

CHAPTER III LAND REVENUE

3.1 Results of audit

Test check of records of land revenue offices conducted during the year 2005-06 revealed non/short levy of revenue amounting to Rs.27.82 crore in 68 cases which broadly fall under the following categories:

(Rupees in crore)

Sl. No.	Nature of irregularity	No. of cases	Amount
1.	Non/short levy of water rate/land revenue	2	0.11
2.	Non/short levy of NALA	4	0.07
3.	Non/short levy of road cess	5	0.06
4.	Incorrect grant of remission of water tax	4	0.34
5.	Alienation of Government lands, non recovery of market value	7	21.74
6.	Non levy of interest on arrears of land revenue	41	4.63
7.	Other irregularities	5	0.87
	TOTAL	68	27.82

During the year 2005-06, the department accepted under assessments etc., of Rs.2 lakh in two cases, of which one case involving Rs.0.46 lakh was pointed out during the year 2005-06. An amount of Rs.1.54 lakh in the other case was realised during the year.

A few illustrative cases involving Rs.4.49 crore are mentioned in the following paragraphs:

3.2 Incorrect grant of remission of water tax

As per provisions of Andhra Pradesh (AP) Water Tax Act, 1988, water tax is leviable on all types of land receiving water from Government sources. Further, as per integrated village accounts only Government is competent to remit water tax and Collectors are required to obtain orders from Government whenever such cases of remission arise. Remission granted by Government has to be noted in Account 4-B of village accounts.

Test check of *jamabandi* records (Account 4-B) of four[♦] mandal revenue offices (MROs) conducted between May 2005 and March 2006 revealed that remission of water tax amounting to Rs.33.73 lakh was granted by the *jamabandi* officers^{*} for the years 1 July 2000 to 30 June 2001 and 1 July 2003 to 30 June 2004 i.e., *fasli*[↔] years 1410 and 1413 without sanction of Government. Remission of water rates without sanction of Government was incorrect and resulted in short realisation of Government revenue to that extent.

After this was pointed out between May 2005 and March 2006, MRO Cherukupalli stated in September 2005 that the matter has been referred to the District Collector for exemption of water tax. It further stated that exemption was necessitated due to heavy rains in the *mandal*. MROs, Ganapavaram and Nagireddypet stated in March 2006 that the matter would be examined and further report sent in consultation with higher authorities. MRO, Repalle replied that the matter would be examined and a detailed reply sent in due course.

The above matter was referred to department between August 2005 and April 2006 and Government in May 2006. Response has not been received (October 2006).

3.3 Short levy of water tax

According to the provisions of AP Water Tax Act, water tax is leviable for each *fasli* year on all lands receiving water from any Government notified source. For this purpose all major and medium irrigation projects are to be regarded as category-I while other Government sources which supply water for not less than four months in a year are regarded as category-II. Rates are higher in respect of lands irrigated by category-I source. The rate for *duffasal*[•] crop is Rs.350 per acre and for aquaculture is Rs.500 per acre.

[♦] Cherukupalli, Ganapavaram, Nagireddypet and Repalle

^{*} Jamabandi officer is District Collector or any other officer nominated by him not below the rank of revenue divisional officer (RDO)

[↔] Fasli year means period of 12 months from July to June. Corresponding Christian year can be derived by adding 590 to the particular fasli year

[•] Duffasal crops are those, the cultivation of which lasts during two seasons

During the course of audit of three^α MROs, between March 2005 and March 2006 it was noticed that during the period from 1 July 2000 to 30 June 2002 i.e., *fasli* years 1410 and 1411, MRO, Venkatachalam did not levy water tax of Rs.5.09 lakh for aquaculture, MRO, Bodhan levied water tax on sugarcane, a *duffasal* crop, at Rs.200 only instead of Rs.350 which resulted in short levy of water tax by Rs.3.81 lakh whereas MRO, Konijerla levied water tax at Rs.150 per acre instead of Rs.200 for wet crop resulting in short levy by Rs.2.87 lakh. This resulted in short realisation of Government revenue of Rs.11.77 lakh.

After this was pointed out between March 2005 and March 2006, MRO Bodhan replied that as sufficient water was not received in rabi season, water tax was levied at Rs.200 per acre applicable to single wet crop. The reply was not tenable as sugarcane is a *duffasal* crop for which water tax prescribed is Rs.350 per acre and not Rs.200. Other MROs replied that action would be taken to levy water tax.

The above matter was referred to the department between November 2005 and April 2006 and Government in May 2006; their response has not been received (October 2006).

3.4 Non/short levy of road cess in command areas of irrigation projects

Under AP Irrigation, Utilisation and Command Area Development Act, 1984, read with notifications issued thereunder, road cess at the rate of Rs.12.35 per hectare per annum is leviable for laying roads and their upkeep in command areas of Nagarjunasagar, Sriramsagar and Tungabhadra projects. According to a clarification issued in August 1989[∇] by Commissioner of Land Revenue, road cess is leviable on all *ayacutdars*^{*} irrespective of formation of roads and supply of water in their command areas relating to the above projects.

During the course of audit of five^α MROs, it was noticed between June 2005 and February 2006 that road cess amounting to Rs 5.58 lakh was either not levied or short levied during the period 1 July 2000 to 30 June 2004 (*fasli* years 1410 to 1413).

After this was pointed out, District Collector, Kadapa replied in May 2006 that MRO, Mylavaram has raised demand of Rs.0.46 lakh. MRO, Pedakurapadu addressed the District Collector, Guntur in July 2006 to clarify whether road cess is leviable or not. Other MROs replied that road cess would be levied and collected.

^α Bodhan, Konijerla and Venkatachalam

[∇] Z 1486/88 dated 28 August 1989

^{*} Ayacutdars are land owners in command areas of irrigation projects

^α Amaravathi, Inkollu, Kodumuru, Mylavaram and Pedakurapadu

The above matter was referred to the department between August 2005 and April 2006 and Government in May 2006; reply has not been received (October 2006).

3.5 Non realisation of market value of lands alienated

According to Board[⊙] standing orders (BSO), alienation of Government land to a company, private individual or institution for any public purpose will normally be on collection of its market value/occupancy price and subject to the terms and conditions prescribed in BSO. BSO permits handing over of possession of land pending formal approval of alienation proposal, in emergency cases. However, no time frame has been prescribed for finalising such proposals.

3.5.1 During the course of audit of four[↔] MROs conducted during June 2004 and March 2006 and District Collector, Rangareddy in August 2005, it was noticed that advance possession of Government land measuring Ac.202.19 gts. valued at Rs.8.94 crore was handed over to six institutions[⊕] between 2001 and 2004 pending finalisation of alienation proposals. Proposals for alienation of the land were not sent by the concerned Collectors to Government. Consequently, alienation orders have not been issued so far (March 2006). As a result, market value of lands alienated amounting to Rs. 8.94 crore was not realised.

3.5.2 Review of alienation cases in district collectorate, Rangareddy in August 2005 revealed that three industrial units[Ⓝ] in Balanagar represented in March 2001 that they had established industrial units in Government land long back and requested to alienate the land to them on payment of market value. MRO, Balanagar recommended in May 2001 to the District Collector to regularise the land by alienation. The units also filed petitions in AP High Court for finalisation of alienation orders. AP High Court directed Government on 8 October 2002 to consider the representations keeping the recommendations of MRO in view and issue orders within two months. However, even after lapse of three years from the date of issue of orders of AP High Court, alienation was not finalised. Consequently, market value of land amounting to Rs.84 lakh was not realised (February 2005).

3.5.3 It was also noticed during review of alienation records in the district collectorate, Rangareddy in August 2005 that acres 46-18 guntas of Government land was alienated to APIIC and possession handed over in April 2003. Government issued orders of alienation in February 2004, on payment

[⊙] Board of Revenue stands abolished w.e.f.1 February 1977 and replaced by five commissioners. In the application, notification, scheme, form or order, any reference to the board of member shall be deemed to be a reference to the commissioner concerned.

[↔] Maheswaram, Manubolu, Serlingampally and Venkatachalam

[⊕] AP Tourism Development Corporation, AP Sports School, IMG Academy Bharat Private Limited, District Sports Authority, AP Industrial Infrastructure Corporation (APIIC) and a co-operative housing society

[Ⓝ] M/s Bharath Fabricators, M/s Bright Galvanising Company and M/s Tirumala Forging

of market value at the rate of Rs.25 lakh per acre. However, APIIC requested Government in March 2004 to alienate the land free of cost for which there was no response from Government. APIIC has not paid the amount so far (March 2006). Thus market value of alienated land amounting to Rs.11.61 crore was not realised for more than two years.

After this was pointed out, MRO, Maheswaram replied that even though the land was handed over, the company did not put it to use. It also replied that the proposals were submitted to Collector for alienation of land and orders are awaited.

The above matter was referred to the department in April 2006 and Government in May 2006; response has not been received (October 2006).

3.6 Non levy of interest

Under Section 7 of AP Revenue Recovery Act (APRR Act), 1864, arrears of revenue shall bear interest at the rate of six *per cent* per annum. Dues payable under various sections relating to levy of water tax, drainage cess, drainage maintenance fee and NALA* attract levy of interest under the APRR Act since the respective Acts governing the aforementioned levies provide for treating the dues as public revenue.

During the course of audit of 33[∇] MROs, it was noticed between April 2005 and March 2006 that interest amounting to Rs.3.98 crore was not levied during the period from 1 July 2000 to 30 June 2004 (*Fasli years 1410 to 1413*) on arrears of land revenue towards water tax, NALA, drainage cess and drainage maintenance fees.

After this was pointed out between April 2005 and March 2006, three* *mandal* revenue officers replied that the matter would be brought to the notice of district collectors concerned. 18[^] *mandal* revenue officers replied that the matter would be examined and action taken intimated. Other *mandal* revenue officers replied that action would be taken to levy and collect interest as arrears of land revenue.

The above matter was referred to the department between August 2005 and April 2006 and Government in May 2006; response has not been received (October 2006).

* Non agricultural land assessment

∇ Addanki, Allur, Amalapuram, Amartaluru, Battiprolu, Cherukupalli, Ganapavaram, Gantiyada, Huzurabad, Indukurpet, Jaggaiahpet, Kanchikacherla, Kodumuru, Koduru, Kovuru, Manubolu, Mopidevi, Nandyal, Pedakurapadu, Pedanandipadu, Proddutur, Rajahmundry, Repalle, Sangam, Sangareddy, Sirvel, Toopran, Tuni, Vakadu, Veeraghattam, Vemuru, Vidavalur and Vijayawada

* Huzurabad, Jaggaiahpet and Manubolu

^ Addanki, Allur, Amalapuram, Indukurpet, Kanchikacherla, Koduru, Kovuru, Mopidevi, Proddutur, Sangam, Sangareddy, Sirvel, Toopran, Tuni, Vakadu, Veeraghattam, Vidavalur and Vijayawada