

CHAPTER IV : LAND REVENUE

4.1 Results of audit

Test check of the records in the land revenue offices conducted during the year 2006-07 disclosed under assessments of revenue amounting to Rs.8.68 crore in 53 cases, under the following broad categories:

(Rupees in crore)			
Sl. No.	Category	No. of cases	Amount
1	Non/short levy of conversion fine	04	0.06
2	Other irregularities	49	8.62
	Total	53	8.68

During the year 2006-07, the department accepted under assessments of Rs.92.39 lakh involved in 44 cases and recovered Rs.22.71 lakh in 27 cases which were pointed out in audit in earlier years.

A few illustrative cases involving Rs.1.08 crore are mentioned in the following paragraph.

4.2 Non-levy of compounding fine

Under the Karnataka Land Revenue Act (KLR Act) 1964, if any land assessed or held for the purpose of agriculture is to be diverted or used for any other purpose, permission of the Deputy Commissioner (DC) is required. The DC may refuse or grant permission for such diversion subject to payment of a conversion fine and subject to such conditions as he may think fit. In case of unauthorised diversion, the DC may, summarily evict the occupant. Further, under the Act, the DC may, subject to prescribed terms and conditions, compound such diversion or use, on payment of the prescribed amount (compounding fine). Agricultural land, when used for quarrying would require permission for conversion of land as quarrying is treated as a non-agricultural activity.

Under the Karnataka Minor Mineral Concession Rules (KMMC Rules) 1994, no person shall remove any mineral without obtaining a quarrying lease from the Department of Mines and Geology.

In Gulbarga district, Department of Mines and Geology issued quarrying leases for building stone in 16 cases in 23 acres of patta land between August 2001 and October 2004 without verifying the status of conversion of the land. Verification conducted in audit in September 2006 with the revenue records of the Tahsildar, Gulbarga revealed that the quarrying leases issued by Department of Mines and Geology were related to agricultural land and permission for conversion for non-agricultural purposes had not been obtained from the DC. In these cases of diversion for non-agricultural purposes without obtaining permission from the DC, the leviable compounding fine of Rs.1.08 crore was not levied.

After the cases were pointed out in September 2006, Government contended in September 2007 that the KMMC Rules provide for quarrying in patta lands without conversion for non-agricultural purposes and quoted a judicial pronouncement²⁹ wherein it was held that quarrying on one's own land need not require conversion for non-agricultural use as the quarry cannot be treated as an agricultural land because nothing can be grown on the quarry. The reply is not tenable since the Hon'ble High Court of Karnataka while disposing of writ petitions³⁰ subsequently in November 2005, has opined that the requirement is that if the land is held for agricultural use or assessed for agricultural purpose, compliance with sub-section (2) of Section 95 of the KLR Act is a must and an activity in the nature of quarrying granite or mining activity is undoubtedly a diversion from an agricultural activity. The KMMC Rules do not provide for permitting quarrying in patta lands without the land being converted for non-agricultural purposes.

²⁹ Shakeel Pasha vs Sivasailam and others 1987(2) KLJ 219

³⁰ W. P. No.4750/2005 – Hon'ble High Court of Karnataka judgement dated 7 November 2005 Chikkusappa vs State of Karnataka and others