

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 in audit during the year 2002-03, disclosed non/short recovery and loss of revenue amounting to Rs.34.22 crore in 94 cases. These cases broadly fall under the following categories:

(Rupees in crore)

Sr. No.	Category	No. of cases	Amount
1	Non/short recovery of occupancy price	13	17.83
2	Non-raising of demand for non agricultural assessment	22	0.33
3	Non-recovery of conversion tax	08	0.20
4	Other irregularities	51	15.86
	Total	94	34.22

During the year 2002-03, the department accepted and recovered under assessment of Rs.18.16 lakh in 38 cases pertaining to earlier years. A few illustrative cases highlighting important audit observations involving Rs.18.88 crore are discussed in the following paragraphs.

3.2 Non/short recovery of occupancy price

Under the Bombay Land Revenue Code, 1879 (Code) and the Rules made thereunder, Government can dispose of available land to needy persons for any purpose on payment of occupancy price in advance on such terms and conditions as may be specified by the Government. The occupancy price in respect of non-agricultural land is to be determined by the Collector with reference to the value of land fixed by the Town Planner.

During test check of records of 3[@] Collectors, Taluka Development Officer, Balasinor and Mamlatdar Mahudha, it was noticed (between March and October 2002) that land measuring 2.12 lakh sq.mtrs. was allotted (between 2000 and 2002) by the respective Collectors to Bharat Sanchar Nigam Ltd (BSNL)/Telecom Department/Gujarat Industrial Development Corporation, subject to recovery of occupancy price before the allotment of land, which was either not recovered or recovered at incorrect rates. This resulted in non/short recovery of occupancy price of Rs.81.47 lakh as per details given below:

(Rupees in lakh)					
Sr. No.	Name of the Taluka	Year of allotment	Nature of irregularity	Area of land (sq.mtrs. in lakh)	Amount not/short recovered
1	Bhuj	2002	Occupancy price was not recovered for land allotted to GIDC.	2.00	44.00
2	Rajkot, Balasinor and Mahudha	2000	Occupancy price was not recovered for land allotted to Telecom Department.	0.04	29.50
3	Amreli	2000	Land was allotted to BSNL at concessional rate of Rs.25 per sq.mtr. though the Departments of Government of India only were eligible for such concession.	0.08	7.97
Total				2.12	81.47

The above facts were brought to the notice of the Department between April and November 2002. The department replied in May 2002 that the matter had been referred to the Government for clarification in the first case. Reply in respect of remaining cases had not been received (August 2003).

The matter was reported to the Government in February 2003; reply had not been received (August 2003).

3.3 Loss of revenue due to non-eviction / non-regularisation of encroachments/breach of conditions of allotment

3.3.1 Under the Code and the Rules made thereunder, on detection of encroachment by the revenue authorities, the encroacher shall be evicted forthwith and assessed to non-agricultural assessment (NAA)/land revenue etc., at the prescribed rate with imposition of fine for the period of unauthorised occupancy. As per Government Resolution of January 1980, the Government land under unauthorised occupancy, if not required by Government, can be allotted to its occupants/occupancy regularised by the Collectors by recovering penal occupancy price at two and a half times of the market value on the date of regularisation.

[@] Amreli, Bhuj and Rajkot.

During test check of records of Collector, Gandhinagar and Taluka Development Officer, Kotda Sangani, it was noticed that 1.06 lakh sq. mtrs. of Government land was encroached between 1997-98 and 1999-00 by 60 to 76 individuals and was being used for residential and agricultural purposes. The encroachers were neither evicted nor was encroachment regularised. The penal occupancy price and non-agricultural assessment recoverable in the event of regularisation of these cases worked out to Rs.67.66 lakh for which no demands were raised.

The above facts were brought to the notice of the Department between June 2001 and October 2002 and of the Government in February 2003; reply had not been received (August 2003).

3.3.2 Under the Code and the Rules made thereunder, Government can dispose of available land to needy persons for specific purpose on payment of occupancy price/free of revenue on such terms and conditions as may be specified by the Government. In case of breach of conditions of allotment, the land with all fixtures and structures thereon shall be resumed by the State Government.

During test check of records of Collector, Palanpur and Mehsana, it was noticed that 9.79 lakh sq.mtrs. of land allotted to two organisations for specific purposes were either not utilised for the purpose for which the land was allotted or remained unutilised for 20 years. Failure on the part of the department to ensure the compliance of terms and conditions of allotment resulted in loss of revenue of Rs.14.77 crore as detailed below:

(Rupees in crore)

Sr. No	Location	Year of allotment	Area of land (sq.mtrs. in lakh)	Loss of revenue	Nature of irregularity
1	Palanpur	1975	9.64	14.65	Government land was allotted to Shri Satyakalyan Samudayak Kheti Sahakari Mandali Ltd for cultivation by its members. However, it was unauthorisedly given by Mandali to persons other than its members for agricultural purposes. Breach of conditions of allotment resulted in wrongful occupancy.
2	Mehsana	1980	0.15	0.12	Government land allotted to Shri Two Hundred and Eighty Two Pergana Rohit Mandal for construction of hostel building within 24 months, remained unutilised for 20 years. Failure on the part of departmental officials to detect the breach of conditions of allotment resulted in loss of revenue in the form of occupancy price, NAA, premium, fine etc., for the land remaining unutilised for 20 years.
		Total	9.79	14.77	

The matter was brought to the notice of the Department between February and October 2002. The Department accepted the objection in February 2002 in respect of case at Sr.No.2 and decided to take back the possession of land. Reply in respect of remaining case has not been received (August 2003).

The matter was reported to the Government in February 2003; reply had not been received (August 2003).

3.4 Non/short levy of conversion tax

Under the Code, conversion tax is leviable on change in mode of use of the land from agricultural to non-agricultural purposes or from one non-agricultural purpose to another in respect of land situated in a city or town including its peripheral areas falling within one to five kilometers thereof. Different rates of conversion tax are prescribed for residential, industrial, commercial/other uses depending upon the population of the city/town. In case of Corporations, Boards etc., no permission is required and conversion tax is leviable in the year in which land is acquired. The conversion tax shall be paid in advance by a challan in the Government Treasury.

During test check of records of 5[@] District/Taluka Development Offices, it was noticed that in 15 cases, conversion tax for change in mode of use, though leviable, was either not levied or levied at incorrect rate on 20.99 lakh sq.mtrs. of land allowed for different purposes. Failure on the part of the departmental officials to follow the Codal provisions resulted in non/short levy of conversion tax amounting to Rs.1.46 crore as detailed below:

(Rupees in lakh)

Sr. No.	Name of the place	Area of land (sq.mtr. in lakh)	No.of cases	Amount not/short recovered	Nature of irregularity
1	TDO, Jamnagar	18.48	2	138.57	Though conversion tax was recoverable in advance, the same was not recovered for land acquired in September 1999 for GIDC for industrial purpose.
2	DDO, Mehsana and Ahmedabad	1.46	5	4.17	Conversion tax was not levied for change in mode of use from one non-agricultural purpose to another during 2001-02.
3	TDO, Rajkot	0.12	2	1.84	Due to extension of Rajkot Municipal Corporation limit in 1996, certain villages fell within the periphery of Rajkot city. Conversion tax, though leviable, was not levied.

[@] DDO Ahmedabad, Mehsana & Surendranagar, TDO Rajkot & Jamnagar.

4	DDO, Surendra- nagar	0.93	6	1.11	Conversion tax was recovered at incorrect rate in 4 cases and was not levied in 2 cases.
	Total	20.99	15	145.69	

The above facts were brought to the notice of the Department between January and November 2002. The Department accepted audit observations involving an amount of Rs.3.42 lakh in 12 cases and recovered Rs.1.04 lakh in six cases. Particulars of recovery, if any, and reply in the remaining cases had not been received (August 2003).

The matter was reported to the Government in February 2003; reply was awaited (August 2003).

3.5 Non/short recovery of premium

The Government decided in July 1983 to permit land holders holding land under new and restricted tenure under the Bombay Tenancy and Agricultural Land Act, 1948, (as applicable to Gujarat) to convert their land into old tenure and to sell/transfer the same subject to payment of premium computed on the difference between the estimated sale price of the land and the occupancy price recovered at the time of allotment of the land. This was further subject to payment of difference on actual sale price later. The premium recoverable is 70 per cent of the difference when the land held for more than 20 years is permitted to be sold for non-agricultural purposes.

During test check of records of Collector, Mehsana and Palanpur, Mamlatdar Sanand and Taluka Development Offices, Jambusar and Choryasi, it was noticed that land measuring 0.83 lakh sq.mtrs. in 7 cases held under new and restricted tenure was allowed to be sold/transferred, but premium at the prescribed rate was either not recovered or was recovered at incorrect rate. This resulted in non/short recovery of premium of Rs.79.17 lakh as detailed below:

(Rupees in lakh)					
Sr. No.	Name of the place	Area of land (sq.mtr. in lakh)	No. of cases	Amount not/short recovered	Nature of irregularity
1	Jambusar, Choryasi & Mehsana	0.55	04	61.64	Premium was not recovered on the differential amount of estimated sale price and actual sale price.
2	Sanand	0.08	01	11.67	As per Gujarat Revenue Tribunal orders (November 2000), the land was to be treated as "New and Restricted Tenure" for which the occupant of the land was required to obtain permission for sale/transfer of land from Collector

					by paying due premium for getting the case regularised. Deputy Collector though required to issue notice to the occupant to get the land changed from new tenure to old tenure did not do so. .
3	Palanpur	0.20	02	5.86	The land initially permitted to be used for residential purpose was subsequently permitted for commercial purpose. Premium recoverable on differential amount of sale price of land permitted to be used for commercial purpose was not recovered.
	Total	0.83	07	79.17	

The above facts were brought to the notice of the Department between October 2001 and August 2002. The Department accepted audit observations involving an amount of Rs.17.17 lakh in 2 cases. Particulars of recovery, if any, and reply in the remaining cases had not been received (August 2003).

The matter was reported to the Government in February 2003; no reply was received (August 2003).

3.6 Non/short recovery of non-agricultural assessment

Under the Code and the Rules made thereunder, land revenue is payable at the prescribed rates on all lands unless specifically exempted from payment. For determining the rates of non-agricultural assessment (NAA), cities, towns and villages have been divided into five classes according to their population. Different rates depending on use of land are prescribed for each class of city/town/village. Peripheral areas falling within five kilometers of class "A" city and one kilometer of class "B" and "C" town/village are classified alongwith respective cities and towns. Certain industrial and adjoining areas which are notified by the Government are also classified as class "B" areas irrespective of the population of the concerned areas. All payments of land revenue shall be made to the officers of the village in which such revenue is due and noted in the prescribed forms/registers. The Code provides for issue of demand notices, distraint and sale of the defaulter's movable/immovable property etc. by Villages Officer for non payment of land revenue.

During test check of records of Mamlatdar, Pardi, Additional City Survey Superintendent, Sardarnagar and 5 Taluka Development Offices of 7^s districts, it was noticed that in 74 cases, on land measuring 40.68 lakh sq.mtrs. used for non-agricultural purposes during the period between 1970 and 2002 by semi-Government bodies, housing societies, companies and individuals, NAA was either not levied or was levied at incorrect rates. Failure to observe the Codal provisions and lack of proper monitoring resulted in non/short levy of non-agricultural assessment of Rs.28.46 lakh as detailed below:

^s Anand, Ahmedabad, Banaskantha, Jamnagar, Kheda, Mehsana and Valsad.

(Rupees in lakh)

Sr. No.	Name of the Taluka/ place	No.of cases	Period	Area of land (sq.mtr. in lakh)	Amount not/short levied	Nature of irregularity
1	Anand, Sardar-nagar (City Survey) & Kheda	8	Between 1970-71 and 2001-02	17.45	21.55	NAA was not levied/short levied on land used for various non-agricultural purposes.
2	Unjha & Pardi	26	Between 1989-90 and 2000-01	2.97	3.86	Though NAA was leviable at higher rates due to revision of rates, NAA was levied at pre-revised rates.
3	Jamnagar & Danta	40	Between 1989-90 and 2000-01	20.26	3.05	Though NAA was leviable at higher rates due to location of villages within the periphery of Jamnagar and Ambaji, NAA was levied at lower rates.
	Total	74		40.68	28.46	

The above facts were brought to the notice of the Department between February and October 2002. The Department accepted the audit observations involving an amount of Rs.4.92 lakh in 55 cases. Particulars of recovery, if any, and reply in the remaining cases had not been received (August 2003).

The matter was reported to the Government in February 2003; reply was awaited (August 2003).

3.7 Non/short recovery of lease rent

Under the Code and the Rules made thereunder read with Government of Gujarat, Revenue Department Resolution of 31 August 1981 and 22 July 1993, Government can lease out unoccupied land for a specified period for manufacture of salt subject to payment of rent fixed by the Government from time to time. Lease rent was revised by Government in April 2000 and April 2001. Further, Government by issue of Resolution dated 9 July 1996, issued directions not to extend/renew the lease of salt ponds in Kutch on its expiry as little Rann of Kutch was declared as “wild ass sanctuary”.

During test check of records of Taluka Development Offices, Dhrangadhra, Jambusar and Jamnagar, it was noticed that land measuring 88.41 lakh sq.mtrs. was leased out to 42 private parties for manufacture of salt. Though lease agreements of salt ponds in Kutch were terminated in July 1999 by the

Collector, lease rent of Rs.1.61 lakh was not recovered in 13 cases and rents at revised rates were not recovered in 29 cases, resulting in short levy of Rs.6.48 lakh.

The above facts were brought to the notice of the Department between October 2001 and May 2002 and of Government in February 2003; no reply was received (August 2003).

The above matters were followed up with reminders to the Principal Secretary in May/June 2003 and Chief Secretary in July 2003. However, inspite of such efforts, no reply was received from the Government (August 2003).