

**CHAPTER 4**  
**LAND REVENUE**

**4.1 Results of Audit**

Test check of records of departmental offices conducted during the period from April 2000 to March 2001 revealed non/short levy of local cess and local cess surcharge, non levy of water cess and betterment contribution, non levy of penalty and interest, short recovery of rental value in respect of government lands assigned, alienated or encroached, other items etc. amounting to Rs.1261.47 lakh in 181 cases which broadly fall under the following categories.

**(Rupees in lakh)**

<b>Sl. No.</b>	<b>Categories</b>	<b>No. of cases</b>	<b>Amount</b>
1	Non/Short levy of local cess and local cess surcharge	10	25.88
2	Non levy of water cess and betterment contribution	3	2.39
3	Non levy of penalty and interest	6	8.27
4	Short recovery of rental value in respect of government lands assigned, alienated or encroached	24	169.93
5	Other items	138	1055.00
<b>Total</b>		<b>181</b>	<b>1261.47</b>

During the course of the year 2000-2001, the concerned department accepted and recovered under-assessments of Rs.14.35 lakh in 24 cases. The status of recovery in other cases is still awaited.

An illustrative case involving a financial effect of Rs.1.34 crore is mentioned below:

#### **4.2 Loss of revenue due to non resumption and non leasing afresh of Government lands on violation of conditions**

In terms of Revenue Standing Order 24, Government lands may be placed at the disposal of a person, an institution or a local body. If any conditions imposed by the Government in respect of such grant are violated, the Government may resume such lands without any compensation. When Government lands are leased out for commercial purpose, the lease rent shall be fixed, at 14 per cent of the market value upto 3 June 1998 and at 2 per cent thereafter. In addition the local cess and surcharge on local cess shall be collected at the rates prescribed from time to time.

It was noticed (March 1996) in the Office of the District Collector, Tiruchirappalli, that an extent of 797.46 acres of land were allotted (between 1962 and 1965) for setting up Regional Engineering College (REC), Trichy. Out of this an extent of 1.44 acres of Government lands was leased out by the REC to two commercial Organisations Viz., M/s.Cholan Roadways Corporation (77 cents for 99 years) and Tamil Nadu Electricity Board (67 cents for 50 years), from January 1983 and October 1990 respectively, without the prior approval of the Government. It was also noticed that these commercial organisations do not have any connection with the educational activities of the REC.

The Commissioner, Land Administration, while replying to an audit query also observed (August 2000) that the action of the college amounted to violation of conditions. The failure of the department to resume the land and lease it afresh to these organisations had resulted in loss of revenue by way of lease rent, local cess and local cess surcharge amounting to Rs.1.34 crore for the period from which the lands were leased out by the REC. The case was reported (May/August 2000) to department; their reply has not been received (July 2001).

The matter was reported (May/June 2001) to the Government and followed up with reminder (September 2001). However in spite of such efforts no reply was received (October 2001).