relating to the above projects.

During the course of the audit of 12 *mandal* revenue offices<sup>16</sup> between August 2006 and March 2007, it was noticed from the *jamabandi* records finalised between 2003-04 and 2005-06 that road cess amounting to Rs. 26.09 lakh was either not levied or short levied during the period 1 July 2000 to 30 June 2005 i.e., *fasli* years 1410-1414.

After the cases were pointed out, 10 MROs<sup>17</sup> replied that road cess would be levied. The remaining two MROs replied that the matter would be examined.

The above matter was referred to the department in April 2007 and the Government in April 2007; their response has not been received (December 2007).

### 3.6 Non-levy of interest

Under Section 7 of AP Revenue Recovery Act (APRR Act), 1864, arrears of revenue shall bear interest at the rate of six *per cent* per annum. The Government dues of water tax, drainage cess, drainage maintenance fee and NALA<sup>18</sup> not paid within the prescribed date attract interest under the APRR Act.

During the course of the audit of four<sup>19</sup> *mandal* revenue offices between January and February 2007, it was noticed that during the period from 1 July 2000 to 30 June 2004 i.e., *fasli* years 1410 to 1413, arrears of land revenue towards water tax, NALA, drainage cess and drainage maintenance fees amounting to Rs. 76.30 lakh was collected. The dues pertained to the period from *fasli* years 1405 to 1412. Interest of Rs. 7.02 lakh was not levied and collected on these amounts. This resulted in short realisation of the Government revenue.

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<sup>14</sup> Z 2/486/88 dated 28 August 1989

<sup>15</sup> Land owners in the command areas of irrigation projects

<sup>16</sup> Chapad, Dandepally, Garidepally, Kakumanu, Khajipet, Luxettipet, Mancherial, Medikonduru, Mundlamur, Pulivendula, Vinukonda and Yerraguntla

<sup>17</sup> Chapad, Dandepally, Garidepally, Khajipet, Luxettipet, Mancherial, Medikonduru, Mundlamur, Pulivendula and Yerraguntla

<sup>18</sup> Non-agricultural land assessment

<sup>19</sup> Gudlavalleru, Machilipatnam, Pamaru and Vuyyuru

After the cases were pointed out between January and February 2007, all the MROs stated that necessary action would be taken to collect the interest.

The above matter was referred to the department in April 2007 and the Government in April 2007; their response has not been received (December 2007).

### **3.7 Non-assessment of non-agricultural lands**

Under the AP Non-Agricultural Land Assessment (NALA) Act, 1963, all non-agricultural lands in 'local areas' shall be subject to assessment of land at the rates specified in the schedule to the Act. The rates of NALA depend on the population of the 'local areas' as per the latest census and the purpose for which the land is put to use.

During the course of the audit of five<sup>20</sup> *mandal* revenue offices conducted between May 2005 and December 2006, it was noticed that NALA amounting to Rs. 6.28 lakh for the period 1 July 2000 to 30 June 2005 i.e., *fasli* years 1410 to 1414 was not levied on agricultural market yards and private educational institutions running in leased premises. This resulted in non-levy of NALA of Rs. 6.28 lakh.

After the cases were pointed out, the District Collector, Kadapa replied in respect of the MRO, Proddatur that NALA amounting to Rs. 76,000 was levied, out of which Rs. 36,000 has been collected. The other MROs replied that NALA would be levied.

The above matter was referred to the department between August 2005 and March 2007 and the Government in April 2007; their response has not been received (December 2007).

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<sup>20</sup> Palasa, Proddatur, Rajahmundry (Urban), Tirumalgiri and Vijayawada (Urban)