

Chapter-VII

Land Revenue

7.1 Tax administration

The receipts from Land Revenue Department are regulated under Karnataka Land Revenue Act (KLR Act), 1964 and the rules made thereunder and administered at the Government level by the Principal Secretary, Revenue Department. The Principal Secretary is assisted by four Regional Commissioners, 30 Deputy Commissioners (DCs), 44 Assistant Commissioners and 179 Tahsildars.

7.2 Results of audit

In 2014-15, test check of the records of 60 units of Land Revenue Department showed non/short realisation of cost of land, conversion fine, compounding fine and other irregularities involving ₹ 23.79 crore in 132 cases, which fall under the following categories.

Table 7.1
Results of audit

Sl. No.	Category	(₹ in crore)	
		No. of cases	Amount
1.	Non/short levy of cost of land	19	1.48
2.	Non/short levy of conversion fine/compounding fine	47	1.59
3.	Non/short levy of lease rent and interest.	11	3.02
4.	Short levy of pre-mutation sketch fee, Phodi charges, mutation fee, etc.	30	0.32
5.	Other irregularities	25	17.38
	TOTAL	132	23.79

During the course of the year, the Department had accepted under assessments and other deficiencies involving ₹ 21.64 crore in 90 cases. An amount of ₹ 48.28 lakh was also recovered in 41 cases pointed out in earlier years. A couple of illustrative cases involving ₹ 2.33 crore are discussed in the following paragraphs.

7.3 Short collection of cost of lands granted at concessional rates

The Karnataka Land Grant Rules, 1969, provides for grant of lands for various purposes under Rules 20, 21 and 22. The Rules also provide for concessions in rates on the market value of the land. Besides, Rule 27 ibid vests the State Government with the powers to relax any of the provisions of these Rules by recording the reasons for the same.

The market value guidelines prepared by the Central Valuation Committee (CVC) under Section 45A of the Karnataka Stamp Act, 1957, indicate the prevalent market value of the land.

During test check of records relating to grant of land in three¹ Tahsildars offices between June 2014 and February 2015, Audit noticed that lands were

¹ Athani, Chikkodi and Puttur

granted to different institutions at concessional rates. The DCs concerned referred to the market value guidelines issued by the CVC, but adopted incorrect rates, resulting in short collection of value of land amounting to ₹ 1.57 crore as detailed below:

Table:7.2
Short collection of cost of land

			(₹ in lakh)
Sl.No.	Office/ grantee	Extent of land	Cost of land short levied
1.	Tahsildar, Chikkodi Karnataka Small Scale Industries Development Corporation	75 acres	17.26
Cost of land levied ₹ 13.87 lakh instead of ₹ 31.13 since revised guideline value was not considered.			
2.	Tahsildar, Athani M/s.Renuka Sugars Ltd.,	58 acres 06 guntas	61.62
Cost of land levied ₹ 9.62 lakh instead of ₹71.24 lakh since rate pertaining to agricultural land was applied instead of industrial land			
3.	Tahsildar, Puttur Vivekananda Vidyavardhaka Sangha	53 acres 28 cents	77.82
Cost of land levied ₹15.42 lakh instead of ₹ 93.24 lakh since special instructions to the guideline values were not taken into consideration for computing value of land			

After these cases were brought to the notice of the Government between January and May 2015, ₹ 77.82 lakh pertaining to Tahsildar, Puttur was recovered. Replies are awaited in the remaining two cases (November 2015).

7.4 Non/short levy of compounding amount

Section 95 of the KLR Act, 1964, provides for diversion of agricultural land for non-agricultural purposes with the permission of the DC. Further, as per Section 96(4), in cases of diversions without permission, the DC may compound such diversion on payment of a compounding amount. The rates of compounding amounts are prescribed under Rule 107-A of the KLR Rules, 1966.

During test check of records of four² Tahsildar offices and the office of the DC, Haveri between September 2014 and January 2015, Audit noticed that in 27 cases as per the land inspection reports of the Tahsildars' concerned, agricultural lands were diverted for non-agricultural purposes even before the applications for such diversions were made. Exact extent of such diversions, however, was not forthcoming in the reports. Permissions for diversion were granted subsequently in all these cases. Since the diversions were compounded, compounding amounts at prescribed rates were leviable in all these cases. Out of the above, in 26 cases, compounding amount of ₹ 73.02 lakh was not levied and in one case, it was levied short by ₹ 2.76 lakh as calculated on the entire extent for which conversion was applied for.

The total non/short levy of compounding amount worked out to ₹ 75.78 lakh.

² Belagavi, Chikkodi, Kushtagi and Yelaburga

After these cases were brought to the notice of the Government during January 2015, ₹ 2.74 lakh pertaining to DC, Haveri was recovered. Replies in the remaining cases are awaited (November 2015).

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