

CHAPTER-III

LAND REVENUE

3.1 Results of audit

Test check of assessment records in the offices of the Collectors, district development officers, taluka development officers, District Inspectors of Land Records and City Survey Superintendents conducted during the year 2005-06 disclosed non/short recovery and loss of revenue amounting to Rs.3.86 crore in 120 cases. These cases broadly fall under the following categories:

(Rupees in crore)			
Sl. No.	Category	No. of cases	Amount
1	Non/short recovery of occupancy price/ premium price/interest	02	0.10
2	Non raising of demand for non agricultural assessment, non/short recovery of NAA, non/short levy of NAA due to levy at pre revised rates	17	0.26
3	Non recovery of conversion tax	30	1.75
4	Other irregularities	71	1.75
	Total	120	3.86

During the year 2005-06, department accepted and recovered under assessment of Rs.84.73 lakh in 52 cases pertaining to earlier years. A few illustrative cases involving important audit observations involving Rs.2.31 crore are given in the following paragraphs.

3.2 Non/short recovery of non agricultural assessment

Under the Bombay Land Revenue Code, 1879 (BLR Code) as applicable to Gujarat and the Gujarat Land Revenue Rules, 1972 (GLR Rules), non agricultural assessment (NAA) is leviable on land used for non agricultural purposes at the rates prescribed in notifications issued by Government from time to time. Government in its notification of August 2003 revised the rates of NAA and classified areas in three categories i.e. A, B & C for levy of NAA. The code provides for issue of demand notice by village officer (*talati*) for non payment of land revenue.

During test check of records of District Development Officer (DDO), Rajkot and eight taluka development officers (TDOs), it was noticed between September 2004 and March 2005 that in 95 cases, land measuring 68.52 lakh sq.mtrs. was used for non agricultural purposes by housing societies, semi Government bodies, industrial units, individuals etc. However, concerned *talatis* either did not levy NAA or levied it at incorrect rates. This resulted in non/short recovery of NAA of Rs.1.13 crore as detailed below:

Sl. No.	Number of taluka No. of cases	Period Area of land (sq.mtr. in lakh)	Nature of irregularity
1	5 [#] 61	2003-04 20.16	The department levied NAA of Rs.2.30 lakh at pre revised rates instead of Rs.33.33 lakh resulting in short levy of NAA of Rs.31.03 lakh.
2	1 [⊕] 22	2003-04 5.43	NAA of Rs.1.70 lakh was neither levied nor demanded.
3	2 [⊗] 11	2000-01 to 2003-04 25.87	NAA of Rs.60.41 lakh was not levied from Sardar Sarovar Narmada Nigam Ltd. and Sardar Sarovar Punarvasan Agency on land allotted to them between November 1991 and October 2003 for non agricultural purpose.
4	1 [∇] 1	2000-01 to 2003-04 17.06	NAA of Rs.20.01 lakh was not levied on land allotted ^Σ to the Gujarat State Petroleum Corporation Limited for laying pipeline for transportation of natural gas.

After this was pointed out between April and July 2005, the department accepted audit observation involving Rs.87.60 lakh in 93 cases and recovered

[#] Dascroi, Kheda, Rajkot, Veraval and Viramgam

[⊕] Bhuj

[⊗] Sanand and Viramgam

[∇] Bharuch

^Σ between November 1991 and June 20020

Rs.26.66 lakh in 45 cases. Particulars of recovery and reply in remaining cases have not been received.

This was brought to notice of Government in January 2006; Government confirmed reply of the department (October 2006).

3.3 Loss of revenue due to correction of records of rights without registration of documents

Under the BLR Code, *talati* of a village is authorised to correct village records changing ownership, creation of right or title over the property on receipt of intimation in writing from any person within three months of acquiring a property, right or title. The entries made by the *talatis* are required to be certified by circle inspector and deputy *mamlatdars*. Government issued instruction in 1966 to certify the mutation entry only after the document was registered under Indian Registration Act, 1908.

During test check of records of Collector (Non Agricultural(NA)), Palanpur, Collector (Land Revenue(LR)), Navsari and 11* TDOs, it was noticed between October 2004 and November 2005 that entries regarding rights of properties, valued at Rs.64.91 crore in 76 cases, were carried out by the *talatis* between 2002-03 and 2004-05 in the village records of rights. Such entries of transfers/charges were made in favour of persons, financial institutions, banks etc., on the basis of intimations received from them. These were attested by concerned circle inspectors/deputy *mamlatdars*. In addition, these documents were not registered under the Registration Act. This resulted in non recovery of stamp duty and registration fees amounting to Rs.62.70 lakh.

After this was pointed out between February and December 2005, the department accepted audit observation and stated that the Inspector General of Registration has instructed all Collectors and TDOs to send a copy of unregistered documents to the respective Deputy Collectors (Valuation of Property) for further action.

This was brought to notice of Government in January 2006; Government confirmed reply of the department (October 2006).

3.4 Non/short levy of conversion tax

Under the BLR Code, as applicable to Gujarat, conversion tax is leviable on change in mode of use of land from agricultural to non agricultural purposes or from one non agricultural purpose to another in respect of land situated in a city, town or village. Different rates of conversion tax are prescribed for residential/charitable and industrial/other purposes, depending upon the population of the city/town/notified area/village. The rates of conversion tax

* Amod, Anand, Choryasi, Deesa, Gandhidham, Idar, Nadiad, Olpad, Palanpur, Sidhpur and Viramgam

were revised with effect from 1 April 2003. The conversion tax shall be paid in advance by a challan in Government treasury.

During test check of records of three[#] Collectors (LR), three^{*} DDOs and 15[@] TDOs, it was noticed between October 2004 and October 2005 that in 108 cases relating to the period 2002-03 to 2004-05, conversion tax for change in mode of use, though leviable, was either not levied or levied at incorrect rate on 9.30 lakh sq.mtrs. of land. Failure on the part of the departmental officials to follow the codal provisions resulted in non/short levy of conversion tax of Rs.45.07 lakh.

After this was pointed out between January and December 2005, the department accepted audit observations involving an amount of Rs.39.76 lakh in 102 cases and recovered Rs.28.37 lakh in 79 cases. Particulars of recovery and reply in remaining cases have not been received.

This was brought to notice of Government in January 2006; Government confirmed reply of the department (October 2006).

3.5 Short levy of penalty

Under the provisions of BLR Code and GLR Rules, agricultural land cannot be used for non agricultural purposes without prior permission of the Collector. In case of unauthorised non agricultural use, penalty not exceeding 40 times the amount of NAA is leviable. In August 1980, Government prescribed rates for levy of penalty for different types of unauthorised use of land.

During test check of records of two^{*} Collectors (LR), Mamlatdar (NA) Vadodara and five[^] TDOs, it was noticed between September 2004 and November 2005 that during the period 2003-04 and 2004-05, in 17 cases penalty was not levied at rates prescribed by Government. This resulted in short levy of penalty of Rs.10.40 lakh.

After this was pointed out between December 2004 and December 2005, the department accepted audit observations in all the cases and recovered an amount of Rs.8.84 lakh in 14 cases. Particulars of recovery in remaining cases have not been received.

This was brought to notice of Government in January 2006; Government confirmed reply of the department (October 2006).

[#] Anand, Mehsana and Rajkot

^{*} Dahod, Mehsana and Palanpur

[@] Ankleshwar, Danta, Dhandhuka, Gandevi, Idar, Jambusar, Junagadh, Kheda, Mahuva (Surat), Matar, Olpad, Padra, Palsana, Rajkot and Viramgam

^{*} Bharuch and Kheda

[^] Dascroi, Dholka, Kamrej, Mandvi(Kutch) and Padra