

## CHAPTER IV : LAND REVENUE

### 4.1 Results of audit

Test check of the records of the land revenue offices conducted during the year 2007-08 disclosed underassessment of revenue amounting to Rs. 211.47 crore in 48 cases which fall under the following categories:

**(Rupees in crore)**

Sl. No.	Category	Number of cases	Amount
1.	Non/short levy of conversion fine/compounding fine	15	209.76
2.	Non/short levy of maintenance cess	18	0.25
3.	Other irregularities	15	1.46
<b>Total</b>		<b>48</b>	<b>211.47</b>

During the year 2007-08, the department accepted underassessments of Rs. 60.41 lakh involved in 30 cases and recovered Rs. 8.65 lakh in 16 cases pointed out in the earlier years.

A few illustrative cases involving Rs. 209.09 crore are mentioned in the following paragraphs.

## 4.2 Non-levy of conversion fine

Under the Karnataka Land Revenue (KLR) Act, 1964 and the rules framed thereunder, when any land assessed or held for the purpose of agriculture is permitted to be diverted for purposes other than agriculture, conversion fine is leviable. The rate of fine leviable depends on the place in which the land is situated and purpose for which the land is put to use. Under the Karnataka Industrial Areas Development Board (KIADB) Act, 1962, the State Government notifies areas as industrial areas and acquires the notified lands and transfers the same to the KIADB for development and allotment to industries. Also, when a specific request is made by any industry for grant of land, lands are acquired and transferred to the applicant through the KIADB.

Test check of the records between January and March 2007 revealed that during 2002-03 to 2006-07, the Government notified and acquired 13,414 acres and 38 guntas<sup>1</sup> of land in 23<sup>2</sup> districts for industrial purposes and transferred the same to KIADB. Further, 2,529 acres and 13 guntas were acquired in Bangalore (Rural) district for Bangalore International Airport Limited (BIAL) and possession of the land was handed over to BIAL through KIADB between 2004 and 2007. Cross verification of the information obtained from KIADB with the records of the Revenue Department revealed that all these lands were agricultural lands. For diversion of agricultural lands for non-agricultural purposes, conversion fine of Rs. 103.08 crore though leviable was not levied.

After the cases were referred to the Government in May 2008, the Government reported in September 2008 that the Deputy Commissioner (DC), Bangalore had in July 2008 reported that as per the KLR Rules, no conversion fine was payable in respect of agricultural lands acquired under Land Acquisition Act and hence there was no need to pay the conversion fine in respect of lands acquired for BIAL for construction of international airport. The reply is not tenable since the lands acquired for BIAL were under the KIADB Act and not under the Land Acquisition Act. Reply in respect of the lands acquired for industrial purposes has not been received (November 2008).

## 4.3 Non-levy of compounding fine

Under the KLR Act, if any land assessed or held for the purpose of agriculture is to be diverted or used for any other purpose, permission of the DC is required. In cases of unauthorised diversion, the DC may summarily evict the occupant. Further, under the Act, the DC may, subject to prescribed terms and conditions, compound such diversion or use, on payment of the prescribed amount (compounding fine). The Government had clarified in July 2000 to DC, Belgaum that when mining/quarrying activity was undertaken in *patta* lands being agricultural lands, conversion of the land in accordance with the Act was a necessity. This was reiterated to all the DCs in August 2004.

<sup>1</sup> guntas – measure of land; 40 guntas = 1 acre.

<sup>2</sup> Bangalore (Urban), Bangalore (Rural), Bagalkote, Belgaum, Bellary, Bijapur, Chikballapur, Chitradurga, Dakshina Kannada, Dharwad, Gulbarga, Hassan, Haveri, Kodagu, Kolar, Koppal, Mandya, Mysore, Raichur, Shimoga, Tumkur, Uttara Kannada, Udipi..

Test check of the records between January and March 2008 revealed that during the period 2002-03 to 2006-07, the Department of Mines and Geology granted mining/quarrying leases in 1,540 cases in 14,769 acres and 21 guntas of *patta* land in 28<sup>3</sup> districts. Cross verification of these lease cases with the records of the Revenue Department revealed that these *patta* lands were agricultural lands and permission for conversion for non-agricultural purposes was not obtained from the DC concerned. Besides, in Hospet and Sandur taluks of Bellary district, though Revenue Department had reported (October 2005) 781 cases of illegal mining/quarrying in 5,512 acres of *patta* lands and issued notices in July/August 2006 for stopping the unauthorised diversion of land but in none of the cases, compounding fine was imposed. In all these cases of diversion for non-agricultural purposes without obtaining permission from the DC, compounding fine amounting to Rs. 106.01<sup>4</sup> crore though leviable was not levied.

After the cases were referred to the Government in May 2008, the Government reported in September 2008 that in respect of Chamarajanagar district, the tahsildars had booked the amount in Demand, Collection and Balance statement (DCB) and recovery is in progress. Further, the Government issued directions in September 2008 to all the DCs to account the amount proposed for recovery in DCB and initiate recovery proceedings.

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<sup>3</sup> Bagalkote, Bangalore (Urban), Bangalore (Rural), Belgaum, Bellary, Bidar, Bijapur, Chikballapur, Chikmagalur, Chitradurga, Chamarajanagar, Dakshina Kannada, Dharwad, Davanagere, Gulbarga, Gadag, Hassan, Haveri, Kodagu, Kolar, Koppal, Mandya, Mysore, Raichur, Shimoga, Tumkur, Uttara Kannada, Udupi.

<sup>4</sup> Computed at the minimum rate of Rs. 1.20 per square feet.