

CHAPTER-IV: LAND REVENUE

4.1 Introduction

4.1.1 Tax administration

The administration of Land Revenue Department vests with the Principal Secretary, Revenue Department. For the purpose of administration, the State has been divided into six divisions and each division is headed by the Divisional Commissioner who is assisted by district Collectors. There are 35 district Collectors, 110 revenue sub divisions, 370 talukas headed by the Tahsildar. The Revenue Inspector and village officers (talathi) are responsible at the grass root level for collecting the land revenue and dues recoverable as arrears of land revenue.

4.1.2 Trend of receipts

Actual receipts from Land Revenue and Registration Fee etc., during the years 2005-06 to 2009-10 alongwith the total tax receipts during the same period is exhibited in the following table:

(Rupees in crore)

Year	Budget estimates	Actual receipts	Variation excess (+)/ shortfall (-)	Percentage of variation	Total tax receipts of the State	Percentage of actual receipts vis-à-vis total tax receipts
2005-06	424.07	428.97	(+) 4.90	(+) 1.16	33,540.24	1.28
2006-07	940.00	484.17	(-) 455.83	(-) 48.49	40,099.24	1.20
2007-08	690.00	512.22	(-) 177.78	(-) 25.77	47,528.41	1.08
2008-09	700.00	546.22	(-) 153.78	(-) 21.97	52,029.94	1.05
2009-10	770.00	714.04	(-) 55.96	(-) 7.27	59,106.33	1.21

As may be seen from the above table, the revenue collection under Land Revenue increased by 66.45 per cent in 2009-10 as compared to 2005-06.

4.1.3 Impact of Audit Reports

Revenue impact

During the last five years, 2004-05 to 2008-09, we had pointed out cases of underassessments/non/short levy/loss of revenue of land revenue, etc., interest

and other irregularities with revenue implication of ₹ 751 crore in 40,280 cases. Of these, the Department had accepted audit observations in 40,222 cases involving ₹ 255.89 crore and had recovered ₹ 3.63 crore in 52 cases. The details are shown in the following table:

(Rupees in crore)

Year	Amount objected		Amount accepted		Amount recovered	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
2004-05	58	202.44	58	202.44	Nil	Nil
2005-06	40,011	41.46	40,011	41.46	Nil	Nil
2006-07	44	0.91	44	0.91	Nil	Nil
2007-08	141	365.68	84	9.51	52	3.63
2008-09	26	140.51	25	1.57	Nil	Nil
Total	40,280	751.00	40,222	255.89	52	3.63

The Government may consider issuing instructions to the Department to recover the amount involved in accepted cases on priority.

4.1.4 Results of audit

We reported underassessment, short levy, non-levy of Land Revenue, loss of revenue etc., amounting to ₹ 49.44 crore in 226 cases as shown below, on the basis of test check of records of land revenue conducted during the year 2009-10:

(Rupees in crore)

Sl. No.	Categories	No. of cases	Amount
1.	Non-levy/short levy of education cess etc.	77	23.35
2.	Non-levy/short levy of occupancy price/rent etc.	60	18.14
3.	Non-levy/short levy/incorrect levy of Non-Agriculture Assessment (NAA), ZP/VP cess, conversion tax and royalty	63	5.47
4.	Non-levy/short levy/incorrect levy of increase of land revenue	12	2.30
5.	Short levy of measurement fees, sanad fees etc.	14	0.18
	Total	226	49.44

In response to the observation made in the local audit during the year 2009-10 as well as during earlier years, the Department accepted underassessments and other deficiencies involving ₹ 7.61 crore in 285 cases, out of which 17 cases

involving ₹ 30.21 lakh were pointed out during 2009-10 and the rest during earlier years.

Few audit observation involving ₹ 2.80 crore are included in the succeeding paragraphs.

4.2 Audit observations

During scrutiny of records of the various land records and land revenue offices we noticed several cases of non-compliance of the provisions of the Maharashtra Land Revenue Code, 1966 (MLR code), Government notifications/instructions as mentioned in the succeeding paragraphs of this chapter. These are illustrative cases and are based on the test check carried out by us. As such cases are pointed out by us repeatedly; there is need on the part of the Government to improve the internal control system so that recurrence of such cases can be avoided.

4.3 Non-observance of the provisions of Acts/Rules

The provisions of the Maharashtra Land Revenue Code, 1966 (MLR code), Government notifications/instructions provides for:-

- (i) Levy of NAA on prescribed rates as per the classification of municipalities.*

We noticed non-compliance of the above provision in one case which resulted in short levy of ₹ 2.80 crore as mentioned in paragraph 4.3.1.

4.3.1 Short levy and recovery of NAA tax amounting to ₹ 2.80 crore due to non-application of prescribed rates of NAA

Government of Maharashtra vide their gazette notification dated 30-06-2003, upgraded the Ahmednagar Municipal Council as Ahmednagar Municipal Corporation with effect from 30 June 2003. Hence, NAA tax was required to be recovered at the rates applicable to Municipal Corporation area with effect from 1 July 2003 by applying three times and six times of NAA rates of the rate applicable in the year 1991 for NAA cases assessed prior to 1 August 2001 and assessed after 1 August 2001 respectively as specified by the Government of Maharashtra Resolution dated 27-09-2001.

During test check of records of Collector, Ahmednagar in December 2009 we noticed that the NAA assessment was done at the rates applicable for the Municipal Council and not as applicable to Municipal Corporation. Accordingly, the Tahsildar, Ahmednagar had recovered NAA during the years 2003-04 to 2008-09 of ₹ 5.61 crore instead of the recoverable amount of ₹ 8.41 crore. This resulted in short levy of NAA of ₹ 2.80 crore detailed as

under:

(Rupees in lakh)			
Year	NAA tax recoverable @ 3 times and 6 times of rate of 1991	NAA tax recoverable @ 2 times and 4 times of rate of 1991	Short levy of NAA tax
2003-04	94.60	63.06	31.53
2004-05	94.60	63.07	31.53
2005-06	99.69	66.46	33.23
2006-07	140.63	93.76	46.88
2007-08	179.85	119.90	59.95
2008-09	231.76	154.51	77.25
Total	841.13	560.76	280.37

After we pointed out these cases, Collector, Ahmednagar stated (April 2010) that after verification of the facts, action would be taken.

We reported the matter to the Government in July 2010; their reply is awaited (November 2010).