

CHAPTER-III : LAND REVENUE

3.1 Results of audit

Test check of the assessment records in the offices of Collectors, District Development Officers, Taluka Development Officers, District Inspector of Land Records and City Survey Superintendents conducted during 2007-08 disclosed underassessment amount of Rs. 41.34 crore in 144 cases which fall under the following categories:

(Rupees in crore)

Sl. No.	Category	No. of cases	Amount
1.	Non/short recovery of occupancy/ premium price	19	20.10
2.	Non/short recovery of conversion tax	43	18.85
3.	Non/short recovery of NAA, non-raising of NAA demand	12	1.35
4.	Other irregularities	70	1.04
Total		144	41.34

During the year 2007-08, the department accepted underassessment of Rs. 28.17 lakh in 63 cases and recovered Rs. 12.84 lakh in 14 cases.

A few illustrative cases involving Rs. 6.91 crore are mentioned in the following paragraphs:

3.2 Non/short levy of conversion tax

The Bombay Land Revenue Code, 1879 (BLR Code), as applicable to Gujarat and Rules made thereunder provide to levy conversion tax at prescribed rates for conversion of use of land from agricultural to non-agricultural purpose or from one non-agricultural purpose to another. Different rates of conversion tax are prescribed for residential/charitable and other purposes. The conversion tax shall be paid in advance by a challan in Government treasury.

During test check of the records of four Collectors¹, five district development offices² and five taluka development offices³, it was noticed between October 2006 and December 2007 that in 310 cases for change in mode of land use relating to the period 2002-03 to 2006-07, though conversion tax was leviable, the departmental officials had either not levied or levied it at incorrect rate on 95.92 lakh sq. mtrs. of land. This resulted in non/short levy of conversion tax amounting to Rs. 5.77 crore.

After the cases were pointed out between October 2006 and December 2007, the department accepted the audit observations involving Rs. 11.33 lakh in 28 cases and recovered Rs. 2.37 lakh in four cases. A report on recovery and reply in the remaining cases has not been received (November 2008).

The matter was reported to the Government in May 2008; their reply has not been received (November 2008).

3.3 Non/short levy of premium price

The Government decided in July 1983 and September 1984 to permit land holders holding the land under new and restricted tenure to convert their land into old tenure and to sell/transfer the same subject to payment of premium computed on the difference between the estimated sale price of the land and the occupancy prices recovered at the time of allotment of the land. This was further subject to payment of difference on actual sale price. The premium is recoverable at 70/50 *per cent* of the difference, if the land is held for more than 20 years and is permitted to be sold for non-agricultural or agricultural purpose respectively.

During test check of the records of three Collectors,⁴ three *prant* offices⁵ and district development office, Patan it was noticed between April and November 2007 that in 11 cases, land measuring 6.21 lakh sq. mtrs. held under new and restricted tenure was allowed to be sold/transferred but the departmental officials did not recover premium at the prescribed rate in five cases and recovered at incorrect rates in remaining six cases. This resulted in non/short recovery of premium of Rs. 86.49 lakh.

After the cases were pointed out between April and November 2007, the department accepted the audit observations involving Rs. 7.80 lakh in three cases and recovered Rs. 5.95 lakh in one case. A report on recovery and reply in the remaining cases has not been received (November 2008).

¹ Bhuj, Junagadh, Kheda and Surat

² Ahmedabad, Bhavnagar, Bhuj, Gandhinagar and Rajkot

³ Hansot, Paddhari, Rapar, Savali and Vanthali

⁴ Anand, Dahod and Godhara

⁵ Anand, Anjar and Bhuj

The matter was reported to the Government in May 2008; their reply has not been received (November 2008).

3.4 Non/short levy of non-agricultural assessment

The BLR Code and the Rules made thereunder provide to levy non-agricultural assessment (NAA) on land used for non-agricultural purposes at the rates prescribed by the Government. The rates of NAA were revised from August 2003 under two categories of use i. e. residential/charitable and others. The charitable purpose was explained as use of land to run dispensary without profit motive, *gaushala*, *panjrapole* and *ashram* for old age persons.

During test check of the records of three Collectors⁶, district development office, Bhavnagar and prant office, Anjar, it was noticed (between December 2006 and November 2007) that in 32 cases, on land measuring 92.36 lakh sq. mtrs. used for non-agricultural purposes during the periods between 1982-83 and 2006-07, though NAA was leviable, the departmental officials had either not levied or levied it at incorrect rates. This resulted in non/short levy of NAA of Rs. 19.33 lakh.

After the cases were pointed out between December 2006 and November 2007, the department accepted audit observation involving Rs. 2.33 lakh in 14 cases and recovered Rs. 9,000 in one case. A report on recovery and reply in the remaining cases has not been received (November 2008).

The matter was reported to the Government in May 2008; their reply has not been received (November 2008).

3.5 Non/short levy of penalty

The BLR Code and the Rules made thereunder provide that agricultural land cannot be used for non-agricultural purposes without the prior permission of the Collector. In case of unauthorised non-agricultural use, a fine not exceeding 40 times the amount of NAA is leviable. In August 1980, the Government had prescribed the amount of fine to be levied for different types of unauthorised use of land.

During test check of the records of the Collector, Surat, three district development offices⁷ and taluka development office, Jodia, it was noticed between February 2007 and November 2007 that in 17 cases, relating to the periods 2001-02 to 2005-06, though penalty for unauthorised use of land measuring three lakh sq. mtrs., used for residential colonies, petrol pump, saw mill, cement pipe factory, etc. at the prescribed rate was leviable, the departmental officials either did not levy it or levied short than the rates prescribed by the Government. This resulted in non/short levy of penalty of Rs. 8.42 lakh.

After the cases were pointed out between February and November 2007, the department accepted audit observations involving Rs. 2.28 lakh in 10 cases. A report on recovery and reply in the remaining cases has not been received (November 2008).

⁶ Bhuj, Junagadh and Surat

⁷ Bhuj, Patan and Rajkot

The matter was reported to the Government in May 2008; their reply has not been received (November 2008).