

CHAPTER-III

LAND REVENUE

3.1 Results of Audit

Test check of assessment records in the offices of the Collectors, District Development Officers, Taluka Development Officers, District Inspectors of Land Records and City Survey Superintendents conducted in audit during the year 2004-05 disclosed non/short recovery and loss of revenue amounting to Rs. 578.04 crore in 141 cases. These cases broadly fall under the following categories:

(Rupees in crore)			
Sl. No.	Category	No. of cases	Amount
1	Non/short recovery of occupancy price/premium price	13	9.51
2	Non-raising of demand for non-agricultural assessment, Non/short recovery of NAA, Non/short levy of NAA at revised rate	36	1.70
3	Non-recovery of conversion tax	52	2.13
4	Other irregularities	39	1.43
5	Review: Recovery of dues treated as arrears of land revenue	1	563.27
	Total	141	578.04

During the year 2004-05, the Department recovered under assessment of Rs.61.70 lakh in 49 cases pertaining to earlier years.

A few illustrative cases involving important audit observations and review on **Recovery of dues treated as arrears of land revenue – Revenue Recovery Certificates** involving Rs.101.15 crore, are discussed in the following paragraphs.

3.2 Review: Recovery of dues treated as arrears of land revenue – Revenue Recovery Certificate

Highlights

Improper maintenance of initial records which lead to ineffective monitoring by departmental officers, resulted in omissions in indexing and pursuing 233 RRC cases involving recovery of Rs.338.69 crore including service charges.

[Para 3.2.8]

Negligible recovery in RRC cases reflected adversely on efficiency of revenue recovery machinery.

[Para 3.2.10]

Demand notices in respect of 141 RRCs involving recovery of Rs.99.62 crore including service charges were either not issued or issued late to the defaulters.

[Para 3.2.11]

Warrants of attachment of properties in 46 RRCs involving recovery of Rs.48.15 crore including service charges were not issued.

[Para 3.2.12]

In 33 RRCs involving recovery of Rs.36.26 crore inclusive of service charges, the movable/immovable properties of the defaulters were not attached/auctioned.

[Para 3.2.13]

In 1,890 RRCs service charges of Rs.0.16 crore were not recovered and in 100 RRCs the demand of service charges of Rs.12.11 crore were not included in the demand notices issued.

[Para 3.2.15]

Recommendations

3.2.1 Following recommendations are proposed to improve the system:

- adoption of uniform format of register for watching receipt and disposal of RRCs, maintaining status of pendencies of arrears and prompt recovery thereof;
- submission of periodical returns by each recovery officer to the Revenue Department showing progress of recovery of arrears;
- return of incomplete RRCs immediately to issuing authorities;
- reconciliation of number and amount of RRC cases between taluka level offices and district level offices;
- strict adherence to provisions related to recovery of service charges;
- consider delegation of powers to recover the dues as arrears of land revenue to heads of the respective departments;

The Department accepted majority of the recommendations and corrective action was initiated by issuing circular/instructions.

Introduction

3.2.2 The modes of recovery of arrears of the Government departments/undertakings, corporations, banks etc. are laid down in the relevant Acts of the concerned departments/organisations. However, if recovery cannot be effected

and the dues become irrecoverable under the provisions of the relevant Acts, the officers responsible for administering the Acts are required to send requisitions in the prescribed form, furnishing full details of recovery to be effected as arrears of land revenue to the District Collector (DC) or the District Development Officer (DDO) under whose jurisdiction the property of the defaulter is situated. The DC/Mamlatdar in respect of city areas and the DDO/Taluka Development Officer (TDO) in respect of rural areas, has been delegated with powers for initiating the recovery proceedings by adopting any one or more of the processes like attachment of movable/immovable property, auction of the property and even confinement of the defaulters in jail, if they fail to respond to the demand notices issued to them prescribed under the Bombay Land Revenue Code (BLR Code), 1879, (as applicable to Gujarat State) and the Gujarat Land Revenue Rules (GLR Rules), 1972.

As per instructions issued by the Revenue Department in July 2001, December 2001 and August 2002, Revenue Recovery Certificates (RRCs) initially received in the office of the DC/DDO are required to be registered in the recovery register before being passed on for necessary action to the Mamlatdar/ TDO concerned. The Mamlatdar/TDO, on receipt of these RRCs, are required to enter them in their register of revenue recovery and initiate the recovery proceedings as laid down in the BLR Code through their Village Officers (i.e. Talatis). In cases of arrears of motor vehicle tax, the taxation authorities of motor vehicle Department are required to issue RRC and recover the dues as arrears of land revenue through Mamlatdar deputed for the purpose.

Organisational set-up

3.2.3 The administration of Land Revenue Department vests with the Principal Secretary (Revenue). For the purpose of administration, the State is divided into 25 revenue districts. Each district is further divided into talukas and villages.

The DCs are overall incharge and responsible for the administration of their respective districts. The Mamlatdars and Executive Magistrates are incharge of the administration of their respective talukas and exercise supervision and control on Talatis who are entrusted with the work of collection of land revenue and other receipts including recovery of dues treated as arrears of land revenue. In addition, the Revenue Department has delegated powers to the Panchayat Officers (DDOs and TDOs) for recovery of dues treated as arrears of land revenue to facilitate the revenue administration.

Scope of Audit

3.2.4 Records of nine¹ DCs and nine² DDOs out of 25 each and 86 Mamlatdars and 86 TDOs out of 223 each covering the period from 1999-2000 to 2003-2004 were test checked between May and December 2004. The findings of review are given in succeeding paragraphs.

¹ Collector: Ahmedabad, Gandhinagar, Junagadh, Mehsana, Porbandar, Rajkot, Surat, Vadodara and Valsad

² DDO: Ahmedabad, Gandhinagar, Junagadh, Mehsana, Porbandar, Rajkot, Surat, Vadodara and Valsad

Audit Objectives

3.2.5 The review was conducted with the objective to:

- ascertain the efficiency of revenue recovery machinery with reference to revenue collection;
- review overall status/position of adherence of procedural requirements and
- review the efficacy of internal control.

Audit Criteria

3.2.6 The Revenue Recovery authorities (i.e. Collectors/DDOs/Mamlatdars/TDOs) exercise their powers for recovery of dues as arrears of land revenue as provided in the BLR Code and GLR Rules and various instructions issued by the Revenue Department from time to time which formed the audit criteria for the purpose of this review.

Audit Methodology

3.2.7 Nine districts were selected in such a way that four major revenue earning districts, Ahmedabad, Vadodara, Surat and Rajkot get covered and remaining five (Gandhinagar, Mehsana, Junagadh, Porbandar and Valsad) were selected on the basis of their geographical location so that the entire State gets represented.

Information/details of RRCs issued by the Director of Foreign Trade, Ahmedabad, the National Small Industries Corporation Ltd., Ahmedabad, the Commissioner of Geology and Mining, the Commissioner of Transport and the lead bank (Dena Bank, Ahmedabad) were collected for cross verification with the respective Collectors/DDOs whose records were selected for detailed scrutiny.

Non/improper maintenance of initial records and non-reconciliation of RRC cases between District and Taluka Offices.

3.2.8 The Revenue Department had issued instructions in July 2001, December 2001 and August 2002 about the procedure to be followed for maintenance of registers/records in the offices of the Collector/DDO/Mamlatdar/TDO. According to these instructions, on receipt of the requisition from requisitioning authority, the concerned Collector/DDO shall first get it entered in his/her Revenue Recovery Register before transmitting it to the concerned Mamlatdar/TDO. The Mamlatdar/TDO, in turn, is required to enter immediately the RRC in their Revenue Recovery Register and thereafter initiate proceeding of recovery within 10 days. Each case of recovery shall be scrutinised monthly by a responsible officer and expeditious action taken for recovery of dues. Monthly returns in prescribed form were required to be submitted by the Mamlatdars/TDOs to the Collector/DDO showing the number of cases registered, number of cases finalised and number of cases

pending at the end of the month alongwith amount involved therein. The Collectors/DDOs, in turn, are required to send a consolidated report in prescribed form for the district as a whole, to the Revenue Department. Further, reconciliation of RRC cases between the District level and Taluka level offices are required to be carried out. Action (i.e. recording entry in annual confidential report) is required to be taken against the officers responsible for carelessness in work of recovery of arrears.

Test check of records of nine Collectors/DDOs and their respective Mamlatdar/TDO offices revealed the following:

- the Revenue Recovery Registers were not maintained in 21³ offices and where these were maintained, the same were not in uniform format. Due to non/improper maintenance of registers, the progress made in recovery of dues and pendency thereof could not be verified by the recovery officers.
- twenty three RRCs involving Rs.1.16 crore issued by the various requisitioning authorities to Collector, Mehsana and DDO, Mehsana between 1999 and 2003 were not registered and hence were not sent to the concerned Mamlatdars/TDOs for taking further action.
- 210 RRCs involving Rs.321.40 crore sent by four⁴ Collectors and two⁵ DDOs to 21⁶ Mamlatdars and two⁷ TDOs between April 1999 and March 2004 were not traceable in the offices of the Mamlatdars and TDOs.

As a result, an amount of Rs.322.56 crore remained un-recovered for a period ranging from six to 63 months and consequent non-realisation of Government revenue of Rs.16.13 crore being service charges leviable at the rate of five *per-cent* of the amount of dues.

- monthly reports showing registration/disposal/pendency of RRC cases were either not submitted at all or was not at regular intervals in case of district and taluka level offices test checked.
- reconciliation of RRC cases shown in the registers of district and taluka level offices have not been carried out at any point of time. Detailed scrutiny of cases referred to taluka offices revealed the following:

³ Collector: Ahmedabad and Gandhinagar

Mamlatdar: Choryasi

DDO: Gandhinagar and Valsad

TDO: Bardoli, Choryasi, Gandhinagar, Kalol(Mehsana), Kamrej, Mahuva(Surat), Mandvi, Mangrol(Surat), Nizar, Olpad, Palsana, Songadh(Surat), Uchhal, Umarpada, Valod and Vyara.

⁴ Collector: Junagadh, Mehsana, Rajkot and Surat

⁵ DDO: Ahmedabad and Vadodara

⁶ Mamlatdar: Choryasi, Gondal, Jasdani, Jam-Kandorna, Jetpur, Junagadh, Keshod, Kodinar, Kotdasanghani, Lodbhika, Maliahatina, Mehsana, Rajkot, Surat, Talala, Tankara, Upleta, Vanthali, Veraval, Visavadar and Wankaner

⁷ TDO: Ahmedabad and Vadodara

(Rupees in lakh)

Name of Collector/ DDO	Demand as per Collector/ DDO register/ returns	Name of Mamlatdar/ TDO	Demand as per Mamlatdar/ TDO/ register/ returns	Difference*
	No. of cases (Amount)		No. of cases (Amount)	No. of cases (Amount)
Collector, Rajkot	Nil(Nil)	Addl. Mamlatdar, Rajkot City	<u>1</u> 81.92	1(81.92)
-do-	8(359.08)	Mamlatdar, Dhoraji	<u>3</u> 5.07	5(354.01)
DDO, Vadodara	NA(24,769.96)	TDO, Vadodara	<u>NA</u> 55.33	NA(24,714.63)
-do-	NA(2.40)	TDO, Padra	<u>NA</u> 0.72	NA(1.68)
-do-	NA(28.02)	TDO, Waghodia	<u>NA</u> 8.20	NA(19.82)
Collector, Vadodara	616(7,910.26)	Mamlatdar, Vadodara City	<u>1118</u> 2,168.04	502(5,742.22)
Collector, Valsad	25(11.82)	Mamlatdar, Dharampur	<u>24</u> 0.99	1(10.83)
Collector, Valsad	116(46.75)	Mamlatdar, Pardi	<u>36</u> 2.92	80(43.83)
-do-	433(78.68)	Mamlatdar, Valsad	<u>26</u> 9.91	407(68.77)
-do-	3(0.58)	Mamlatdar, Umargam	<u>Nil</u> Nil	3(0.58)

As reconciliation was either not carried out at all or at regular intervals, the difference between the cases referred by the district level offices to the taluka level office could not come to the notice of the higher authorities.

After this was pointed out in audit, the Department has prescribed in February 2005 uniform format for maintenance of registers and also issued instructions for monthly reconciliation of RRC cases between district and taluka offices. Further, while accepting the objection, eight⁸ Recovery Officers stated that

* The information has been compiled in respect of offices where there was difference in two set of figures.

⁸ Collector: Gandhinagar, Junagadh, Mehsana and Surat
DDO: Ahmedabad, Gandhinagar, Mehsana and Vadodara

they would either trace out the RRCs or collect the copy of RRCs to initiate recovery proceedings.

Position of arrears

3.2.9 As per details available with the offices selected for detailed scrutiny, 29,549 cases involving amount of Rs.466.67 crore recoverable as arrears of land revenue were pending as on 31 March 2004. Year wise position of recoverable demand, cases returned without recovery, recovery made and balance during last five years ending 31 March was as under:

(Rupees in lakh)

Year	Opening Balance	Fresh Demand	Total demand	RRC returned	Amount collected	Input/output ratio during the year	Closing Balance	Percentage of recovery
	<u>No.of cases</u> Amount	<u>No.of cases</u> Amount	<u>No.of cases</u> Amount	<u>No.of cases</u> Amount	<u>No.of cases</u> Amount	<u>No.of cases</u> Amount	<u>No.of cases</u> Amount	(6) to (4)
1	2	3	4	5	6	7	8	9
99-00	<u>15,047</u> 70.37	<u>3,573</u> 33.61	<u>18,620</u> 103.98	<u>166</u> 4.03	<u>1,067</u> 2.73	<u>3:1</u> 12:1	<u>17,387</u> 97.22	2.63
00-01	<u>17,387</u> 97.22	<u>5,413</u> 253.12	<u>22,800</u> 350.34	<u>378</u> 9.29	<u>1,041</u> 3.58	<u>5:1</u> 71:1	<u>21,381</u> 337.47	1.02
01-02	<u>21,381</u> 337.47	<u>4,336</u> 42.43	<u>25,717</u> 379.90	<u>391</u> 7.40	<u>785</u> 4.34	<u>6:1</u> 10:1	<u>24,541</u> 368.16	1.14
02-03	<u>24,541</u> 368.16	<u>3,608</u> 75.88	<u>28,149</u> 444.04	<u>563</u> 8.43	<u>960</u> 5.64	<u>4:1</u> 13:1	<u>26,626</u> 429.97	1.27
03-04	<u>26,626</u> 429.97	<u>4,286</u> 95.98	<u>30,912</u> 525.95	<u>559</u> 52.03	<u>804</u> 7.25	<u>5:1</u> 13:1	<u>29,549</u> 466.67	1.38

Percentage of recoveries during five years ending March 2004 ranged between 1.02 and 2.63 *per cent*. 21,216 cases involving Rs.501.02 crore were received whereas 4,657 cases involving amount of Rs.23.54 crore were disposed of during the period 1999-2000 to 2003-04. The inflow and outflow ratio varied between 3:1 and 6:1 in respect of number of RRC cases and 10:1 and 71:1 in respect of recovery of amount during these years. Thus, the number of cases pending for disposal had increased steadily. The Department did not initiate any steps to arrest this trend. The Revenue Department did not fix any norms for disposal of certificate cases by each officer leading to huge accumulation of pending cases. Age wise pendency of arrears treated as arrears of land revenue was not available with the Department or the field offices.

Efficiency of Revenue Recovery Machinery

3.2.10 In order to assess the efficiency of revenue recovery machinery in terms of timely initiation of action and consequent recovery, a sample of 3,123 cases out of total pending RRC cases as on 31 March 2004 was randomly drawn involving an amount of Rs.352 crore. The sample was taken from

offices selected for detailed scrutiny. The table below shows the position existing in these offices:

(Rupees in lakh)

Sl. No.	Offices DDO DC	Selected cases DDO DC	Amount involved DDO DC	Recovery in cases (per cent) DDO DC	Amount recovered (per cent) DDO DC	No. of notices issued (per cent) DDO DC
1	2	3	4	5	6	7
1	Surat	139 37	405.18 271.85	3(2.16) 1(2.70)	0.45(0.11) 0.23(0.08)	104(74.82) 15(40.54)
2	Vadodara	133 63	25,115.14 1,862.17	Nil(0) 14(22.22)	Nil(0) 9.93(0.53)	43(32.33) 54(85.71)
3	Gandhinagar	28 35	61.26 196.52	Nil(0) Nil(0)	Nil(0) Nil(0)	Nil(0) 33(94.29)
4	Junagadh	210 126	139.37 215.69	Nil(0) 33(26.19)	Nil(0) 18.43(8.54)	207(98.57) 124(98.41)
5	Mehsana	12 26	87.61 47.67	Nil(0) 6(23.08)	Nil(0) 1.95(4.09)	3(25.00) 21(80.77)
6	Porbandar	51 1,335	27.72 1,536.84	Nil(0) Nil(0)	Nil(0) 55.00(3.58)	2(3.92) Nil(0)
7	Valsad	91 30	81.64 11.28	Nil(0) 5(16.67)	Nil(0) 1.52(13.50)	28(30.77) 8(26.67)
8	Ahmedabad	29 70	300.87 3,173.66	Nil(0) Nil(0)	Nil(0) Nil(0)	24(82.76) 64(91.43)
9	Rajkot	586 122	87.46 1,577.82	Nil(0) 19(15.57)	Nil(0) 8.56(0.54)	499(85.15) 116(95.08)
	Total	3,123	35,199.75	81(2.59)	96.07(0.27)	1,345(43.06)

Out of 3,123 cases selected (outstanding as on 31 March 2004), action for recovery under the BLR code was initiated in 1,345 cases which was 43 per cent on an average and ranged from nil to 98.57 per cent for individual offices. The Collector, Porbandar and the DDO, Gandhinagar had not initiated any action whereas maximum number of cases acted upon was by the DDO, Junagadh. The proportion of cases in which part or full recovery was made ranged from nil to 26.19 per cent. However, recovery was made in only 81 cases (2.59 per cent) out of a total of 3,123 cases. The proportion of amount recovered to total amount involved varied from nil to 13.50 per cent, the maximum by Collector, Valsad. In 10⁹ out of 18 offices test checked, no recovery was made at all though amount of Rs.292.71 crore was recoverable in 1,245 cases selected.

⁹ DDO: Ahmedabad, Gandhinagar, Junagadh, Mehsana, Porbandar, Rajkot, Vadodara and Valsad.
Collector: Ahmedabad and Gandhinagar.

Non-issue/delay in issue of demand notices

3.2.11 As per Section 152 of the BLR Code, and Rule 118 of the GLR Rules, the revenue recovery authorities are required to issue a demand notice immediately on or after the day following that on which the arrear accrues.

- In case of offices of five¹⁰ Mamlatdars and 14¹¹ TDOs, demand notices in 137 cases registered between April 1999 and January 2004 involving recovery of Rs.81.84 crore were not issued. Non-issue of demand notices even after a lapse of nine to 66 months resulted in non-recovery of outstanding dues of Rs.81.84 crore apart from non-realisation of service charges of Rs.4.09 crore.
- In the office of the Mamlatdar, Vadodara demand notices in four cases registered between December 2003 and January 2004 were issued with delay ranging from four to five months. This resulted in delay in initiating recovery proceeding of Rs.13.04 crore and service charge of Rs.0.65 crore.

Non-issue of warrant of attachment

3.2.12 As per Sections 154 and 155 of the BLR Code, if the defaulter fails to deposit the dues within the stipulated time limit specified in the demand notice, a warrant is to be issued to attach his movable/immovable property.

In offices of eight¹² Mamlatdars and two¹³ TDOs, though demand notices were served upon the defaulters in 46 cases involving recovery of Rs.45.86 crore between December 1999 and January 2004, warrants of attachment of property were not issued even after lapse of nine to 55 months.

Non-initiation of steps as per codal provisions resulted in non-recovery of dues and resultant non-realisation of service charges of Rs.2.29 crore.

Non-attachment of property

3.2.13 After serving warrant of attachment upon the defaulter, the Mamlatdar/TDO is required to take action for attachment of property of the defaulter. Further, action for sale of attached property through public auction is to be taken after the expiry of 30 days from the date on which notice was served/affixed.

- In offices of three¹⁴ Mamlatdars, warrant of attachment in 31 cases involving recovery of Rs.32.69 crore were served between July 1999 and October 2003 to the defaulters. No further action was taken to attach the property and hold auction proceedings as per provisions of

¹⁰ Mamlatdar: Ahmedabad, Gandhinagar, Mehsana, Unjha and Vadodara

¹¹ T.D.O.: Bardoli, Choryasi, Kutiana, Mahuva(Surat), Mandvi, Mangrol(Surat), Olpad, Palsana, Ranavav, Songhad(Surat), Umarpada, Vadodara, Valod and Vyara.

¹² Mamlatdar : Ahmedabad, Choryasi, Dhoraji, Gandhinagar, Mehsana, Rajkot, Ranavav and Vadodara.

¹³ T.D.O.: Ranavav and Vadodara

¹⁴ Mamlatdar : Ahmedabad, Rajkot and Vadodara

the BLR Code. This resulted in non recovery of dues of Rs.32.69 crore and resultant non-realisation of service charges of Rs.1.63 crore.

- In the office of the Mamlatdar, Ahmedabad city, two RRCs were incorrectly sent between April 1999 and July 2000 to the talatis for making entries in village records for creation of charge on the immovable properties of the defaulters instead of taking action for attachment of such properties as per provisions of the BLR code. Non-observation of codal provisions for attachment of properties resulted in non-recovery of outstanding dues of Rs.1.85 crore and non-realisation of service charges of Rs.0.09 crore.

After this was pointed out, all Recovery Officers accepted the objection. However, four¹⁵ officers stated that non-issue or delay in issue of demand notices was due to engagement of staff on election duties and similar other urgent official engagements or shortage of staff. However it was assured that necessary action would be taken for issue of notices of demand/warrant of attachment/attachment of properties. The Government stated in February 2005 that Prant Officers have been appointed as nodal officers to look after the progress of recovery of RRC cases.

Return of revenue recovery certificates

3.2.14 In cases where the dues cannot be realised due to:

- incorrect/incomplete address of the defaulters;
- non-existence of the firm/company;
- whereabouts of the defaulters not known or
- there were no properties in the name of defaulters,

the Department instructed in December 2001 all revenue recovery officers to consult the senior officials of the Police Department to proceed further in the case.

During test check of records of Collector, Rajkot and two¹⁶ Mamlatdars, it was noticed that 8 RRCs involving Rs. 7.40 crore issued between 1999-2000 and 2003-04 by the DCs for recovery of arrears were returned between January 2002 and October 2003 to the requisitioning authorities or to the respective DCs without consulting the Police Department on the ground that the amount of arrears could not be realised due to one or more of the reasons narrated above. This was in violation of the instructions.

Non-realisation of service charges

3.2.15 Under the provisions of the GLR Rules, and notification dated 13 May 1983 issued by the Revenue Department, service charges at the rate of five *per cent* of the arrears due from the defaulters shall be included in the demand notices.

¹⁵ Collector: Ahmedabad, Rajkot and Vadodara
DDO: Vadodara

¹⁶ Mamlatdar : Ahmedabad and Vadodara

During scrutiny of records of offices of Collector and DDO Gandhinagar, 13¹⁷ Mamlatdars and 11¹⁸ TDOs, it was noticed that service charges of Rs.0.16 crore being five *per cent* of arrears of Rs.3.24 crore recovered in 1,890 cases between April 1999 and February 2004 were not demanded and recovered from the parties. Further, in offices of eight¹⁹ Mamlatdars and six²⁰ TDOs, the service charges of Rs.12.11 crore recoverable on amount of dues of Rs.242.15 crore in 100 cases were not included in the demand notices issued between April 1999 and February 2004 to the defaulters in contravention of the provisions of the GLR Rules.

After this was pointed out, all recovery officers accepted the objection and agreed to issue demand notices for recovery of service charges in these cases. Further progress has not been received (June 2005).

Recovery of arrears of motor vehicle tax

3.2.16 As provided in the Bombay Motor Vehicles Tax Act, 1958, if motor vehicle tax is not paid by the defaulter within 15 days from the date of issue of the demand notice, taxation authority is required to issue RRC to recover tax as arrears of land revenue through Mamlatdars deputed to Motor Vehicles Department. Under the provisions, recovery Mamlatdars can take action to recover the dues by distraint and sale of movable and immovable property of defaulters or by arresting and sending the defaulters to prison.

During test check of records of the Commissioner of Transport, it was observed that an amount of Rs.26.93 crore of arrears of motor vehicle tax as on 31 March 2004 required to be recovered by the Mamlatdars as arrears of land revenue remained unrecovered and the Mamlatdars did not take action prescribed under the Act except for issuing routine demand notices.

Arrears of motor vehicle tax pending recovery in the State during last five years as at the end of March 2004 were as under:

(Rupees in crore)

Year	Opening Balance	Addition during the year	Total	Amount recovered	Closing Balance	Percentage of recovery Col 4 to 3
	1	2	3	4	5	6
1999-00	<u>12.65</u> (32506)	<u>12.98</u> (1151)	<u>25.63</u> (33657)	<u>1.42</u> (1212)	<u>24.21</u> (32445)	5.54
2000-01	<u>24.21</u> (32445)	<u>2.11</u> (712)	<u>26.32</u> (33157)	<u>3.21</u> (1619)	<u>23.11</u> (31538)	12.19
2001-02	<u>23.11</u> (31538)	<u>4.93</u> (882)	<u>28.04</u> (32420)	<u>3.71</u> (1746)	<u>24.33</u> (30674)	13.23

¹⁷ Mamlatdar : Dharampur, Gandhinagar, Junagadh, Keshod, Kodinar, Manavadar, Mangrol, Pardi, Rajkot, Ranavav, Vadodara, Valsad and Vanthli

¹⁸ TDO : Kamrej, Mahuva(Surat), Mandvi, Mangrol(Surat), Nizar, Olpad, Palsana, Songadh(Surat), Uchhal, Vadodara and Valod

¹⁹ Mamlatdar : Gondal, Jasdan, Mehsana, Rajkot, Unjha, Vadnagar, Vadodara and Visnagar

²⁰ TDO : Kadi, Kheralu, Mehsana, Vadnagar, Vadodara and Vijapur

2002-03	<u>24.33</u> (30674)	<u>5.34</u> (2113)	<u>29.67</u> (32787)	<u>5.02</u> (3625)	<u>24.65</u> (29162)	16.92
2003-04	<u>24.65</u> (29162)	<u>7.73</u> (2429)	<u>32.38</u> (31591)	<u>5.45</u> (2636)	<u>26.93</u> (28955)	16.83

Number of cases shown in brackets.

It would be seen from the above that though recovery of arrears ranged between 5.54 and 16.92 *per cent* between 1999-2000 and 2003-04, pendency of arrears increased by 213 *per cent* from Rs.12.65 crore to Rs.26.93 crore during the same period. Non-recovery of motor vehicle tax of Rs.26.93 crore resulted in non-realisation of service charges of Rs.1.35 crore.

Acknowledgement

3.2.17 We are thankful to the Department and various field offices for co-operation extended by them at various stages. Audit findings were discussed with the Pr.Secretary (Revenue) who while accepting them in principle issued a circular incorporating all the audit recommendations. In the field offices where details of pending RRC cases were not readily available, they produced the same before finalisation of the review.

The Department and the field offices accepted the existing position. They were quite forthcoming in taking corrective measures to improve the extant position. Vide their circular dated 25 February 2005, the Government has not only incorporated all the audit suggestions but also added a few additional points to streamline the system:

- to ensure whether the requisitioning authority has explored all courses of action to recover outstanding dues before forwarding the RRC to the Revenue Department;
- Prant Officer was nominated as the nodal agency to monitor the recovery proceedings.

In addition, the Department is contemplating mooted a proposal by which powers will be delegated to the Recovery Agents of the Nationalised Banks for recovery in respect of RRCs pending with them. Simultaneously they are deliberating the possibility of amending the provisions of the BLR code and inserting the provisions for recovery of outstanding dues by way of "attachment of properties" instead of by way of "Revenue Recovery Certificates".

3.3 Non/short levy of conversion tax

Under the BLR Code as applicable to Gujarat, conversion tax is leviable on change in mode of use of the land from agricultural to non-agricultural purposes or from one non-agricultural purpose to another in respect of land situated in a city, town or village. Different rates of conversion tax are prescribed for residential/charitable and industrial/other purposes, depending upon the population of the city/town/notified area/ village. By an amendment notification, the rates of conversion tax were revised with effect from 1 April

2003. The conversion tax shall be paid in advance by a challan in the Government Treasury.

During test check of the records of Mamlatdar {Non-Agriculture (NA)}, Vadodara, four[§] Collectors, five* DDOs, two[#] Prant Officers and 36[@] TDOs, it was noticed between December 2003 and November 2004 that in 337 cases relating to the period 1999-2000 to 2003-04, conversion tax for change in mode of use, though leviable, was either not levied or levied at incorrect rate on 46.17 lakh sq.m. as of land. Failure on the part of the departmental officials to follow the codal provisions resulted in non/short levy of conversion tax amounting to Rs.2.07 crore.

The above facts were brought to the notice of the Department between January and December 2004 and of the Government in January 2005. The Government accepted audit observations in June 2005 and recovered an amount of Rs.1.17 crore in 130 cases. Particulars of recovery in remaining cases have not been received (June 2005).

3.4 Non recovery of occupancy price

Under the BLR Code and the GLR Rules, unoccupied land may be allotted on certain terms and conditions as may be specified in the permission order. The terms and conditions *inter-alia* provide that possession of land could be given only on payment of cost of land. Thus the Collector is required to recover the price of the land before granting permission to occupy the land.

During test check of records of Collector (LR), Rajkot, it was noticed in March 2004 that land measuring 25,406 sq.mtrs. was allotted and possession handed over to Gujarat Telecom Circle between May 2000 and November 2002 without recovering the occupancy price of Rs.42.07 lakh from the above Department.

The above facts were brought to the notice of the Department in June 2004 and of the Government in January 2005. The Government replied (June 2005) that the BSNL[⊕] requires about 1000 sq.mtrs. only at each place and wants to give back the land in excess of their requirement to the Government. Final decision in the matter is awaited (June 2005). Action of the Collector to hand over possession of land without recovering the occupancy price was in contravention of the provisions of the Act.

3.5 Loss of revenue due to correction of records of rights without registration of documents

Under the BLR Code, the Talati of a village is authorised to correct the village records changing the ownership of the property on receipt of intimation in

[§] Anand, Bharuch, Dahod and Palanpur.

*Dahod, Godhra, Jamnagar, Navsari and Palanpur.

Dholka and Viramgam.

@ Anjar, Bagasara, Bardoli, Bavla, Bharuch, Bhachau, Bhavnagar, Bhesan, Bhuj, Botad, Dhrangadhra, Gadhada, Gandhidham, Godhra, Idar, Kamrej, Keshod, Kodinar, Limbdi, Mahuva(Bhavnagar), Mahuva(Surat), Mehmedabad, Muli, Mundra, Nadiad, Navsari, Palanpur, Pavijetpur, Sanand, Savarkundla, Sihor, Talaja, Upleta, Valia, Valsad and Viramgam.

⊕ Bharat Sanchar Nigam Limited

writing from any person within three months of acquiring a property. Section 17 of the Indian Registration Act, 1908, provides that registration of every document of sale, mortgage, lease or exchange of the property of the value of Rs.100 or more is compulsory. Further, the Bombay Stamp (BS) Act, 1958, empowers every person in charge of a public office to impound any instrument, produced before him in the performance of his functions, if it appears that such instrument is not duly stamped.

During test check of the records of Mamlatdar (City), Surat, two* Collectors, two# DDOs, five& Prant Officers and 19@ TDOs, it was noticed between December 2003 and April 2004 that entries regarding rights of properties, valued at Rs.20.05 crore in 123 cases, were carried out by the Talaties between 1999-2000 and 2003-04 in the village records of rights. Such entries of transfers/charges were made in favour of persons, financial institutions, banks etc., on the basis of intimations received from them though these intimations were not supported by valid registered documents. In 57 other cases, the concerned Collectors/DDOs/TDOs/Prant Officers while according permission for non agricultural purposes did not impound the unregistered/unstamped irrevocable powers of attorney of properties in their favour produced by the parties before them. Non-inclusion of corresponding provision in the Code making the production of registered documents compulsory for carrying out corrections in the village records and failure on the part of the departmental officials to exercise the powers conferred upon them under the BS Act, resulted in loss of revenue in the form of stamp duty and registration fees amounting to Rs.1.23 crore.

The above facts were brought to the notice of the Department between January and December 2004 and of the Government in January 2005. The Department replied that the Inspector General of Registration has instructed all Collectors, DDOs, Prant Officers and TDOs to send a copy of unregistered documents to the respective Deputy Collectors (VOP) for further action. Moreover, they have issued instructions in June 2005 not to make/approve such entries unless documents produced in support are not properly stamped and registered.

3.6 Non/short recovery of non-agricultural assessment

Under the BLR Code and the Rules made there under, land revenue is payable at the prescribed rates on all lands unless specifically exempted from payment. For determining the rates of non-agricultural assessment (NAA), cities, towns and villages have been divided into five classes from "A" to "E" according to their population. Different rates depending on use of land are prescribed for each class of city/town/village. Peripheral areas falling within five kilometers of class "A" city and one kilometer of class "B" and "C" town/village are classified along with respective cities and towns. Certain industrial and adjoining areas which are notified by the Government are also classified as class "B" areas irrespective of the population of the concerned areas. By a

* Surendranagar and Valsad.

Surendranagar and Valsad.

& Chhotaudepur, Dabhoi, Dholka, Vadodara and Viramgam.

@ Ahmedabad (City), Ankleshwar, Anand, Amirgarh, Bharuch, Bardoli, Borsad, Dharampur, Gandhidham, Khedbrahma, Limbdi, Mehmedabad, Navsari, Olpad, Pardi, Palanpur, Sankheda, Una and Valsad.

notification, the rates were revised with effect from 1 August 2003 classifying the villages in three categories. All payments of land revenue shall be made to the officers of the village in which such revenue is due and noted in the prescribed forms/registers. The Code provides for issue of demand notice, distraint and sale of defaulter's movable/immovable property etc., by Village Officer for non payment of land revenue.

During test check of the records of Mamlatdar, Bhuj and six[&] TDOs, it was noticed between December 2003 and October 2004 that in 106 cases, on land measuring 2.12 crore sq.mtrs. used for non-agricultural purposes during the period between 2000-01 and 2003-04 by housing societies, semi-Government bodies, industrial units, individuals *etc.*, NAA was either not levied or was levied at incorrect rates. Failure to initiate action as per the codal provisions resulted in non/short recovery of NAA of Rs.74.72 lakh as detailed below:

(Rupees in lakh)

Sl. No.	Name of the Taluka/ place No.of cases	Period	Area of land (sq.mtr in lakh)	Amount		Nature of irregularity
				Recov-erable/ Recov-ered	Not/ short recov-ered	
1	Valsad, Shihor, Mundra and Bhuj 33	Between 2000-01 and 2002-03	188.88	<u>48.12</u> 1.13	46.99	NAA was not/short levied on land used for industrial, commercial, residential and for development of Port.
2	Bhavnagar and Vadodara 66	2003-04	21.93	<u>26.11</u> 0.68	25.43	NAA was levied at pre-revised rates on land used for various non-agricultural purposes.
3	Choryasi (Surat) 07	2003-04	1.15	<u>2.44</u> 0.14	2.30	Though NAA was leviable at higher rate on land falling under periphery of Surat Urban Development Authority, it was levied at lower rate.
	Total 106		211.96	<u>76.67</u> 1.95	74.72	

The above facts were brought to the notice of the Department between January and December 2004 and of the Government in January 2005. The Government accepted audit observations in all cases and recovered an amount of Rs.49.06 lakh in 40 cases. Particulars of recovery in remaining cases have not been received (June 2005).

[&] Bhavnagar, Choryasi, Mundra, Sihor, Vadodara and Valsad