

## CHAPTER-IV: Land Revenue and Electricity Duty

### 4.1 Results of Audit

Test check of land revenue records conducted during the year 2005-06 revealed underassessments and loss of revenue etc. amounting to Rs.112.35 crore in 3,913 cases which broadly fall under the following categories:

(Rupees in crore)			
Sl. No.	Category	Number of cases	Amount
<b>A. Land Revenue</b>			
1.	Non regularisation of cases of trespassers on Government land	2,075	1.86
2.	Non recovery of conversion charges from <i>khatedars</i>	232	0.53
3.	Non recovery of premium and rent from Central/State Government departments/undertakings	832	28.50
4.	Non recovery of price of command/uncommand/custodian ceiling land etc.	200	35.70
5.	Other irregularities	572	18.87
6.	Allotment, conversion and regularisation of agricultural land for non agricultural purpose	1	16.16
<b>B. Electricity Duty</b>			
7.	Non levy of electricity duty under compounding scheme	1	10.73
<b>Total</b>		<b>3,913</b>	<b>112.35</b>

During the year 2005-06, the department accepted underassessments etc. of Rs.6.21 crore in 483 cases of which 67 cases involving Rs.1.36 crore had been pointed out during 2005-06 and rest in earlier years. Further, the department recovered Rs.1.24 crore in 445 cases during the year 2005-06, of which 12 cases involving Rs.1.63 lakh related to the year 2005-06 and the rest to earlier years.

Important audit findings on non levy of electricity duty under compounding scheme and a few illustrative cases on land revenue involving Rs.40.71 crore are given in following paragraphs:

## A. Land Revenue

### 4.2 Allotment, conversion and regularisation of agricultural land for non agricultural purpose

By introduction of Section 90-B in June 1999 in the Land Revenue Act, 1956 (LR Act), urban local bodies were authorised to realise conversion and regularisation charges from concerned allottees. The Urban Development and Local Self Department of the State Government prescribed from time to time rates for regularisation and conversion of agricultural land for non agricultural purposes. Besides, in pursuance of Government instructions issued in August 2001, entire regularisation charges so received alongwith subsequent additions thereto were to be credited initially to the interest bearing personal deposit (PD) account of local bodies. Out of the said deposit, 40 *per cent* thereto was to be remitted to Government account immediately on realisation and balance 60 *per cent* to be utilised by the local bodies for development of the area under its jurisdiction.

The implementation of the scheme covering the period between 1999-2000 and 2004-2005 was test checked in audit during the period from September 2005 to March 2006 in the offices of the Jaipur Development Authority (JDA) and nine<sup>1</sup> urban improvement trusts (UITs). The following irregularities were noticed:

**4.2.1** Audit scrutiny of relevant records<sup>2</sup> and information furnished by JDA and nine UITs revealed that regularisation charges of Rs.283.12 crore were realised by them from the allottees at prescribed rates during 1999-2005 of which Rs.113.25 crore (40 *per cent* of Rs.283.12 crore) was required to be remitted into Government account. However, only Rs.103.36 crore was remitted to Government account resulting in short remittance of Rs.9.89 crore. It was further observed that out of the amount short credited to Government account, Rs.1.50 crore realised by JDA from 44 allottees was irregularly credited to its own income instead of Government account.

After this was pointed out, JDA and UIT Sriganganagar stated (October 2005 and March 2006 respectively) that amount of short remittance as pointed out by audit was under examination and results thereto would be intimated. Further, UIT Bhilwara remitted Rs.28.12 lakh into government account in December 2005.

**4.2.2** In pursuance of departmental circular issued in September 1999, interest at the rate of 15 *per cent* was leviable for belated payment of regularisation charges.

Test check of records revealed that an amount of Rs.9.83 crore on account of interest realised on belated payment of regularisation charges was recovered

<sup>1</sup> Ajmer, Alwar, Bharatpur, Bhilwara, Bikaner, Jodhpur, Kota, Sriganganagar and Udaipur.

<sup>2</sup> Cash books, receipt book, revenue collection register, cash challans, remitting amount into Government account, lease deed files etc.

by JDA during 2000-01 to 2004-05 but Government share of Rs.3.93 crore therefrom was not deposited in Government account.

In addition, it was noticed that interest of Rs.9.71 crore had also been realised on regularisation charges as well as other deposits and deposited in PD and bank accounts of JDA/UITs. Out of this, the details of interest which related to regularisation charges alone was not available on record. This needs to be looked into to ascertain the proportionate share thereto required for credit to Government account. Report on action taken by UITs has not been received (July 2006).

After this was pointed out in March 2006 the UIT, Udaipur transferred Government share of 40 *per cent* interest of Rs.20.34 lakh that was deposited in PD account.

**4.2.3** Test check of records of two<sup>3</sup> UITs & JDA revealed that Rs.14.96 crore on account of transfer fee of agricultural land as well as other property was lying in PD account of local bodies. Breakup of the amount relating to transfer fee of agricultural land was neither available in record nor furnished. Proportionate share of Government revenue thus remain unrealised.

After this was pointed out, JDA stated in October 2005 that action is being taken to bifurcate the transfer fee for further necessary action.

**4.2.4** In pursuance of instructions contained in circular issued in May 2000 read with order (October 2002), regularisation charges equivalent to 25 *per cent* of reserve price of the area of Government land and additional charges comprising area wise zone rate alongwith Rs.30 per square yard of acquired agricultural land were recoverable from allottees.

Test check of records revealed that an amount of Rs.2.50 crore was recoverable from 645 allottees in five units<sup>4</sup> on account of regularisation charges as indicated above. As against the said charges, only Rs.1.02 crore was recovered from the said allottees. The omission, thus, resulted in loss of Rs.59.20 lakh of Government share comprising 40 *per cent* of short recovery of regularisation charges of Rs.1.48 crore made from the allottees.

**4.2.5** In pursuance of circulars issued in December 1999 and September 2000, regularisation charges of agricultural land were to be recovered as per prescribed zone rates of the area. It was, however, noticed that in 274 cases in JDA and UITs<sup>5</sup> regularisation charges of Rs.1.65 crore were recovered as against Rs.5.53 crore due to application of incorrect rates which resulted in short recovery of Rs.3.88 crore. The omission led to a loss of Rs.1.55 crore in terms of Government share.

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<sup>3</sup> UIT Jodhpur and Bharatpur.

<sup>4</sup> UIT Alwar (41), Jodhpur (261), Kota (182), Sriganganagar (5) and Udaipur (156).

<sup>5</sup> JDA (1), Ajmer (1), Alwar (2), Bharatpur (18), Bhilwara (60), Bikaner (83), Jodhpur (7), Kota (6), Sriganganagar (9) and Udaipur (87).

### **4.3 Short recovery of cost of land**

In pursuance of Government instructions issued (March 1987), cost of Government land allotted to Central Government departments and organisations for the purpose of commercial use in urban area or its periphery, was chargeable at commercial rates approved by concerned district level committee (DLC).

In Girva tehsil (Udaipur) it was noticed in September 2005 that Government land measuring 4.71 hectare in urban area of Udaipur was allotted between May and July 2000 to Railways for changing the gauge. The land was allotted at prevailing agricultural land rate which worked out to Rs.37 lakh instead of commercial rate (Rs.14.19 crore). The omission resulted in short recovery of Rs.13.82 crore.

The omission was pointed out in October 2005 to the department and reported to Government in February 2006; their replies have not been received (July 2006).

## **B: Electricity Duty**

### **4.4 Non levy of electricity duty under compounding scheme**

Under the Rajasthan Electricity (Duty) Act, 1962, electricity duty (ED) shall be levied for and paid to the State Government on energy consumed by a consumer at such rate as may be fixed by the State Government from time to time. In case of non metered supply of electricity ED is payable at the rate of five *per cent* of the flat rate fixed by the department. Further, to avoid prolonged litigation, a compounding scheme was introduced for settlement of cases of theft of energy and malicious interference with the metering equipment. Under the scheme, the consumer can settle the case after payment of a fixed amount depending upon the category of connection.

During scrutiny of records of three<sup>6</sup> vidhyut vitran nigams it was noticed in March/April 2006 that cases of electricity theft/dishonest abstraction of energy

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<sup>6</sup> Ajmer, Jaipur and Jodhpur

were settled on lumpsum basis for Rs.225.32 crore between 2001-02 to 2004-05 under the compounding scheme as detailed below:

(Rs.in crore)

Sl. No.	Year	Amount of settlement by the vidhyut vitran nigams			
		Ajmer	Jaipur	Jodhpur	Total
1.	2000-01	9.75	16.78	7.94	34.47
2.	2001-02	19.21	23.73	12.91	55.85
3.	2002-03	19.47	16.01	15.18	50.66
4.	2003-04	18.19	17.15	10.65	45.99
5.	2004-05	15.35	14.12	8.88	38.35
Total		81.97	87.79	55.56	225.32

The amount recovered towards the settlement was inclusive of ED at the rate of five *per cent*. Accordingly, the amount of ED worked out to Rs.10.73 crore. The *nigams* had not remitted the amount of ED recovered on this account to Government. Assessing authority failed to demand ED on settlement amount. This resulted in non recovery of ED of Rs.10.73 crore.

The matter was brought to the notice of *nigam*/Commercial Taxes Department and reported to Government in April 2006; their replies have not been received (July 2006).