

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

**4.1 Results of Audit**

Test check of records of departmental offices conducted during the period from April 2001 to March 2002 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 rent in respect of government lands assigned, alienated or encroached, other items etc., amounting to Rs.14.77 crore in 165 cases which broadly fall under the following categories.

| Sl. No. | Categories   | No. of cases | Amount (Rs. in crore) |
|---------|--|--------------|-----------------------|
| 1       | Non/Short levy of local cess and local cess surcharge  | 3            | 0.10                  |
| 2       | Non levy of water cess and betterment contribution   | 6            | 0.26                  |
| 3       | Non levy of penalty and interest   | 10           | 0.21                  |
| 4       | Short recovery of valued rent in respect of government lands assigned, alienated or encroached | 112          | 7.70                  |
| 5       | Other items  | 34           | 6.50                  |
|         | <b>Total</b>   | <b>165</b>   | <b>14.77</b>          |

During the course of the year 2001-2002, the concerned department accepted and recovered under-assessments of Rs.9.30 lakh in 39 cases, out of which Rs.0.60 lakh involving one case was pointed out in 2001-02 and the rest in earlier years.

A few illustrative cases involving a financial effect of Rs.33.65 lakh are mentioned below:

## **4.2 Omission to levy local cess and local cess surcharge on lease amount**

Under the provisions of Tamil Nadu Panchayat Act, 1958, local cess and local cess surcharge are leviable on lease amount at the rates prescribed from time to time.

(i) In Taluk Office, Musiri, 2.58 acres of Government land was leased out to M/s. Tamil Nadu State Transport Corporation Limited (erstwhile Dheeran Chinnamalai Transport Corporation Limited) from April 1989 to December 1993 on monthly lease rent of Rs.4930 as fixed by the Government in April 1998. Even though the entire lease amount of Rs.2.78 lakh was collected in August 1998, local cess and local cess surcharge aggregating to Rs.10.82 lakh was not levied.

On this being pointed out (February 2000) the department stated that demand had been raised (May 2002) against the lessee. Report on recovery is still awaited (September 2002).

The case was reported to the Government (June 2002) and followed up with reminder (September 2002). However, in spite of such efforts, no reply was received (September 2002).

(ii) Similarly, in the office of Tahsildar (LR), Thiruvaiyaru, it was noticed that in respect of 109 lease cases for the fasli years 1407 & 1408, (from 1 July 1997 to 30 June 1999) though lease rent of Rs.1.49 lakh was raised, local cess and local cess surcharge on lease rent though leviable was omitted to be levied. This had resulted in non-levy of local cess and local cess surcharge amounting to Rs.8.92 lakh.

On this being pointed out (February 2001) the Tahsildar, Thiruvaiyaru replied (January 2002) that levy of local cess and local cess surcharge on surplus lands is not in practice. The reply is not acceptable as local cess and local cess surcharge are leviable at prescribed rates on lease rent as per the Act.

The case was again reported to the department (May 2002) and the Government (June 2002) and followed up with reminder (September 2002). However, in spite of such efforts, no reply was received (September 2002).

### **4.3 Short collection due to incorrect waiver of revenue**

Government by an order (June 1998) had waived the land revenue, local cess and local cess surcharge pertaining to fasli 1407 (1 July 1997 to 30 June 1998) and also ordered to adjust against future dues, the land revenue, if any, already collected from the ryots.

However, it was noticed (February/March 2000) in two taluks (Gobichetti-palayam and Kalkulam) that along with the land revenue payable by ryots, other revenues such as track rent, penalty for encroachments, unauthorised drawal of water etc., were also waived. Thus incorrect waiver resulted in short collection of revenue amounting to Rs.13.91 lakh.

On this omission being pointed out (April/May 2000) the department accepted (March/April 2002) the audit observation in respect of Kalkulam Taluk and stated that an amount of Rs.1.37 lakh (Kalkulam) has been collected. Report on recovery of the balance amount and reply in respect of other Taluk has not been received (September 2002).

The matter was reported to the Government (March 2002); and followed up with reminder (September 2002). However, in spite of such efforts, no reply was received (September 2002).