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OFFICE OF THE ACCOUNTANT GENERAL
(COMMERCIAL AND RECEIPT AUDIT)
ANDHRA PRADESH, HYDERABAD

LAND REVENUE AUDIT
MANUAL
(SECOND EDITION)

Issued by

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PREFACE

This Manual has been prepared for the guidance of the field Audit parties entrusted with the Audit of Land Revenues. The present edition has been revised incorporating the amendments and changes upto June 2007.

The revenue laws of Andhra Pradesh comprise of numerous legislation dealing with levy of taxes and cesses and also land tenures by way of land reforms which contribute to land revenue in view of the introduction of the ryotwari system in the place of Zamindari and Inam Systems. There are three sets of laws, one applicable to the entire Andhra Pradesh and the other two applicable exclusively to the Andhra area and Telangana area respectively.

In view of the multifarious laws enacted and the multiplicity of records maintained for the levy and collection of land revenue a very wide field has to be covered in the audit of land revenues. In order, therefore, to facilitate the exercise of various checks in audit, the relevant checks to be exercised with reference to a particular law or record have been detailed while dealing with the concerned law or record. This will obviate the need for frequent cross references if all the audit checks were consolidated and given separately in a single Chapter.

Wherever different laws and procedures are prevalent in the Andhra and Telangana Areas, those laws and procedures have been given side by side to facilitate reference and ready understanding. In the absence of any indication to the contrary, it may be taken that the laws and procedures stated are applicable to the Andhra Pradesh State as a whole.

It should be note that besides the provisions relating to the levy, assessment and collection of land revenue, fees, penalties, etc., contained in the various Acts and Rules made hereunder, there are the standing Orders of the erstwhile Board of Revenue which deal with some matters not dealt with in the Acts, such as assignment of lands, bought-in-lands, baling remissions, etc. Therefore, a knowledge of these orders also is essential for purpose of conducting effective audit of land revenues. If, in the course of audit any reference has be made to a particular provision of the Act or the Rules made thereunder or to the Board's Standing Orders, such a reference should be made to the relevant Act or Rule or the Board's Standing Orders and not to the paragraphs of this Manual.

Any error in the Manual or suggestion to improve it may be brought to the notice of the Group Officer (Deputy Accountant General) State Receipt Audit.

The State Receipt Audit (Headquarters) Section is responsible for updation this Manual from time to time.

Hyderabad,
Date: 2007

Accountant General
(Commercial and Receipt Audit), Andhra Pradesh

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INTRODUCTION

1.1 Constitutional Responsibility of the Comptroller and Auditor General of India for Audit of Receipts.- The audit of revenues is inherent in the powers vested in the Comptroller and Auditor General of India by Article 151 of the Constitution. Article 151 lays down the reports of the Comptroller and Auditor General of India relating to the accounts of the Union and the States shall be submitted to the President or the Governor of a State as the case may be, who shall cause them to be laid before each House of Parliament or Legislature. Union or a State and this totality would include all receipts embracing the revenues of the Union and or the States.

Section 16 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, specifically enjoins upon the Comptroller and Auditor General to audit all receipts of the Union and of the States and to satisfy himself that the rules and procedures in that behalf are designed to secure and effective check on the assessment, collection and proper allocation of revenue and are duly observed. For that purpose, the Comptroller and Auditor General is authorized to undertake such examination of the accounts as he thinks fit and to report thereon.

1.2. Principles of Receipt Audit. – Audit of receipts is broadly governed by the general principles laid down in chapter 3 of section II of Manual of Standing order (Audit). The instructions contained in this manual are supplementary thereto and describe specifically the procedure to be followed in the audit of land revenue.

1.3. Audit Vis-à-vis Executive functions.- It is the primary responsibility of departmental authorities to see that all revenues of Government which have to be brought to account are correctly and properly assessed, realised and credited to Government account. The Audit Department does not, however, in any way, substitute itself for the Revenue Authorities in the performance of its statutory duties.

The most Important function of audit is to see (1) that adequate regulations and procedures have been framed by the department to secure an effective check on the assessment, collection and proper allocation of taxes, (2) that the departmental machinery is sufficiently safeguarded against error and fraud and that, so far as can be judged the procedure is calculated to give effect to the

requirements of law and (3) to satisfy itself, by adequate test check, that such regulations and procedures are actually being carried out. It should also be borne in mind that the basic purpose of audit is not only to see that all demands raised are promptly collected and credited to Government but also to ensure that these demands are correctly raised and they satisfy the requirements of law and that the Executive does not grant unjustified or unauthorized remissions to tax payers.

In taxation laws, lacunae may occur as result of oversight or omission at the time of framing or enacting the laws. If the provisions of the law are such that the tax payer takes unfair advantage of such lacunae or provision by way of legal avoidance, Audit may bring to the notice of the Executive such legal evasions, the idea being not to criticize the Legislature but to enable the Government/ Legislature to review the position and initiate remedial action wherever necessary to plug leakages of revenue.

Audit does not review the judgement exercised or the decision taken in individual cases by officers entrusted with those duties but an examination of such cases may be an important factor in judging the effectiveness of assessment procedure. Where, for example, the information received in any individual case is insufficient to enable Audit to see how the requirement of law has been complied with, Audit may ask for further information to enable it to form the judgement required of it as to the effectiveness of the system. It is however, towards forming a general judgement rather than to the detection of individual errors that the audit enquiries should be directed. This does not bar, as a matter of principle, irregularities being pointed out by Audit in individual cases, where substantial amounts are involved or where there have been serious violations of the law or the rules having the force of law. In the discharge of these functions, members of the Audit Department will have access to the relevant records and papers of the Revenue Department but they should observe secrecy in the same way as the officers of the Revenue Department.

1.4. Audit Vis-à-vis judicial pronouncements.- The Audit Department does not, normally, question the decision of a High Court which is binding on the Officers functioning within the jurisdiction of that High Court till it is any way modified or overruled by the Supreme Court. It is only in those cases where no authoritative interpretation of law by High Court or the Supreme Court is available that the Comptroller and Auditor General states what in his judgement is the correct requirement of law on the basis of the plain meaning of the statute and puts forward that view to the Revenue Department for its examination and amendment of the relevant provisions of law if deemed necessary.

1.5. In the subsequent chapters, the basic provisions of the Act and the rules governing the assessment and collection of land revenue and its allied taxes are set out. Being only a summary, this can in no sense be regarded as a substitute for the Act itself and therefore, it should be treated merely as a preliminary step to enable the staff to grasp the essentials of land revenue administration.

CHAPTER 2

LAND REVENUE – HISTORICAL BACKGROUND

2.1. Land Revenue the first charge. – Land is an important source of livelihood for the people in India and also a source of income for the State. In theory, all lands belong to the State and the patta given to a ryot is only in recognition of occupancy right on the land granted to him. Thus the justification for the State to impose a tax on land is that, the State is entitled to share of the income derived from the land by the ryot. Hence land revenue is the first charge on the produce of the land which as per law, is treated as a security for revenue.

2.2. Land Revenue is derived chiefly by imposition of tax on land but, in essence, it is a tax levied on the product obtained from the land, it is perhaps the oldest of all the taxes in vogue.

2.3. Constitutional Provision.- As per Article 265 of the Constitution of India, no tax shall be levied or collected except by authority of law. The power to levy taxes is divided between the Union and the State in accordance with the provisions of Article 246.

The matters to which the legislative powers of the States extend are specified in list-II in the Seventh Schedule to the Constitution. As per entries 18 and 45 of this list, land tenure and land revenue (including the assessment and collection of revenues) falls within the legislative competence of the States and the various enactments on land tenures and land revenue made by the State legislature are in exercise of the powers conferred by these entries.

2.4. Legislative Background.- The revenue laws of Andhra Pradesh comprise legislation, some dealing with the assessment of taxes and their collection and some dealing with land reforms. There are three sets of laws, one applicable to the entire Andhra Pradesh another applicable exclusively to the Andhra area and the other applicable to the Telangana Area. After the formation of Andhra Pradesh, several extension acts were passed from time to time extending several enactments that were in force in Andhra area to Telangana area.

Levy and collection of land revenues is governed by the provisions of Land Revenue Act and the Rules made thereunder by the State Government Board's Standing Orders and executive instruction issued from time to time till 1967. The levy of land revenue is subsequently governed by the Andhra Pradesh Land Revenue (Enhancement) Act 1967. All land to whatever purpose applied

and wherever situate is liable to payment of revenues or rents to State Government except such land as have been wholly exempted from such liability by special grant by or contract with the State Government, or by the provisions of any law for the time being in force. The Andhra Pradesh Water Tax Act 1988 was introduced from 01.07.1986. in the Act the Government rationalized the levy and collection of Water rates in the State by introducing uniform Water Tax rates depending on the category of source of water and the nature of crop grown and also for aqua culture.

2.5. Mode of Assessment and Collections. – The mode of assessment and collection mainly depended on land tenure. It has undergone many changes from time to time and there were many intermediaries between Government and the land holders. In the pre-independence days, there were Jagirdars, Zamindars, Deshmukhs, etc., who had the privilege of assessing land, collecting land revenue and after appropriating a share out of it, passes on the balance to Government. The above system was done away with by introducing legislations such as Jagir Abolition Regulations Tenancy Act, 1950 and the Andhra Pradesh (Telangana Area) Abolition of Inams Act, 1955, the Land Ceiling Act, 1961 etc.

2.6 Ryotwari Tenure. – To achieve uniformity or ryotwari tenure throughout the state, three Regulations mentioned below were issued introducing ryotwari settlement in the scheduled areas and also the abolition of the Muttas and Mahals in the Andhra and Telangana areas, respectively. The splitting of Joint Parras Act of 1965, enabling every person who had acquired ownership of agricultural land to obtain patta in his name by transfer by prescribing a simple procedure and the Andhra Pradesh Record of Rights in Land Act (1971) providing a consolidated law in the entire state are additions to the law of land tenure. The Andhra Pradesh (Telangana Area) Ijara and Kowli Lands cancellation of irregular pattas and abolition of concessional assessment (Act 36 of 1961) have put an end to the irregular revenue proceedings of granting pattas and land revenue concessions.

With the enactment of the foregoing laws, all the lands in the State have been brought under ryotwari tenure with the exception of some inam lands held by charitable and religious institutions. Consequently there is no intermediary between the cultivator and Government at present.

CHAPTER 3

ORGANISATIONAL SET-UP OF THE DEPARTMENT

3.1. The Chief Commissioner of Land Administration is in charge of implementation of revenue laws for the entire State of Andhra Pradesh. He is empowered to exercise supervision and control all persons employed in the administration of public revenue all Zamindars or proprietors of land, paying revenue and all farmers or other persons concerned in or responsible for any part of the revenues of Government. All the Revenue Officers function under his direct supervision of and are subject to his disciplinary control.

3.2. Collector.- In the district the Land Revenue Act is administered by the Collector of the District who is the Head of the District administration. Under him, there are many officers to assist him in the discharge of his functions. The collectors furnish such papers and accounts relating to the revenues under their charge as may be required by Chief Commissioner of Land Administration, by the Accountant General or any other public officer authorized to make such requisition. He is assisted by a District Revenue Officer who is exclusively meant for the revenue administration of the district vested with the powers of Collectors.

3.3. The District Collectors have been empowered to authorise any Officer of Revenue Department not below the rank of a Deputy Collector to exercise all or any of the powers vested in him by or under any law vide Andhra Pradesh (District Collector's Powers (Delegation) Act, 1961). In G.O.M.S. No. 77 (Revenue Department) dated 22-1-68, Government have reorganized the work done by the Collector which apart from certain important items of work to be done by himself has been distributed between the Joint Collector and the District Revenue Officer. The District Subordinate Officers, Joint Collectors, Special Collectors, District Revenue Officers, Assistant Collectors, Revenue Divisional Officers, Deputy Collectors, Tahsildar's and Revenue Inspectors have their own territorial jurisdiction and look after all the revenue matters arising in the areas of their Jurisdiction.

The unit for revenue administration at the base is a village, the administrative function being entrusted to the Village Revenue Officer.

3.4. Duties of Village Revenue Officer.- The Village Revenue Officer is required to maintain proper and upto date accounts and registers contained in the Manual of Village accounts or any other corresponding Manual or any other accounts as may be ordered from time to time. They are also required when called upon to do so, to produce the accounts registers and other records maintained by

them or which are in their custody for inspection. All the registers, records, etc., are to be kept under their personal custody except when they are placed under suspension, removal or dismissal.

3.5. Revenue Inspector.- Villages are grouped into Circle and are in charge of a Revenue Inspector. He provides the link between the Village Revenue Officer and Mandal Office. His duties are multifarious and include field inspection twice a year, check of account and records maintained by the Village Revenue Officer (vide B.S.O. 141(4)) for collection of all kinds of revenues. His inspection reports form the basis for assessing the revenues during Jamabandi.

3.6. Tahsildar. – The chief officer in charge of assessment and collection of Land Revenue, however, is the Tahsildar who is incharge of a Mandal office consisting of a few revenue circles. He is responsible for assessment and collection of Land Revenue for his Mandal. He is assisted by his staff in revenue administration assignments, collections etc. For the purpose of collections of Land Revenue etc, from the Land holders and tenants, he is assisted by the Village Revenue Officers each of whom is in charge of a village or group of villages and or hamlets.

The primary duty of a Tahsildar is to have a check on the accounts and registers maintained by the Village Revenue Officers and check the collection and remittance of Government Revenue to Government Account. On completion of the Jamabandi he notes the demand fixed for the villages and arrives at the total amount due for each village.

The functions of the Tahsildar and the Jamabandi officer are different regard to the fixation of demand. The Tahsildar is primarily responsible for the initial fixing of demand which is finalized only under the orders of the Jamabandi officer. Each year Jamabandi is conducted in every Mandal from March in Telangana and in May/June in Andhra area by a Revenue Divisional Officer or Sub-Collector appointed for the purpose by the Collector. The Tahsildar should initially verify and check Adangal/Pahani entries of the concerned village and also make local enquires as to whether the crops raised according to the Adangal/Pahani were really raised and whether the yield noted the rein is correct. On the strength of those entries he should compare the Mafi Eksala or Kami Eksala prepared by his sub-ordinates and find out that such statements have been prepared correctly. He should also inspect all cases of authorized encroachment and irregular use of Government water. He should find out from the people of the village whether printed receipts were issued for all payments made towards land

revenue. He should also find out whether collectable arrears are being properly collected. The final report of the Jamabandi by these officers should be submitted within a fortnight of the completion of Jamabandi to the Jamabandi Officer who in turn will submit it to Chief Commissioner of Land and administration indicating the details in respect of each Mandal comparative results of Jamabandhi in District etc.

3.7. Three or four Mandals form a division headed by a Revenue Divisional Officer. A few of the divisions in each district are headed, on account of their importance or otherwise, by an Indian Administrative Service Officer who is designated as Sub-Collector. The divisional Officer supervises the work of Tahsildar's under his control, conducts Jamabandhi and determines the annual demand of revenue for each Village Mandal. He is also an appellate authority in certain matters e.g. mutation, encroachment cases and confirm the sale of immovable property in default of Government revenues.

SURVEY AND SETTLEMENT

4.1. In order to fix the rates of Land Revenue payable on lands the lands have to be surveyed with a view to assessing their extent, their classification in regard to soils, their fertility and yield.

Collection of data relating to lands such as their boundaries dimensions area, soil classification, names of the enjoyers etc., is undertaken under the provisions of Andhra Pradesh Survey and Boundaries Act, 1923.

4.2. The Director of Survey, settlement and Land Records controls the entire Survey and Settlement work of the State. He is assisted by Regional Deputy Directors who are placed incharge of a zone comprising 3 or 4 districts, each district being under the charge of one Asst. Director of Survey and Settlement.

Under Section 5 of the Andhra Pradesh Survey and Boundaries Act, 1923 the State Government or any officer or authority empowered by the Government can order a survey of any Government land or any boundary of such land or of the boundary forming the common limit of Government land and land that is not Government land.

Cadastral (pertaining to a cadastre or public register of lands of a country for fiscal purposes; applied also to survey on a large scale) survey is a survey in which boundaries area, reputed ownership and positions of each holding of a revenue unit are determined. A survey of this kind made for the first time is called the 'Initial Survey'.

'Revision Survey' is also conducted after the period fixed by Government to bring the survey records upto date and in conformity with the actual conditions obtaining in the field, after the changes that have taken place since the last survey.

4.3. The lands are surveyed with the help of chain and cross staff. The cadastral chain is made of iron and is of 11 yards in length for calculation. It is divided into 16 parts and each part is called an Anna. This is used to measure the land to find out its area after fixing the boundaries of the field. The cross staff is used to draw perpendicular lines from any point outside.

The land in occupation of each individual is demarcated, surveyed and mapped separately with the above simple instruments and chain and cross staff.

The area is calculated in guntas and acres. The field under occupation of an individual is taken as unit to classify each field. After completion of survey and classification in a Mandal the Director will propose the rates arranging the villages into groups paying particular attention, towards the climatic conditions communication proximity to the markets, fertility of lands, agricultural skill etc. After the rates are sanctioned by Government the assessment will be fixed survey number-wise and announced.

4.4. Section 8 of the Andhra Pradesh Survey and Boundaries Act, 1923, empowers Government to determine, apportion in the prescribed manner and recover the cost of labour employed and survey marks used in survey notified under Section 5 *ibid*, from the persons who have interest in the land or in the boundaries of which survey has been ordered. The charges can be recovered as an arrear of land revenue under this section. Rules framed thereunder vide Section 26 of the Act require that the cost rates are to be worked out as soon as the survey of substantial area is completed. These cost rates, known as progressive rates are to be applied to the areas surveyed subsequently. On completion of survey of a taluk, a supplemental acreage rate is worked out taking into account all the expenditure to the date of completion. The above rates should be communicated to the Revenue Department for collection. The Tahsildar should work out the demand for each holding and forward it to the Village Revenue Officer for collection.

The demand is raised in two stages. In the first stage, the cost per acre of each type of land and holding is worked out as shown in Annexure No.I. In the second stage, the demand as in the first stage is worked out a fresh by completing the survey in all respects and by conducting the final check operations. This demand may vary slightly due to the adoption of taluk area as the unit for working out the cost rates besides including the cost of chairman and correction work utilized for the final check operations. A final demand based on the final check operations issued for the difference between the first and second stage operations. In the event of the final demand being less than the first demand, no refund is authorized but the cost rates of the progressive heads is adopted for collection.

The subsequent charges incurred for mapping etc., are not demanded but met from the regular budget of the department.

4.5. Fees for attending to field work.- Fees are also charges for field work attended to by survey staff in the Telangana Area on applications made by private parties. Rates have been fixed from time to time for each type of work done like demarcation and for each category of staff like Surveyor Inspector etc.

4.6. Suspension of Collection of Survey charges. – Government in their Memo No. 1655/RI/74-4 dt.21-2-75 have issued instructions that the collection of ryots share of demarcation charge in all the 9 districts of Telangana region be suspended till Diagonal offset system of survey records are implemented.

4.7. Exemptions. – The members of the Scheduled Tribes living in the scheduled areas are exempted from payment of value of stones and sub-division fees in view of the economic backwardness of the tribals.

(G.O. Ms.No. 223 Rev. dt. 12-2-1964 & Note under B.S.O.15-9)

4.8. Section 52 of the Andhra Pradesh (Telangana Area) Land Revenue Act lays down that assessment of land for which settlement has not been shall not be increased or decreased until settlement is made. The revised rate is to be brought into force only if a supplemental sethwar is issued by the Land Record Assistant specifying the assessment chargeable on the land.

Field parties are instructed to look into instances of delayed issue of supplemental sethwar and comment suitably highlighting loss of revenue, if any to Government.

(SRA HQrs. Circular No.28 dated 10-3-1975).

4.9. As per orders of Government, the Tahsildar should implement the supplemental sethwar issued, in the Jamabandhi immediately following the issue of the supplemental sethwar and send a certificate of such implementation to the Assistant Director of Survey and Settlement.

4.10. Settlement.- In the ryotwari system a ryot pays his fixed assessment in money direct to Government and the assessment is not liable to fluctuation from year to year. Remissions are granted in unfavourable seasons. He can also relinquish his land if cultivation thereof is unprofitable without being liable for assessment. The ryot cannot be evicted from his land so long as he continues to pay the assessment and thus he enjoys all the advantages of a perpetual lease. The commuted value of a share of the produce of the land which does not exceed half the net produce is called 'assessment' which is made on the land and does not depend on the description of the produce or the circumstances of the person who holds the land. The produce by which the assessment is determined is known as settlement of the land revenue.

4.11. Sources of irrigation.- The source of irrigation in a given tract are generally divided into the following classes:-

First Class: All irrigation under perennial rivers such as the Krishna, Godavari, Tungabhadra and the like and the tanks fed by such rivers, channels or the net work of canals from these sources fully possessing the advantage of perennial water flow should be placed in the first class, the other channels being grouped in the lower classes.

Second Class : Rainfed tanks containing supply for not less than eight months.

Third Class : Minor river channels, spring channels and rain fed tanks containing from five to eight months supply.

Fourth Class : Spring head and other channels, yielding a good supply of water but requiring much labour in clearing and rain fed tanks of three to five months capacity.

Fifth Class : All irrigation under small jungle streams with a precarious water-supply as well as under rain fed tanks of less than three months, capacity.

4.12. Taram (Andhra Area). – Soils of similar grain values irrespective of their soil classification are bracketed together in order called ‘tarams’. Taking the Government share as one half of the ascertained net money value of grain outturn arrived at above, the various rates of assessments are fixed for various tarams, adjusting the rates in the case of dry lands with reference to the position of the villages in relation to their proximity to roads and market and in case of wet lands with reference to the capacity and condition of irrigation sources in each village. The difference of gradations as between tarams may be a rupee in the higher and half a rupee in the lower tarams.

4.13. Bhagana (Telangana Area).- To find out the average value of the land the revenue field is divided into parts as per the area of the field and each part is classified soilwise and at the end its average calculated, which is called as “Bhagana” and the parts which are taken as per area of the field is called ‘Khasla’.

The assessment of land under “the ryotwari survey and settlement” is done in three phases in continuity. The first phase is survey of land which starts from the preparation of “Wasul Baqui” register.

“Wasul Baqui” register indicates all the landholders with the particulars of lands held by them, the extent held by them as it exists in the village records and also the sources of irrigation, if any, by which the land is irrigated. The register duly authenticated by the Tahsildar is sent to the Director of Survey and Settlement work of the State. The work is distributed to various survey parties which have specific jurisdiction over different districts and taluks. On receipts of the Account No.16/Wasul Baqui registers from the Tahsildar the surveyors determine the boundaries of the villages concerned before the holders of lands situated on the border and prominent persons and village officers of the adjoining villages. After fixing the stones as the boundary marks of the village, the survey of lands situated within the village is done and classified into the following types:-

- (i) Agricultural Lands.
- (ii) Unoccupied and non-cultivable lands (Porombokes).
- (iii) Unoccupied cultivable lands (Khairz Khata).
- (iv) Grazing lands (Andhra area) / Gairan (Telangana area).
- (v) Village site (Andhra area) / Gautham (Telangana area).
- (vi) Rivers and streams.
- (vii) Tracks for carts, pedestrians roads, rail.
- (viii) Forest.

All the above types of lands except those mentioned at serial Nos. (v) to (viii) are serially numbered and are called “Survey numbers” which are used for identifying the lands for all practical purposes.

4.14. Records. – In settlement office, the basic record is the Survey Land Register which contains survey numbers of old and new areas, new classification, classification as per old accounts, patta number, name of the pattadar or enjoyer. The register is completed after the settlement staff completes classification of soil of each land and checks up the names of the enjoyers and pattadars. The office will check the work and prepare the register showing the blocks of soils of the same variety and classify the irrigation sources.

The settlement officer will finally check the entries and pass final orders on the classification of soils, irrigation sources and ayacuts. Corrections of the basic record with reference to the orders passed by the settlement officer are carried out. The objection, if any, made by the pattadars are heard. Then the fair accounts i.e., Adangal, Chittas, Settlement ‘A’ register etc., with reference to the final orders, are prepared and handed over to the Revenue Department after notification regarding introduction of new settlement rates from 1st July is issued by the Government.

4.15. Accounts Records.- The following records registers are maintained in the office of the Assistant Director of Settlement, Telangana area:-

- (i) Register of Supplemental Sethwar.
- (ii) Register of fees collected.
- (iii) Register of Demarcation.
- (iv) Copy application Register.
- (v) Progress Register of preparation of conversion of metric measurements.
- (vi) Watamhwar.
- (vii) Challans.
- (viii) Depa.

Besides the above records the following items of survey and settlement also require scrutiny during local audit.

- (i) Recovery of cost of demarcation and survey charges.
- (ii) Recovery of cost of Town and Panchayat survey charges.
- (iii) Implementation of original and supplemental sethwars in land revenue records by Revenue Department (Telangana Area).
- (iv) Finalisation of resettlement operations in Telangana area under Diagonal offset system and in agency areas in Andhra area.

4.16. Splitting up of Joint Pattas. – Andhra Pradesh Splitting up of Joint Pattas Act, 1965(A.P. Act II of 1965) effective from 19-1-1965 was enacted with the object of issuing a separate patta for the share of an individual in his name in a joint Patta (except those of Hindus Joint family).

4.17. Exemptions . – Government have exempted under Sn.8 of the Act the categories of lands mentioned therein such as lands the sub-division of which will result in uneconomic bits of land (G.O.Ms.No.629 Rev.(R) dt. 9-6-1972) settled in favour of more than the one person with the condition prohibiting alienation, lands involved in litigation, lands where difficulty arises in apportioning good and bad bits thereof in case of sub-division etc.

4.18. Rates of fee recoverable.- The fees for each sub-division under Section 9 of the Act is payable on the issue of a demand notice by the Tahsildar at the rates fixed from time to time.

4.19. Audit checks. – Audit may call for the progress reports on the work done in regard to disposal of the joint pattas applications, check that the required fees have been collected, that the target fixed for the issue of fresh Pattas in respect of 1000 Joint Pattas has been achieved. Shortfalls in the target may be commented, if necessary in the light of reasons adduced therefore.

CHAPTER 5

LAND REVENUE / WATER TAX

5.1. Land Revenue is collected every Fasli from every person who owns land for agricultural purpose and is determined after survey and settlement operations are completed by the Settlement Officer of the Revenue Department. The land revenue payable by each landholder is notified as such to the holders, as explained, in the preceding chapter.

The main sources of revenue are as follows:-

- (1) Water Tax
- (2) Non-agricultural land assessment.

5.2. Till 1998, the Land Revenue was derived from the assessment levied on wet and dry lands under the provisions of the A.P. Land Revenue (Enhancement) Act, 1967 read with A.P. Land Revenue (Addl. Wet assessment) Act, 1975 and A.P. Lr (A.W.A) Act, 1986 including the water cess levied (on dry lands irrigation) under A.P. (Andhra area) Irrigation cess Act, 1865 as amended, read with A.P. Irrigation (C.W.C) Act, 1955 and the A.P (T.A) Irrigation Act 1357 Fasli.

In view of development of agriculture due to adoption of scientific methods, Government felt that the quality of the land (on the strength of which survey and settlement operations were done) no more remains a factor for determining the land tax. There fore the Govt found it necessary to bring a legislation for uniform and scientific system of levying water tax on the lands irrigated from assured Govt sources. Accordingly the Govt. enacted A.P. Water Tax Act (11/88) 1988 retrospectively with effect from 1.7.1986, levying Water Tax at the rates specified in the schedule to the said Act, on the lands which are receiving water for Irrigation purposes.

5.3. Powers of the Government to levy and collection of water tax:-

As per section 3 of the Act, The Government entitled to levy and collect water tax in respect of every land receiving water for irrigation purposes from any Government source of irrigation notified under section 4, for each fasli year are as follows:

1. For the purpose of levy of water tax, all Government sources of irrigation classified as major and medium irrigation projects shall be regarded as category – I and all other Government sources of irrigation which supply water for a period of not less then four months in a year shall be regarded as category – II
2. All lands whether classified as wet or dry or otherwise classified as irrigated wet or irrigated dry shall be regarded as dry.

5.4. Notification of Government sources of Irrigation:-

The District Collector shall specify from time to time by notification for the purpose of this Act, the Government sources or irrigation and the lands under the commendable ayacut there in lying with in his jurisdiction, and where any of the said Government sources of irrigation and the lands under the commendable ayacut therein lie in more than one district such notification shall be issued by the Chief Commissioner of Land Administration A.P.

5.5. Determination of Water tax:-

The water tax payable under this Act, for each owner in respect of his lands under the Commendable ayacut of the Government source of irrigation in every village shall ordinarily be determined for the fasli year for which water tax shall be leviable and assessed by the Tahsildar in accordance with the provisions of section 3 After the publication of the notification under section 4 the Tahsildar shall, subject to such general or special orders as may be issued by the Government in this behalf, cause a list to be prepared and published in such manner as may be prescribed, containing the names of the owners, extent of lands held by him under the commendable ayacut of the source of irrigation and water tax payable thereon.

Schedule			
Sl.No	Name of the crop	Category I (per Acre)	Category II (per Acre)
1	First or Single wet crop	200	100
2	Second and third wet crop	150	100
3	First crop irrigated dry	100	60
4	Second and third crop irrigated dry	100	60
5	Duffasal crop	350	350
6	Acqua –culture	500	500

5.6. If in the opinion of the Government the enforcement of all or any of the provision of this Act, will cause hardship in any case the Government may by notification setting out the ground therefore, exempt either permanently or for a specified period, such case or cases from all or any of the provisions of this Act, subject to such conditions, if any as the Government may deem fit to impose.(section 3 of the Act)

5.7. Water tax payable under this Act to be treated as public revenue due upon the land:-

The water tax payable under this Act, by an owner in respect of any land shall be deemed to be public revenue due upon the land and the provisions of the A.P. Revenue Recovery Act, 1864 shall apply.

5.8. Clarifications on levy of land revenue. – Land revenue should be levied and collected on the seed farm of Agriculture Department and the paddy-cum/pisciculture of Fisheries Department and the charge exhibited in accounts irrespective of beneficiary from the point of view of correct accounting.

(Govt, Memo No. 2663-N/64-7 Revenue dt.29-6-65 circulated in SRA Circular Hqrs. LR/I/52 dt.10-3-76).

5.9. Land revenue in respect of bought in lands. – Board's standing order 45(1) empowers the Government to purchase lands belonging to defaulters of Government revenue when there are no bidders at the auction. The lands should be leased out from year to year pending resale of lands at a rate which is not less than two times the land revenue assessment vide Board's standing Order No.45(3).

5.10. Exemption of land revenue. – (a) Government have exempted under Sn.15 of the Andhra Pradesh Land Revenue (Enhancement) Act, 1967, the Andhra Pradesh Agricultural University from payments of land revenue for the lands held by them at Rajendranagar, Hyderabad District, subject to the condition that the exemption is valid only as long as the lands are held by the University for the purposes of the University.

(G.O. Ms. No. 310 Revenue (N) Department, dt.12-3-1976.)

(b) Under proviso to Sn.3 of the Andhra Pradesh Non- Agricultural Land Assessment Act, 1963, where assessment is levied and collected in respect of lands under the Act, no land revenue shall be payable in respect of these lands. The Land Revenue in such cases are required to be remitted at the time of Jamabandhi.

5.11. Allocation of water tax:-

The A.P. Farmers management and irrigation system Act 1997 was enacted to form the Farmers organization with a view to involve farmers in irrigation management. The Farmers organization is to promote and secure equitable distribution of water among the users, adequate maintenance of irrigation system and efficient / economical utilization of water the Govt have announced that the farmers organization shall be associated with the collection of

water tax with in the areas of their operation and the water tax shall appropriately by apportioned to such organization as decided by the Govt from time to time. The adjustment of current water tax collection are to be made in the following ratios

Sl. No	Source of irrigation	Water charges per Acre Rs.	Ratios of allocation (in Rs.)				
			W.U .A.'s	D. C's	P.C.'s	G.P.	Irrigation Dept
1	Major	200	50	20	20	10	100
2	Medium	200	60	--	30	10	100
3	Minor	100	90	--	--	10	--

Considering the variation between actual area irrigated as indicated by irrigation and revenue department a joint Azamoish should be done and the actual figures of area irrigated arrived.

1. Water Users Association.
2. Distribution Committee.
3. Project Committee.
4. Gram Panchayat.

5.12. Reconciliation of irrigation figures Joint azmoish :-

Role of water users association:-

In order to reconcile the figures of irrigation department and Revenue department in respect of extents of land irrigated collectors were instructed in the year 1997 to conduct joint Azmaoish of the lands irrigated under various irrigation sources so as to reconcile the figures.

5.13. Remission and Suspension of Land Revenue

The remission and suspension of land revenue shall be governed by the A.P. Land Revenue Remission and suspension rules 1968.

I. Seasonal Remissions:

Conditions : Remission of land revenue shall ordinarily be granted when the land is left waste or the crop is lost for one or more of the following reasons:

- 1) Lack of water from Government source of irrigation
- 2) Extensive damage to crop due to pests or pestilence
- 3) Submersion / inundation rendering cultivation of land impossible and
- 4) For any reason beyond the control of the ryot .

II Ineligible cases: No seasonal remission of land revenue shall be granted in the following cases:

- 1) If leaving the land as waste and failure of crop area due to ryot's neglect.
- 2) If inspite of adequate supply of water second crop is not raised in single crop wet land, due to ryot's neglect. (In these cases, the remission granted if any for first crop may be revoked)
- 3) Waste lands
- 4) Dry lands

III Procedure for claiming remission:-

- 1) The ryot who desires to claim remission shall submit a written application to the Tahsildar / M.R.I. specifying in it the fields for which remission of land revenue is sought.
- 2) With in 30 days of the application the M.R.I. should inspect crop and submit report to the Tahsildar. The Tahsildar shall inspect a fair percentage of fields (not less than 10% of the fields) in each village. The R.D.O. shall also inspect some fields in the village and random cutting experiments be arranged in any village where the area covered by remission application exceeds 50 acres

5.14. Grant of remission of water tax:-

There is no provision in A.P. water tax Act 1988 as amended by A.P. water tax 1997, for grant of seasonal remission. As per the land revenue Act provisions the Jamabandi officers are having the powers of remissions and exemptions of land revenue but in the water tax Act the powers to remit water tax are vested in the government. It was also laid down in AP Integrated village accounts only government is competent to remit water tax and the district collectors are required to obtain orders from government where ever such cases of remissions arise.

5.15. Levy of penalty.- Penalties for irregular irrigation involving diminution in the supply of water source and damage to the irrigation system, are levied through enhanced water cess (Andhra Area) and penal water rates (Telangana Area) bases on separate rules framed by the Government what constitutes irregular irrigation is given below:

(1) When the water is taken or used for any ryotwari or minor inam land registered as wet in the Revenue registers, or for any land in proprietary tracts recognized by the government as mamul wet, otherwise than in accordance with the conditions on which it is so registered or recognized; or

(2) When the water is taken or used for any other land otherwise than under and in accordance with the terms of a general or specific permit in force issued by a competent authority; or

(3) When the water is taken or used for any land in a manner involving any unauthorized interference with an irrigation or drainage work such as crossbunding a channel, making a cut or hole in the bund, opening or breaking a sluice, changing a pipe, or altering the position of a pipe; or

(4) When the water is taken or used for any land contrary to the orders of any authority competent to give such orders; or

(5) When the water is taken or used for any land in breach of any rule or regulation directing from what source or on what condition water may be taken to or used for such land.

Rates of penalties.- The Collector, Divisional Officer, MRO may impose enhanced rates of water cess in accordance with the rules contained in the Appendix-I (H) of Board's Standing Order 4 issued under Section I of Andhra Pradesh (Andhra Area) Irrigation Cess Act of 1855 as amended in G.O.M.S.No. 1131 Revenue Department dt. 20-11-67. The rates of enhanced water cess leviable for irregular irrigation in Andhra Area are given below:

- (a) Dry lands – Ten times the normal water cess.
- (b) Wet lands – Nine times the normal water cess in addition to the wet assessment.

Section 31 of the Andhra Pradesh (Telangana Area) Irrigation Act, 1957 authorises levy of penal water tax in cases of irregular irrigation. According to Notification – II issued in G.O.Ms. No.1131 Revenue Department, dt.20-11-67 the penal water tax leviable in (Telangana Area) is given below:

- (a) Dry lands – the tax which would ordinarily have been charged and in addition nine times of such tax.
- (b) Wet lands – the tax which would ordinarily have been charged and in addition nine times of such tax.
- (c) In the case of an irrigation work in respect of which water rates have not been prescribed under Section 30 of the Act.
 - (i) Dry lands – Ten times the difference between the highest wet assessment under the irrigation work and the lowest dry assessment in the village.
 - (ii) Wet lands – The assessment which would ordinarily have been charged and in addition at nine times the difference between the highest wet assessment under the irrigation work and the lowest dry assessment in the village.

5.16. Remission of penalties. – The officer levying the enhanced water cess/penal water rate may in case of first occasion of irregular irrigation under class – I source and in the case of first or any subsequent occasion of irregular irrigation under any source other than class-I source, remit such portion of the penalties as he deems proper having regard to the gravity of the irregular irrigation involved. The authority exercising control over the officer levying the penalties may, in case of second occasion of irregular irrigation under a Class-I

source, remit at his discretion upto five times such enhanced water cess (Andhra Area) and penal water rates (Telangana Area).

5.17. Penalty for Encroachments.- Penalties are levied for unauthorized cultivation of Government lands under the provisions of Andhra Pradesh Land Encroachment Act, 1905 vide Section 3 of the Land Encroachment (Extension and Amendment) Act, 1958. Any person who unauthorisedly occupies any Government land is liable to pay full assessment if the land so occupied forms and assessed survey number or part thereof. If the land so occupied be unassessed, an assessment on the area occupied, calculated for the same period at the rates imposed on lands of similar quality in the neighborhood or at the highest dry or wet rate of the village, is to be levied and collected. Any person liable to pay assessment under Section 3 is also liable at the discretion of the collector, to pay in addition by way of penalty, a sum not exceeding rupees five or a sum not exceeding ten times such assessment, as the case may be for any period not exceeding one year in the case of assessed land. In the case of unassessed land, the penalty should not exceed ten rupees or 20 times of such assessment payable for one year vide Section 5 of the said Act.s

5.18. Waiver of Penalty. – (i) The penalty should be waived in full in all cases where the irregular irrigation has not resulted in diminution of the supply of water so as to adversely affect the regular ayacut.

(ii) The penalty should be reduced in all cases to 3 times the normal water rate (in addition to normal rate) if the penalty already levied is higher.

These concessions were extended upto 30-6-79 (G.O.Ms.No.170 Revenue (NP) Department dt.25-1-1979).

As the above concession is generally given every year by issue of specific orders of Government, in audit it should be seen whether the concessions have been extended for the year of audit.

5.19. Collection of Land Revenue- Land Revenue is collected in 3 instalments, each known as Khist. The dates fixed for collection of Land Revenue for each of the crop grown during the agricultural season are as under:

- (i) Kharif : January
- (ii) Abi : 1st to 21 January
- (iii) Rabi : 1st April to 21 April
- (iv) Tabi : 1st June to 30th June

5.20. Arrears of revenue bear interest.- When the whole or portion of a 'Khist' is not paid, the amount of khist or its unpaid portion is deemed to be an arrear of revenue. The arrears of land revenue bear interest at the rate of six per cent per annum (vide Section 4 & 7 of Andhra Pradesh Revenue Recovery Act, 1964).

The Government have waived the recovery of interest of land revenues in all cases where they are paid in full upto 30-6-76. As such waiver is extended

from time to time it should be seen in audit whether for the year of audit the waiver is covered by Govt.orders.

5.21. Write off.- As per Board's Standing Order No. 39(1) the Revenue Divisional Officers are empowered to write-off arrears of land revenue, if they fall under any of the seven categories mentioned below:

1. Amounts erroneously included in the demand.
2. Amounts wrongly charged on lands taken up for public works.
3. Amounts remitted after Jamabandhi.
4. Prohibitory assessment of water rate and enhanced water tax that have been remitted;
5. Demands remaining undischarged after sale of the defaulter's property.

5.22. Lift Irrigation . – Flow irrigation is not possible in respect of lands situated at higher altitudes. To provide water to such lands lift irrigation is resorted to up to the year 1974, such lift irrigation schemes were under the control of the minor Irrigation Department of the Public Works Department. With the formation of the Andhra Pradesh Irrigation Development Corporation the lift irrigation works (both maintenance of the existing works and new ones) were handed over to the corporation.

Government have fixed uniform water rates for the water supplied by the Andhra Pradesh State Irrigation Development Corporation to the beneficiaries under the Lift Irrigation/Tube well schemes with effect from 82-83 as follows:-

As per water tax Act 1988, covers all lands whether irrigated by gravitational flow or by lift the rate to be adopted for wet crop in the land served by category I source is Rs.200/- per acre and Rs.100/- per acre depending on the nature of the crop in view of the repeal provisions contained in Section 15 of the Act.

The water charge from the beneficiaries will be collected by the Revenue Department.

Audit Checks.- It should be seen in audit whether the demands are properly raised, periodically and collected by the Tahsildar from the beneficiaries and that the amounts are collected in full in accordance with the prescribed rates and credited to Government.

5.23. Audit Checks:-

It should be seen

- i. Whether notification of all water sources relating to category I and category II was issued. Non issue of notification and consequential loss of revenue to government towards water tax may be commented in the local audit report giving full information indicating the source of water, whether it is to be classified as category I or category II, the actual extent irrigated in each season, nature of crop raised etc.
- ii. Whether lands for which water was supplied with reference to Adangal / Pahani levied with water tax
- iii. Whether any remission of water tax was granted without the specific order of Government as the authority for remission is not Jamabandi Officer / Tahasildar.
- iv. Whether appropriate / correct rates were adopted based on the crops raised i.e. single wet crop, 1st crop Acqua – culture, duffasal crops etc.
- v. It is to be seen that even through water is released during second crop season for the first time water tax has to be levied at single wet crop rate but not at second crop rate.
- vi. The demands raised in DCB of respective villages for each fasli year have been brought out in the DCB of the Mandal.
- vii. Water tax on the extent of land decided by the joint azmoish has been levied.
- viii. The seasonal remission has been granted by government not by Jamabani Officer / Tahasildar.
- xi. Whether the lands cultivated under the Govt sources of irrigation as per revenue records are a tallied with those of lands notified by the PWD authorities.

CHAPTER 6

LEVIES ON LAND OTHER THAN LAND REVENUE

6.1. Cesses. – Taxes on which payable:-

One of the important sources of revenue to the local bodies is the land cess collectable under the provisions of the Andhra Pradesh (Andhra Area) District Boards Act, 1920, and Andhra Pradesh (Telangana Area) District Boards Act, 1955, on land revenues excluding penalties, payable by every land holder. However cesses on water tax was abolished with effect from 1406 fasli onwards and cesses on dry lands were also abolished from 1408 fasli onwards.

6.2. Remission of Cesses (Andhra Area). - If land revenue is remitted or suspended the land cess shall ordinarily be remitted or suspended in the same proportion. When land cess is suspended or remitted education cess is also correspondingly suspended or remitted.

(G.O.Ms.No. 202 PR Dept.dt.18-2-78 read with Govt.Memo 118 N2/19/1 Rev. Dept.dt.5-281.)

Telangana Area.- Suspension and remission of land revenue will entail suspension and remission of cesses, also (Govt.Memo Rev. 3036-N/70-4 dt. 24-12-71).

6.3. Cess collectable even in cases of exemption from Land Revenue. – Under Sn.6 of the Andhra Pradesh Land Revenue Enhancement Act, 1967, every pattadar as also a small landholder covering under the definition who is liable to pay on all lands held by him an aggregate amount not exceeding rupees ten towards the land revenue and additional land revenue is exempt from land revenue and additional land revenue payable in respect of dry lands held by him. But cesses are collectable on such land revenue even though exempted. They levy and collection of local cess in respect of exempted lands is at the reduced rate of 5 paise on such lands and should be taken for allocation to the local bodies in the prescribed ratio. As regards land revenue waived cesses are to be levied at the normal and not at the reduced rates from 1393 Fasli.

(G.O.Ms. No. 33 (Revenue) dt .10-1-1984.)

According to the rules of assignment of lands in Board's standing orders No.15 and allied orders issued by Government no land tax is to be collected for the periods mentioned therein. But cesses have to be collected on the land tax payable.

The Non- agricultural Assessments Act, 1963, does not provide for the levy of cess on Non-agricultural assessment but the Government of Andhra Pradesh have clarified in their memorandum No. 2880/N 70-3 dt. 19-2-71 that the cesses on the Non-agricultural assessments have to be levied and collected in respect of non-municipal areas.

6.4. Exemption. – No, local cess or education cess is to be levied on the special land tax payable under the Andhra Pradesh Irrigation projects (Special Land Tax) Act, 1976, vide Sn.10 thereof.

6.5. Rates of cess and its adjustment to local bodies.- On every rupee of land revenue, local cess at 18 paise and 25 paise is levied and collected in respect of Andhra Area and Telengana Area, respectively. In Andhra Area education cess at 19 paise is also being collected while there is no collection of such cess in the Telangana Area (Sn.78 of the Andhra Pradesh (Andhra Area) Dist. Board Act, 1920 Sn. 135 of the Andhra Pradesh (Telangana Area) Dist. Board Act, 1955, and Sn. 34 of the Andhra Pradesh (Andhra Area) Elementary Education Act, 1920).

The local cess collected has to be adjusted in full to the Village Panchayat Samithi and Zilla Parishad in the ration of 7:6:5 (Andhra Area).

6.6. Exhibition in Village Accounts. – Thought the land cess is collected along with the land revenue, the Village Revenue Officer should show the land revenue and cesses separately in different columns in the Chitta as well as in the Irsalnama. The land revenue clerk in the Mandal Office should check the correctness of land revenue and the cess amount collected and enter it separately in the land revenue chitta. At the end of the month, he should post the figure village-wise, total it and apportion the local cess among the several local bodies. The Tahsildar. should then issue proceedings sanctioning the amount to the various local bodies at the Mandal level itself.

(G.O.Ms. No. 805 Plg & Local Administration dt.14-6-62 read with Boards L.D. is/T3/2741/74 dt.26-8-1974.)

The adjustment of the above cess among the local bodies should be carried out every month.

(G.O.Ms No.629/P5/III/65-1 dt.15-5-65.)

6.7. Audit Checks.- It may be seen during the local audit whether-

- (i) Cesses are being levied and collected at the prescribed rates.
- (ii) The Village Revenue Officers are exhibiting the land revenue and cesses separately in the columns provided for the purpose in the chitta as well as in the Irsalnama.
- (iii) The apportionment of the local cess to the local bodies is made every month in the prescribed ratio, with the sanction of the Tahsildar. as per instructions contained in Board Circular No.D.Dis. T.3/2741 ct.26-8-74.
- (iv) The cess is being allocated on the actual amount of cess collected and not on ad-hoc basis.

6.8. Andhra Pradesh Non-agricultural Land Assessments Lands to be assessed. – Under the Andhra Pradesh Non –agricultural lands assessment Act, 1963, which came into effect from 1st July 1963, all lands put to non-agricultural use in local area are subject to assessments at the rates specified in the Schedule to the Act. The rates are based upon the population of the local areas as per the latest census figures and also on the purpose i.e., industrial, commercial or any other non-agricultural purpose including residential purpose for which lands are used. The Act was amended from 1st July 1974 (Act, 28 of 1974) enhancing the rates of assessments, enlarging the definition of the word “Industrial Purpose” so as to include mining operations and enabling Government lands leased out to a lessee or local authority assessable under the Act.

From 1st July 1974, industrial purpose includes a purpose connected with an excavation, underground or otherwise where any operation for the purpose of searching for or obtaining mineral has been or is being carried out non-agricultural assessment is payable on the land actually used for mining operation (SRA Cir.No.2 dt.11-4-84).

6.9. Government have clarified that “Cotton Ginning Factories” should be deemed to be industries for the purposes of Section 2(d) of the said Act and hence any lands on which such factories are situated are lands used for industrial purpose. (G.O.Ms.No.427/N/66-7 dt.6-1-1967.)

6.10. If a big plot of land is divided into small bits and those bits are used for different purposes, they have to be assessed in accordance with the purpose for which the bits are used and not under explanation to Section 3. Recourse can be had to this explanation, if only the same land is used for more than one purpose such as industrial and commercial or industrial and residential and that too there it is not possible to demarcate the exact area utilized for each purpose.

All lands owned by the State Government or the Central Government but leased out and lands vested with the local authorities and leased for any commercial, industrial or any non-agricultural purpose deriving income therefrom are liable for assessment with effect from 1st July, 1974 under this Act.

In a case 2005, scc 550 of Federation of Andhra Pradesh Chamber of Commerce and Industries vs State of Andhra Pradesh and others Supreme Court of India held that it is only land which is actually in use for an industrial purpose as defined in the Act that can be assessed to NALA at the rates specified for land used for industrial purpose.

6.11. Exemptions. According to Sn. 12(d) of Andhra Pradesh Non-agricultural Assessment Act, 1963 lands owned by any educational charitable or religious institutions are exempt from the provisions of the Act.

Note:- The Andhra Pradesh Agricultural University lands are exempted from non-agricultural assessment in view of the specific exemption referred to above.

Lands in which orchards are raised are not to be treated as non-agricultural lands for the purpose of Assessment under this Act.

Lands exclusively used for residential purposes where its extent does not exceed one hundred square meters are exempt from assessment under this Act with effect from 1st July 1974.

According to G.O.Ms.No.877 Revenue dt. 16-6-1965 lands on which industries are established should be assessed at half of the assessment under Sn.3 of the Andhra Pradesh Non-agricultural Assessment Act, 1963, for a period of 5 years from the date of establishment of an industry or upto the date of production of rated capacity of the industry whichever is earlier, and thereafter at full assessment under the Act.

The usual land revenue or the ground rent, as the case may be, should be levied and collected in respect of lands located in the local area, coming under the purview of this Act, which however, are not put to industrial purpose.

(G.O.Ms.No.877 dt. 16-6-1965 read with Govt.Memo.No.3668/N/64-4 dt.30-11-64.)

Under Sn. 7 of the Act, Government have granted exemption from the payment of non-agricultural assessment on the land used for establishment of an industry licenced or set up on or after 1st January 1969 whose capital value (excluding working capital) does not exceed rupees five crores, subject to the condition that the amount of land revenue payable immediately before such land is so used and that the concession shall be allowed for a period of five years from the date of commencement of productions.

Non-agricultural lands used for the establishment of milk chilling centers and dairy units by Andhra Pradesh Development Cooperative Federation Ltd. Is exempt from levy for a period of 10 years from 1975.

(G.O.Ms.No. 730 Rev. (M) Dept. dt. 30-4-1984.)

The Government while announcing new industrial policy for 2000 to 2005 years exempted all the industrial units in the state from the levy of NALA for the period from (1.4.2001 to 31.3.2005) which is leviable under section 3 of said act.

The lands which are not liable for the special assessment under the above Act, shall continue to pay assessment as before.

6.12. Rates of assessments: According to Section 3 of this Act, Non Agricultural lands in a local area with the population specified in the schedule there in should be assessed at the rates indicated there in. The rates of special assessments in vogue at the time of Audit should be referred to.

6.13. Where the Andhra Pradesh Non-agricultural Assessment Act does not apply, the provision of Rule 71 of Telangana Area Land Revenue Rules will apply in the areas in Telangana Area. The rates of special assessment to be made in respect of diversion of agricultural land for non-agricultural purposes are as follows:-

(1) (a) Rs.5 per cent acre in the case of lands situated in villages other than Taluk or District Headquarters.

(b)Rs.8 per acre in the case of lands situated in Taluk Head Quarters.

(c) Rs.12 per acre in the case of lands situated in the District Head Quarters.

(2) In the event of wet land being diverted for non-agricultural purpose, the rate of special assessment shall be 1 ¼ times of wet assessment if the land is situated in a village other than the Tahsil of District H.Q. and 1 ½ times, if the land is situated at Tahsil of Dist. H.Q.

Lands situated within 6 miles of the Municipal limits of Hyderabad and Secunderabad are deemed to be land situated in the District Headquarter for the purpose of levy of special assessment.

(3) In the case of Government lands leased out to private parties for non-agricultural purposes, the erstwhile Board of Revenue have prescribed the rates at which the lease amounts have to be fixed by the collectors. B.S.O. 24-A(9) should be referred to by the audit parties for the rates.

6.14. Concessional rates of assessment. – According to Sn. 3(2) of the Act, where the assessment leviable on any non-agricultural land under this act is less than the land revenue payable on such lands, the land revenue alone should be levied and collected.

6.15. Interest for Non-agricultural land assessment. – According to section 9 of A.P. NALA 1963 the assessment payable in respect of any non-agricultural land under this Act shall be deemed to be public revenue due upon such land and the provisions of the A.P. Revenue recovery Act 1864 shall apply in relation thereto

In view of the above provisions in the AP NALA Act the interest can be recorded and levied on the arrears of NALA amounts as clarified by the Government Memo No.397/LR1/87-34 Rev (LR) Dept dt.16.7.94

6.16. Mode of Assessments.- The Unit for the purpose of assessment is a revenue village which has got a separate demarcation or a Municipality or a Corporation, viz., Bellampally township is situated within the boundaries of Budakalan, Burjva and Aknepalli villages which have separated village demarcations Bellampalli itself is not a revenue village as per revenue records. Hence Non-agricultural assessment levy is not enforceable in respect of Belampalli town itself at present for residential purposes.

The Government in the Revenue Department Memo. No. 5887/N/64-4 dt.18-12-1964 had clarified that as the Kothagudem town is declared as a Municipality, each of the revenue village forming part of it should also be taken as a unit and special assessment levied with reference to the population in the respective units.

Under Sn.4 of the Act, the Revenue Inspector after due enquiries from the owner or occupier of the land should determine the assessment payable and issue a demand notice requiring payment within thirty days from the receipt of the demand notice. The Tahsildar is the appellate authority in respect of the appeals against the assessment. The Revenue Divisional Officer is also competent to revise the assessment suo motto or on application made to him. The Government is also empowered by general or special order to remit the whole or part of the assessment under this Act.

6.17. The assessment which is confined only to the period during which the land was used for one of the purposes specified should be a self contained one so that the assessee, if he should be aggrieved, can exercise the right to carry the matter in appeal or revision as the case may be.

6.18. Records to be maintained. – The Board of Revenue have prescribed two registers ‘A’ and ‘B’ wherein village-wise demands and Demand, collection and balance have to be recorded.

Register ‘A’ which is to be preserved permanently, records all particulars of non-agricultural activity for each village viz., Name of the industry area used vacant site, classification of trade viz., commercial or industrial changes that arise from time to time in the name of the owners, extent of lands used, the details of demand and the land revenue foregone so that it may be deleted from land revenue demand in 10(2) Account (Andhra) and Faisal Patti (Telangana). The Registers of individual Non-agricultural Assessment was declared as permanent Annexure to 10(1) Account (Andhra Area) and Chowfasli (Telangana Area).

Register ‘B’ is a village-wise demand, collection and Balance ledger, recording asamiwise. Demand collection and Balance have to be maintained by the Village Revenue Officers to have effective control over balances and these balances are to be reconciled with the Mandal figures for each village and certificates recorded.

The Board of Revenue have prescribed a monthly progress report due in its office on the 10th of the succeeding month, duly indicating the details of arrears and current balances, details and particulars of collectable and non-collectable balances and the period for which the balances relate. (B.P.R. No. 3775/75 dt. 10-1-1975).

6.19. Audit Checks. – It should be seen –

- (i) Whether the population figure as per the latest census have been adopted for determining the rate of Non-Agricultural Assessment.
- (ii) Whether the rates are in accordance with the schedule to the Act.
- (iii) Whether the registers are maintained in the proper form.

- (iv) Whether the non-agricultural assessment is being brought to the Taluk Account no. 12 (Andhra Area) and Goshwara in (Telangana Area) and passed by the Jamabandhi Officers.
- (v) Whether exemptions granted are covered by the Act.
- (vi) Whether the demand shown in the Demand, Collection and Balance statement for the particular Fasli agrees with the total demand as shown in the Register-A maintained in the Taluk Office (Village wise).

6.20. Provisions of NALA after 2nd January 2006

By repealing earlier acts the new act called “Andhra Pradesh Agricultural land (conversion for Non Agricultural purposes) Act, 2006” came in to force applicable whole of the State of Andhra Pradesh. Subsequently rules called AP Agricultural land (conversion for Non Agricultural purposes) rules 2006 were made.

According to the above act and rules

1. No agricultural land in the State shall be put to non-agricultural purpose, without the prior permission of the Competent authority
2. An application for such conversion of the agricultural land for non-agricultural purposes shall be made before the competent authority in the form prescribed along with conversion fee.
3. If the conversion fee so paid is found to be less than the fee prescribed a notice shall be issued by the competent authority to the applicant within 30 days of the receipt of application intimating him the deficit amount.
4. The applicant shall pay the deficit amount indicated in the notice issued within fifteen days of the receipt of such notice.
5. In case no intimation is received by the applicant within 30 days about the deficit payment of conversion fees, it shall be deemed that the amount paid is sufficient for the purpose.
6. The conversion permission requested for shall either be issued, rejected in full or part by the competent authority within sixty days after such request is received in the office of the competent authority or within 30 days after the receipt of the deficit amount as the case may be provided that, if no order is passed on such request within the time prescribed the required permission shall be deemed to have been given.

With effect on and from the date of commencement of the act, every owner or occupier of agriculture land shall have to pay a conversion fee for non-agricultural purposes, at the rate of 10% of the basic value of the land in areas as may be notified by the Government from time to time.

Basic value means the land value entered in the Basic value Register notified by Government from time to time and maintained by the Sub-Registrar.

The Revenue Divisional officer or any officer to be notified by the Government in this behalf shall be competent to order, in respect of the lands situated within his territorial jurisdiction, conversion of land use from agricultural purpose to non-agricultural purpose.

Penalty

- 1) If any agricultural land has been put to non-agricultural purpose without obtaining the permission as required the land shall be deemed to have been converted into non-agricultural purpose.
- 2) Upon such deemed conversion, the competent authority shall impose a fine of 50% over and above the conversion fee for the said land specified.
- 3) The owner or occupier of the land shall pay the fine so imposed in such manner as may be prescribed.
- 4) Any fee or penalty which remains unpaid after the date specified for payment, shall be recoverable as per the provisions of the Andhra Pradesh revenue Recovery Act, 1864.

Act not to apply to certain lands

Nothing in this Act shall apply to –

- a) Lands owned by the State Government.
- b) Lands owned by a local authority and used for any communal purposes so long as the land is not used for commercial purposes.
- c) Lands used for religious or charitable purposes.
- d) Lands used by owner for household industries involving traditional occupation, not exceeding one acre.
- e) Lands used for such other purposes as may be notified by the Government from time to time.

Arrears :

All the outstanding arrears from individuals / institutions under the Andhra Pradesh Non-Agricultural Lands Assessment Act, 1963 as on the date of commencement of this Act shall be recovered under the provisions of the Andhra Pradesh Revenue Recovery Act, 1864.

6.21. Road Cess:-

As per section 27 of A.P irrigation utilization and command Area development Act, 1984 read with notification issued by the Govt, under G.O.Ms.No.48 irrigation and CAD VI Department dt.25.06.1986 and G.O.Ms.No.299 irrigation and CAD VI department dt.07.09.1988, Road cess at Rs.12.35 ps per Hectare per annum shall be levied and collected by the revenue officials from fasli year 1398 along with land revenue / water

tax from the land holders in the command areas of the Nagarjuna Sagar Right Canal, Left canal, Sri Ram Sagar Project and Tungabhadra Project who are benefited or capable of being benefited under any scheme under taken under the Act. According to clarification issued in August 1989 (1486/88 dt.28.08.89) 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. The amount so collected shall form a separate road cess fund under the irrigation utilisation and CAD department to be utilised for the purpose of laying out the roads within the command Area and for their proper up keep and maintenance.

The road cess is creditable to the following heads under various command areas.

0702 – Major Irrigation

03 – command area development

Minor Head – 101 N.S Right canal / 102 N.S. Left canal / 103 Sri Ram Sagar Project /

104 - Tungabhadra Project

Sub – head – 01: Road cess collected under AP irrigation utilisation and CAD Act, 1984.

Audit Checks:-

- 1) Whether the extent of land localized under the command area for the purpose of determining the demand is correctly taken.
- 2) Whether the rate of road cess is in accordance with the Act.
- 3) Whether the demand shown in the D.C.B. statement for the particular fasli year agrees with the total demand shown in Taluk 12 account

6.22. Drainage Cess in Delta Areas. – The Andhra Pradesh (Krishna, Godavari and Pennar Delta area) Drainage Cess Act, 1985, (Act No.26 of 1985) was passed by the Government to take effect from 15-11-85 for a period of 5 years under Sn.3 of the Act, cess is payable for lands in the deltas of the Krishna, Godavari and Pennar rivers irrigated whether by flow or lift under the network of canals taking off from the barrage near Vijayawada on the Krishna river, the barrage near Dowlaishwaram on the Godavari river and the anicut near Sangam and Nellore on the Pennar river.

It was decided by the Govt that drainage cess and drainage maintenance fee shall not be levied for the fasli year 1409 onwards. However, the arrears under the Act are liable to be collected (vide Government Memo.No.956/LR-3/27-3 dt.29.1.1997).

CHAPTER 7

INTEGRATED VILLAGE ACCOUNTS

7.1 Prior to formation of Andhra Pradesh there were (39) Village accounts in Telangana Area and (38) village accounts in Andhra Area. The Govt have reduced village accounts from 39 to 22 in Telangana Area and from 38 to 23 in Andhra area. In order to integrate the village accounts of both the regions, the Govt of A.P have introduced

common (11) village accounts i.e. integrated village accounts in G.O.Ms.No.265 Rev (LR-II) dt.10.03.92.

The Integrated village accounts :

<u>Sl.No</u>	<u>Village</u>	<u>Description of the village accounts and purpose of its maintenance</u>
	<u>accounts No.</u>	
1	1	Register of Govt lands, Assigned lands alienations, encroachments etc.,
2	2	Transfer registry (Mutation Register) for change of Pattadars / owners of the lands
3	3	Adangal / Pahani
4	3-A	Monthly cultivation accounts and yield
5	4	Land holding and Ryothwise demand
6	4-A	Water rate, Misc. revenue and charges levied
7	4-B	Statement of remissions
8	4-C	Encroachments in Govt lands
9	5	Demand, collection and balance Register.
10	6	Register of daily collections (Chitta)
11	7	Remittances (Irsalnama)
12	8	Irrigation sources register
13	8-A	Irrigation Abstract / water utility details
14	Register-A	Sethwar / permanent register
15	9	Land revenue receipt book
16	10	Register of Births
17	11	Register of Deaths

7.2 Permanent / Sethwar – A Register:

In Telangana area, this permanent –A register is named as sethwar. This is the basic register for raising the demand of land revenue / water tax as it contains village wise information regarding all types of land with survey number, extant, classification, source of water supply (it wet) rate of land revenue / water tax per acre, name of the pattadar etc. as such the entire land available in the village and the assessment payable by each pattadar can be known from the details incorporated in (14) columns prescribed for this permanent register.

Audit Checks:

Prescribed percentage (10%) of items i.e survey numbers including subdivisions should be traced in the permanent register of register of the selected village with reference to the original settlement register / sethwar to ensure the correctness of land revenue /water tax fixed taking into account the enhancement covered by the A.P. land revenue (Enhancement) Act of 1967, A.P. water tax Act 1988 and the Act 13 of 1997.

It should be seen by checking (a few items) that there are no differences in assessment rates between permanent register and account No.3.

It should also be seen by scrutinising a few items that there are no differences in nothings between permanent register and columns 2,3,4, of account No.3

7.3. Account No.I

This register is maintained for recording Govt lands, Govt lands given on lease, land assigned, land encroached and balance of land available and out of which fit for agriculture. There are 20 columns in the register.

Audit checks:-

It should be seen that details of land alienated, assigned, given on lease in favour of departments, private institutions are tallied with Adangal/Pahani of village concerned.

Account No.2:

In every village there would be changes in survey numbers due to sub division of patta lands registration, relinquishment acquisition and conversion of wet land into dry vice – versa. The changes caused have to be recorded in this account by the VRO in the first instance and authenticated by MRI and Tahasildar. Later supplementary sethwar has to be prepared duly causing changes in Tippians by Mandal Surveyor and implement with orders of Tahasildar. The account consists of 12 columns

7.4 Accounts No.3:-

It is called Adangal in Andhra area and Pahani patrak in Telangana area. This is the annual statement of occupation and cultivation, field by field. The entrees in this account are made with reference to the entries in the permanent register. This account in having 31 columns which contains complete information regarding survey number, extent, assessment, names of the Pattadar / Occupant, Patta number, classification of soil, source of irrigation in respect of wet lands, single or double crop known as settlement particulars of filed, second crop cultivation including cultivation of dry lands under wells, whether charged or not of crop sown, month of cutting the crop, extent of yield in kilograms and inspection reports of VROs / MRI/ Tahaslidar. Thus the Adangal / Pahani will indicate the basic land revenue / water tax survey number –wise.

The VRO completes the accounts No.3 and submits it to the Tahasildar on or before 15 September and from Mandal, it is sent to the revenue inspector who returns it to the VRO on completion of his inspection.

Audit Checks:-

1) Audit should ensure that all the enhancement of rates in assessments with reference to the A.P.Land Revenue (Enhancement) Act, 1967, Act 11 of 1988 Act 13 of 1997, and total of assessment after enhancement have been correctly worked out and noted in the

enhancement register with reference to the entries in permanent 'A' register, the same rates have been correctly noted in this account as this is the starting point for fixation of the demand of the village, patta wise.

2) Prescribed percentage (10%) of the survey numbers should be traced in the permanent register and checked with the Adongal to ensure the correctness of the acreage of land cultivated and the rate and amount of land revenue /water tax.

3) It should be seen whether the accounts is properly maintained and the relevant columns of the account contain the remarks of the revenue officials as a result of their inspection of the fields.

4) It may be ensured that water chargers are levied at correct rates as applicable crops indicated in the Adangal / pahani

5) In respect of survey numbers and sub-divisions of the village marked for detailed check, it may be seen that water tax collectable are actually included in account No.4.

6) It should be seen whether cases of remissions were also brought to account No.4-B

7.5. Account No.3-A:

It consists of 14 columns. During fasli year, the details of crops raised with extents and estimated yields are recorded in this register with a view to know that the produce derived in various crops consumable to human beings is sufficient. Based on the information available in this register, the state Govt and the Central Govt., will cause preparation of estimates and to take necessary measures to maintain self sufficiency in food grains.

Through account 3-A is maintained for statistical purpose, audit can verify certain aspects like area sown, source of irrigation nature of crops harvested etc. The account should be checked with season report in order to verify whether there was cultivation after the rainfall. It may also be verified whether the MRI and the MRO have recorded their remarks whenever they visited that village.

7.6. Account No.4

Inherent with 32 columns this register gives the details of lands and Asamivari / occupant –wise land revenue of the fasli year. The MRI has to conduct cent per cent check of the account No.4 and the MRO., after Account No.4

Inherent with 32 columns this register gives the details of lands and Asamivari / occupant –wise land revenue of the fasli year. The MRI has to conduct cent per cent check of the account No.4 and the MRO., after exercising prescribed checks, has to sign this account and put up the same to the Jamabandhi officer in the month of may for approval.

Col No.1 to 11

Meant for recording name of the pattadar and lands held by him, extent and classification of each holding , names of the irrigation sources and water tax, penalty for unauthorized utilization of water from Govt. sources

Account No.4-A

The register denotes imposition of water tax on the lands irrigated from the notified sources of irrigation on the basis, of the irrigation potential. The sources have been categorised in to I&II and the rates of water tax are fixed by the Govt. accordingly.

7.7. Account No.4-B

This register is more or less related to account No.4. In case of crop diseases, natural calamities etc., occurred in the village and when concerned ryots have submitted applications for seasonal remissions, the Tahasildar has to direct his staff to conduct inspections crop wise, survey number wise and get the remarks recorded in the Adangal / Pahani. According to the magnitude of the damage, the Tahasildar obtains the approval of the Jamabandhi officer for written off the water tax or refer to the Govt through the district collector if it is large scale damage. This register consists of 13 columns.

In audit the correctness of all the remissions allowed on account of failure of crops, lack of water from Govt source, breach of Govt source etc., is checked with reference to the remarks of the Tahasildar staff made in the Adangal and provisions of A.P land revenue, remissions and suspending rules 1968.

7.8. Account No.4-C

This register has 22 columns meant for recording the details of Encroachments on Govt lands. It shows the extent of land occupied, entitlement of the encroacher, the penalties levied and the normal land revenue / water tax payable along with the remarks recorded by the MRI /Tahasildar, etc.,

The correctness of the entries in this register is to be verified with reference to the comments of the revenue inspector made in Adangal.

7.9. Accounts -5 :

This register is more or less an abstract of account -4 which consists of 25 columns. The demand of water tax, cesses, penalties as has been shown in col 29 of account 4 is to be recorded in col.4 of this register including the old arrears, if any and the total of col.4 and 5 is to be shown in col.6 thus account .5 indicates Assamwari total demand of the village in a fasli. Col.14 to 19 are meant for recording data-wise collections of current demand and arrears. Excess collections, if any are entered in col.20 &21.

It should be seen in audit that;

- 1). The demand is posted against each pattadar correctly from account .4
- 2). All collections in year are posted correctly against the pattadar; and
- 3). The balances of each pattadar are correctly worked out.

7.10. Account -6:

This register is called “chitta” of daily collection made in the village. It is having 11 columns prepared in duplicate by the VRO. The duplicate copy of this register is to be enclosed to the ‘Irsalnama’ i.e. account -7 along with amount and hand over in Tahasildars office. There is every need for numbering the pages of this register along with round seal of the Tahasildars office. The revenue authorities visiting the villages should invariably check the chittas to see whether all the amounts collected on receipts issued are brought to Chitta and promptly remitted in to Govt account.

Audit checks:

It may be verified in the Mandal Office whether;

- 1) Duplicate of the chitta is invariably enclosed to the challanas relating to the months selected for treasury verification of remittances.
- 2) The chitta is serially machine numbered and all pages are accounted for correctly
- 3) The totaling in the chitta (selected month) and totals carried forward from one page to another are correct;
- 4) The reconciliation of the departmental figures with those of the treasury is being done every month and a certificate of reconciliation is obtained in the Mandal Chitta from treasury.
- 5) There are any omissions to include any amount received in the Chitta.
- 6) All the receipts worked out in the Village accounts have been correctly accounted for in the Chitta and the totals are correct.

7.11. Account-7

This is remittance list (6 columns) showing the particulars of the collections under the several items noted in account -6. This register is prepared in triplicate by the VRO and sent to the Mandal office along with the account No.6. On receipt of same, the Tahasildar should see whether there has been any delay or irregularity in the remittances.

Audit checks:-

Audit may ensure that all the items of the Chitta since the last remittance have been accounted for in the current remittances list.

7.12. Account – 8:

This register is called irrigation source register, for every village as per permanent –A register / Sethwar, details of irrigation source with capacities are recorded. The ayacut under various irrigation sources is also settled based on the capacities of these sources.

There are 25 columns in this register meant for recording information like name of the irrigation source and its category, notified ayacut, nature of crop and its duration, water tax per acre etc.

7.13. Account-8A

This register consists of 5 columns and shows the extent irrigated, source-wise, during a fasli year.

7.14 Account -9

This is the form of receipt to be granted to the ryot in acknowledgement of the sum paid by him, during the year, towards the liquidation of the amount due by him. The VRO will be supplied with books of blank forms of these receipts (7 columns) numbered and sealed by the MRO for issue to the ryots from time to time.

7.15. Account – 10

This is the register of Births registered between 1st January to 31st December in a year of a particular Village, Account 10 contains 19 columns which stores information useful for issue of birth certificates for personal identification, place of birth etc.

7.16. Account -11

This account is called death register which is having 20 columns and indicates the number of deaths in a village during a year (1st Jan to 31st Dec).

Vital statistics in general help to state the population dynamics i.e structure, size, composition at various levels. It also helps to fix plans targets and in formulating population and health policies.

Khata verification:

The entire revenue collected from 1st July to 30th June will be accounted for, towards the revenue demand for that particular fasli year unless the amount so collected pertains to arrears of past years. The accounts of the VROs are compared and verified with the Mandal records, with reference to the Jamabandhi demand and remittances made into the treasury by the VRO from time to time. The errors coming to notice as a result of this verification are rectified then and there and agreement effected between the Mandal and Village accounts. This process is called Khata verification. After the Khata verification is completed, all the VROs have to prepare 'wasool Baki' in other words demand, collection and the balance payable by each ryot in each fasli year, in duplicate and send one copy to the Mandal office for further action.

The various accounts, registers and files that are to be maintained in a Mandal office are listed in Annexure-IV

7.17 Mandal Abstract:-

It contains entire details of mandal like No. of villages, Extent of holdings Nature of land, Notified extent of lands under Notified sources of irrigation, wet assessment, Dry assessment, remission etc. In audit it has to be checked whether the remission was granted by the competent authority, the extent of notified land adopted in same that of notified by the dist. collector. Whether the water rate adopted in accordance with the rates prescribed in water tax act.

CHAPTER 8

LAND TENURES

8.1. Abolition of Estates and Inams. –While the State owns all the lands in the State, the land is held by different persons on tenure. Those lands for which ryotwari patta has been issues are said to be held on ryotwari tenure; those held by Zamindars and

Inamdars were known as being held on Zamindari Tenure and Inamdari Tenure. In the ryotwari system, the lands are under the control of a ryot who holds a patta for the land. In the case of Zamindari and Inamdari systems the lands are under the control of the concerned Estate owner or Inamdar and the cultivators are holding the lands as tenants only.

8.2. Estates abolition. – The estates are usually of three categories namely Zamindari estates, Inam estates and under tenure estates.

The Government of the Composite Madras State decided to abolish the estates and convert them into ryotwari land with ryotwari assessment and accordingly brought in a legislation called Madras Estates (Abolition and conversion into Ryotwari) Act, 1948 (Act XXVI of 1948). According to the provisions of this Act, a notification under Section 1(4) of the Act was to be issued for taking over the estates by Government and then the processes of settlement and grant of ryotwari pattas to the tenants and others were to be initiated. The Act provides for survey (Section 21) settlement (section 22) payment of compensation (Sections 24 to 39) of the landholders in respect of estates taken over by the Government and for the grant of ryotwari pattas to the ryots and landholders (Section 11,15 and 17). From the notified date of taking over the estate to the date of effecting ryotwari settlement under Section 2 of the Act; the land revenue payable to the Government was to be calculated and collected with reference to Section 23 of the Act.

8.3. Inam Abolition. –Another important piece of legislation which sought to change the tenure of land from inam land to ryotwari land was the enactment of the Andhra Pradesh (Andhra Area) Inams (Abolition and Conversion into Ryotwari) Act, 1956. As a precursor to this Act, the Andhra Inams Assessment Act, 1955 was enacted. As the inamdar was paying to Government only a small amount by way of quit rent, Jodi or Kathubadi, Government by this Act sought to revise the assessment payable to Government by the inamdar on the lands held by him to the level of assessment prevailing in adjoining areas or adjoining villages. Under Sn. 3(1) of the Act, the State Government was empowered to levy, on every inam land, with effect from the Fasli year commencing on the 1st July, 1955 (i.e. from 1-7-55) and assessment determined with reference to Sn. 3(1) (a) and 3(1) (b) of the Act, this was known as inam assessment and this assessment can be collected from 1-7-65 retrospectively, irrespective of date of finalization of assessment.

8.4. Levy of Inam Assessment. – Before finalizing the assessment an enquiry has to be conducted under Sn. 9(1) of Estates Abolition Act of 19488 to decide whether it is an inam estate or not, as inam assessment will be leviable only in respect of lands declared to be as not and ‘Estate’. When the tenure of the land is decided as not and ‘Estate’ the Collector has to publish a preliminary notification in Form I (as per Sn. 3(2) (a) of the Act), in the District Gazette, specifying the inam lands in respect of which inam assessment is proposed to be levied, calculated with reference to Sn. 3(1) of the Act and

calling for objection and suggestion, if any. After enquiry, a final notification in Form II is published in the District Gazette with reference to Section 3(3) of the Act, specifying the inam lands and the rates of assessment leviable thereon as finally decided, after enquiry.

As a corollary to this procedure, action has to be initiated for abolition of imams and their conversion into ryotwari tenure, under the provisions of the Andhra Inam (Abolition and Conversion into Ryotwari) Act, 1956. Before proceeding with the conversion of inam land into ryotwari land under Sn.3(1) of the Act, the Tahsildar. may suo motto, and shall on an application enquire and determine.

- (i) Whether a particular land in his jurisdiction is an inam land.
- (ii) Whether such inam land is in ryotwari, Zamindari or Inam village.
- (iii) Whether such inam land is held by an institution.

CHAPTER 9

ANDHRA PRADESH LAND REFORMS, LAND ASSIGNMENT, LAND ALIENATION AND LAND ENCROACHMENT LAWS

9.1. The Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Act, 1973 (Act No. 1 of 1973) providing for fixation of ceiling on Agricultural holdings and taking over of surplus lands determined came into force on 1-1-1975.

9.2. Every person whose holding is in excess of 4.05 hectares (10 acres) of wet land or 10.12 hectares (25 acres) of dry land was required to furnish to a tribunal a declaration of his holding within the time allowed (vide Sec.8).

9.3. The Revenue Divisional Officer may take possession or authorize any officer to take possession of such land that is surrendered or is deemed to have been surrendered under the Act, on payment of compensation at the prescribed rates (Sn. 15) which shall thereupon vest in the Govt. free from all encumbrances from the date of such order (Section 11). These lands are to be allotted as house-sites to agricultural labourers, village artisans, or other poor persons owning no houses or house sites or transferred to the weaker section of the people for purposes of agriculture or for purposes ancillary thereto. Every person to whom land has been allotted or transferred has to pay the value of the land at a sum calculated at 50 times the land revenue payable on such land subject to a maximum fixed by Government the recovery being effected in fifteen equal annual instalments from the date of allotment or transfer. The land is so allotted shall not be transferred or alienated except by way of mortgage in favour of Government Bank or cooperative society including a Land Mortgage Bank. In case of failure to pay the sum or any instalment or violation of any conditions of allotment, the Revenue Divisional Officer is authorized to resume the land after giving reasonable opportunity to the person and the amount already paid by him shall be liable to be forfeited to Government.

9.4. It may be seen in audit of Mandal Offices whether. –

- (1) After taking possession of the lands, the lands were handed over to the allottees without any undue delay.
- (2) The cost of the land allotted was fixed in terms of Sn. 14(2) and it was collected. In case the allottee opted to pay in instalments it may be seen that the annual instalments are correctly fixed and proper accounts are maintained in the ledger opened for the purpose. Arrears of instalments, if any, may be commented upon suitably in the inspection report.
- (3) There was any violation of conditions by the allottee. If so it may be seen that the follow up action was taken in terms of the provisions of Act and Rules.
- (4) The lands taken possession of and not allotted to any person are leased out on eksala basis. Any lapse in this regard may be commented upon suitably.

9.5. Land Assignment.- The assignment of unoccupied lands at the disposal of Government is governed by Board's Standing Order No.15 et-seq and by G.O.Ms. No. 1407 (Revenue) dated 25-7-58 and also subsequent Government orders in the Andhra Area. In the Telangana Area, it is governed by Sn. 54, 54-A, 58-A and 58-B in Chapter V of the Andhra Pradesh (Telangana Area) Land Revenue Act, 1317, Fasli and the rules laid down in G.O.Ms. No. 1406 Revenue dt. 25-7-1958 and also subsequent Government orders issued in this regard.

9.6. Assigning authorities and to whom lands can be assigned. - Tahsildar. is the competent authority to assign lands to the following categories of persons free of cost and subject to the conditions stipulated in this regard: -

- (i) Landless poor persons who directly engage themselves in cultivation including Harijans, ex-toddy Tappers, backward Communities and Weavers (G.O.Ms. No.1142 (Rev). dt. 18-6-54).
- (ii) Ex-servicemen or serving soldiers (Jawans) (G.O.Ms. No. 1090, Rev. dated 13-7-64).
- (iii) Political Sufferers. (G.O.Ms. No. 3102, Revenue, dt. 13-13-47).
- (iv) Cooperative societies. (G.O.Ms. No. 1407, Revenue dt. 25-7-78). Board's Standing Orders No. 15(11).

9.7. Category of lands not be assigned. – According to Para 1(d)(i) of G.O.Ms.No.1142, Rev. dt. 18-6-1954, tank bed lands should not be assigned and pattas should not be therefore granted.

9.8. Extent of Assignment. – The extent of wet and dry lands that can be assigned by Tahsildar. to the various categories of eligible persons is as under. (10% variation may be allowed).

	<u>Wet</u>	or	<u>Dry</u>
(i) Any individual	2 acres		5 acres
(ii) Scheduled Tribes in the Scheduled	5 acres		10 acres

areas

(iii) Ex-servicemen	2.5 acres	5 acres
(iv) Political Sufferers	5 acres (It is 15 acres in ceded Dist. And in the Taluks of Vayalpad and Madanapalli).	10 acres
(v) Collective Farming Societies other than those formed by Uppal Committee.	250 acres or 500 acres in respect of Societies of 100 members.	

This is subject to the condition that the total extent of land in the possession of the assignee, including the lands already owned by him, does not exceed the limits prescribed above.

9.9. Lands to be brought under cultivation. – The lands assigned to the landless poor and ex-servicemen category (i) and (ii) above are to be brought into cultivation within 3 years from the date of assignment and those to political sufferers Category (iii) above within 2 years.

The lands assigned to Ex-servicemen should not be sold or otherwise alienated by them within ten years from the date of assignment.

9.10. Audit Checks. – The village accounts should be scrutinized to see that the demand for land revenue is raised in accordance with the conditions of the assignment and in the case of assessed waste land, the land revenue demand is in accordance with the previous assessment and in case of unassessed waste, it is the dry rate of the neighboring lands.

9.11. It should be seen that:

(i) The lands were assigned by the competent authority.

(ii) The extent of lands assigned do not exceed the maximum limits prescribed.

(iii) The assigned lands are brought under cultivation within the prescribed period from the date of assignment; by referring to the Adandgal etc.

(vi) Land revenue is levied and collected from the date of cultivation and from the expiry of 3 years in respect of lands not brought under cultivation. This aspect may be checked with reference to the Assignment Register and 10(1) Account in the Andhra Area and Faisal Patti in Telangana Area (SRA Hqrs. L.R.I.

Circular No. 56 dt. 17-4-76).

- (v) Water rate is charged if the lands are irrigated with water from Government source of irrigation.
- (vi) Fulfillment of the conditions of assignment of lands are duly recorded in the Register of Assignments; if the conditions are not fulfilled, the assigned lands are duly resumed by Government and re-assigned to other eligible persons.
- (vii) There is no pendency in respect of applications received for assignment of lands, as there will be loss of revenue otherwise.

9.12. Projects affected land. – Project affected land means all land covered by projects of the following categories: -

- (i) Completed after 15th August 1947.
- (ii) Under execution.
- (iii) The execution of which has already been sanctioned.
- (iv) Under investigation.

9.13. Assignment of the above land is subject to the payment of market value by the assignee at the rates to be fixed by the R.D.O. subject to a minimum of Rs.300/- per acre and maximum of Rs.500/- per acre vide G.O.Ms. No. 185 rev. dt:25-2-69. (G.O.Ms. No. 3696 Rev. (V) Dept. dt. 9-12-75).

(SRA HQrs. LR II/ Circular No. 41 dt.29-12-76).

9.14. The market value so fixed is to be collected in fifteen annual instalments together with interest thereon @ 6% per annum. (G.O.Ms. No. 185 Rev. dt. 25-2-69).

Government have directed that the first instalment of land value to be collected in the first year of grant where the cultivated land at the time of assignment exceeds half the extent of assignment. If it is half or less, the recovery is to be started after the expiry of a period of 3 years from the date of assignment . (G.O.Ms. No. 44698-A/56-2 Revenue (A) dt.5-6-1956).

9.15. The assignees are liable to pay special land tax in addition to market value. The assignment of lands to political sufferers is subject to the condition of payment of the market value of land by the assignees. The market value fixed, is to be collected in 15 instalments with interest at 6%.

9.16. Government have directed that the Collectors, while fixing the value of the project affected lands, should ensure that the values of similar lands in the vicinity are taken into account so that the land value fixed is reasonable.

(G.O.Ms. No. 799 (Home-B) Dept. dt. 17-8-71).

9.17. The lands included in the ayacut of any project are to be treated as wet lands only for the purpose of assignment even though wet cultivation has not yet been done (vide Board's Standing Order No. 15(7)(i)).

9.18. Audit Checks in regard to recovery of the market value of the lands assessed.

(i) It should be seen that a special section is opened in the Mandal land village 'D' Register to note the assignment in question. (G.O.Ms.No. 88347-A/55-5, dt.23-1-56).

(ii) That the market value is fixed as laid down under the rules by the competent authority.

(iii) That special land tax is levied and collected along with the market value.

(iv) That interest at 6% per annum is charges and collected on the instalments of the market value.

(v) The ledgers are opened to watch the recovery.

(vi) That market value is recovered in fifteen annual instalments.

9.19. Alienation of land means grant of state land for bonafide public purposes to a person, institution or local body either free of cost or on payment of full or concessional market value and exemption of land revenue (B.S.O. 24)

Applications have to be made in the form prescribed in Appendix XXIX to B.S.O. 24. The provisions contained in B.S.O.24 and the instructions issued by the Government from time to time have to be followed.

For alienation of land within the Municipal areas the resolution of the Municipal council / Corporation is necessary, and in villages Gram Panchayats resolution is necessary.

In cases where it is proposed to enter upon the land pending sanction of alienation, proposals should be accompanied by

i) The resolution of the local body by applying for alienation regarding the reason for urgency.

ii) Valuation proposals with reference to registration statistics.

iii) Proposals for alienation should be submitted with prescribed check memo communicated in C.L.Rs circular B1/950/85, dt.23.02.85 communicated in collector's Roc A7 8994/87 dt.30.08.87.

The alienation proposals should not be initiated unless the clearance and approval of the screening committee is obtained through the concerned administration department in the secretariat (G.O.ms.No.524 Rev dt.27.05.87)

9.20. Powers of alienation

Competent authority	To local bodies	Companies, private associations, corporations, and private individuals	Industrial use & state corporations
Collector	Market value Rs.5,00,000 or upto AC 5.00 cents which ever is less where no conversion of tank bed lands involved (G.O.Ms.No. 725 Rev dt.19.09.99).	Market value upto Rs.10,000/- and upto Acs 0.25 cts whichever is less	Market value upto Rs.2 lakhs and upto Ac 10.00
C.C. LA	Market value beyond Rs.5 lakhs or above Ac 50.. which ever is less	Market value of Rs.5.00 lakhs and upto Ac 5.00 which ever is less	Market value upto Rs.10.00 lakhs and an extent of Ac10.00 (G.O.Ms.No.252 dt.9.04.98
Government	All other cases	All other cases	All other cases

The collector and the C.C.L.A are empowered to permit to enter the land, pending sanction for formal alienation only in cases where they are competent to sanction the alienation

No land shall be alienated to any alienee without the orders of the Government irrespective of its value. Proposals for grant of land to individuals for services rendered to the state, or to be performed to the community, shall be submitted to Government.

Patta lands can be acquired at the cost of private institutions under L.A Act for educational or other bonafide public purposes. After acquisition, such land shall be alienated to the requisitioning institution /Association concerned through an order under B.S.O. 24 para 6 (ii).

The Government have instructed that except lands for agricultural purposes all other cases should be referred for Government.

9.21. Resumption of lands alienated to local bodies (B.S.O.24 (6) (7))

- 1). If the alienatee violated the condition 2 of BSO 24(6), the land may be resumed without payment of compensation and the collector is competent to sanction the resumption under B.S.O. 24(7)
- 2). The Government may resume the land wholly or partly with any building there on, if in the opinion of the Government, land is required for a public purpose or for conducting minimum operations on payment or compensation under B.S.O.24(6) condition 3. In such cases the C.C.L.A may sanction resumption in certain cases under B.S.O.24(7).

9.22. Tank Poramboke

If the proposals relate to tank poramboke, it should be clearly specified whether they are connected with any irrigation works or not. Govt policy is that such tank porambokes or tank bed lands shall not be assigned, alienated or leased. Such proposals require the revoke orders of Government

9.23. Alienation to APSRTC

The Government issued instructions in G.O.Ms.No.371 Rev (Asn-I) Dept dt.3.5.99 in regard to alienation of government land to an extent of 25 cents or 10 guntas in favour of APSRTC fee of cost for constructions of bus shelters, bus stations, bus bays and bus depots in various parts of state, in the following terms.

- 1). Collectors are authorised to alienate upto 25 cents or 10 guntas of government lands (as the case may be) without reference to the land value fee of cost to the APSRTC for constructions of bus shelters, bus stations, bus bays and bus depots in modification of the orders issued in G.O.Ms.No.633, Rev Dept Dt.5.5.82 and G.O.Ms.No.634 Rev (assn.111) dept., dt.2.7.99.
- 2). Collectors are also authorised to handover advance possession of such government lands to the APSRTC pending finalisation of alienation.

9.24. Transfer of state Govt lands

- A). Under B.S.O.22 para 8, the collectors are empowered to transfer Govt lands from one Dept, to another.
- B). Under B.S.O.23 para 1, the collectors are empowered to transfer State Govt lands to railways and other central Govt. Depts for bonafide purpose upto value of rs.25,000/- or

upto AC 0.50 cts whichever is less (G.O.Ms.No.635 rev Asn Dept ., Dt.2.7.92 on permanent basis on payment of market value.

9.25. Sale of Govt. land in public auction

In G.O.Ms.No.633 Revenue Department, dt.5.5.82 and G.O.Ms.No.234 Rev (Assn-1) Dept, dt.4.5.95, it was ordered that Government lands not required by Government whether the extent is less than one acre or more shall be put to sale in public auction in convenient lots. The proceeds realised will be utilized for construction of various types of Government buildings. The sale proceeds shall be deposited in the head of account 0075 – misc. general services – M.H.105 – sale of land and property.

9.26. Leases

Land and building at the disposal of the Government can be granted for temporary occupation for specified periods for non agricultural purposes to individuals, registered company / association/ society or a local body for the purposes such as

- i). Recreation purposes
- ii). Trade Purposes
- iii). Timber and fire wood depots
- iv). Performances by a touring cinema, circus or drama company etc.,

Land within the compound of a government office can be granted for recreational purposes. If other Departmental officers are in charge of such compounds, they should address the collector when a grant under BSO 24-A(I) is applied for. This grant is revokable at 24 hours notice. Temporary rents are exempted from registration and stamp duty. For trade purposes the full competitive rent should be levied as in charge for occupation. By competitive rent is meant , the rent which the site would fetch in the open market if offered subject to the conditions stipulated by the Government.

The lease of Government waste lands can be granted on temporary lease under B.S.O. 15 A for agricultural purpose.

The lands can be leased out for any of the following purposes.

- a) Growing Grass or fodder
- b) Raising flower gardens
- c) Planting casuarinas
- d) Cultivation of plantation products
- e) Cultivation of paddy pulses or other food grains or commercial crops like Tobacco, Cashew, Ground net etc.,

9.27. Period of occupation

The period of lease will be determined in each case with reference to the nature of the proposed occupation and the lease may be given in Appendix – XA of BSO.15A and it need not be registered under Indian registration Act BSO.15A(4).

According to GO.Ms.No.1510 revenue dept dt.06.07.1955 the following officers are competent to grant leases for agriculture purpose.

Competent Authority	Valuable	Nan-valuable
Tahasildar	--	Upto AC-5 in each case
Rev. Divl. Officers		Above Ac-5 and upto Ac-20
Collectors	Above Ac-20 upto Ac-50 in each case	Above Ac-20 and upto Ac-100
CCLA	Above Ac-50 in each case	Above Ac-100 in each case

All irrigated lands will be treated as valuable lands for purpose of granting leases

9.28. Powers of sanction:

Government have enhanced the monetary powers in respect of grant of lease of Government lands in G.O.Ms.No.1024 Rev (Asn.111) Dept., dated 3.10.92 as follows.

	Commissi oner of land Acre Rs.	Collector officer Rs.	Revenue divisionl Rs.
1). Local bodies, state corporation, under takings and transfers to Govt of Indian and central under takings	10 lakhs	25,000/-	5,000/-
2). Companies, private associations end private corporations and private individuals	5 lakhs	10,000/-	2,500/-

The powers of granting leases by the Tahasildar are discarded.

B.S.O. 24 (A)(9) deals with levy of charge for the occupation of the Government land. The general principles for determining the charge are enumerated there in but actual rates of charge of stipulated in B.P Misc 236/72 dt.06.05.72.

According to G.O.Ms.No.1069 Rev dt.25.06.83 the Government ordered that all sandy and unassigned lands which are not fit for raising 'food crops' may lease out for casuriney plantation for a period upto 10 years end for cashew plantation upto 200 acres subject to the conditions that the lands will be resumed by Government at any time if they require by them with out paying compensation tot he lessee.

Lease of irrigation department sites and canal Bunds for purpose of coconut plantation in favor of S.Cs/S.T.s and B.Cs

(G.O.Ms.No.570 I&P Department dt.5.12.81 and G.O.Ms.No.221 I&P dept dt.21.5.83)

Salt lands:

Salt lands that are suitable for brackish water fish farming should not be leased out for salt manufacture.

9.29. Audit checks

- 1) Whether the applications were made in the form prescribed.
- 2) Whether the alienation submitted with the prescribed check memo.
- 3) Whether the clearance and approval of the screening committee is obtained for initiating alienation proposals.
- 4) Whether Govt. Orders obtained for alienation
- 5). whether the alienate violated the conditions of B.S.O.24. (6), if so the resumption orders issued or not.
- 6) Whether the authority is competent to lease the agricultural lands or not.
- 7) Whether the Market value of the land permitted to be alienated is fixed.
- 8) Whether the land alienated utilised for the same purpose with in 3 years from the date of allotment.
- 9) Whether the lease amount has been collected & remitted to Govt account.
- 10) Whether the lease agreement has been registered and sufficient stamp duty has been paid.

9.30. Encroachment means unauthorised occupation of Govt land / Premises / Property etc., as defined in section 2 of the land Encroachment Act 1905. Any person who unauthorisedly occupies the govt land shall be liable to pay by way of assessment as provided in section 3 of the Act.

9.31. Course of action:

The district collector or the R.D.O. or the Tahasildar may adopt one of the following courses on Encroachments

- i) He may levy assessment according to the provision of the sub-sections (I) and (ii) of section 3 of the L.E.Act.
- ii) He may impose a penalty in addition to the assessment (sec.5)
- iii) In addition to the imposition of assessment and penalty, he may summarily evict the person in occupation (sec.6)
- iv) In cases where eviction is ordered, he may also direct forfeiture of any crop or other product raised on the land and of any building or other construction erected or anything deposited thereon, if such building or construction or thing is not removed within the time specified in the notice issued under sec.6(i) of the land Encroachment Act.

9.32. Recovery of the levy

The amount of assessment, rent, fee and penalty imposed under this Act shall be deemed to be land revenue and may be recovered from the person concerned as arrears of land revenue under the provisions of the revenue recovery Act (sec.9)

9.33. Appeal

There shall be no appeal against a decision / order passed by Tahasildar / R.D.O / District Collector. But the District collector may revise any order or decision passed by the Tahasildar / R.D.O and the C.C.L.A may revised any order or decision passed by any subordinate officer.

Under sec.12 A Govt may examine the records relating to any order or decision passed by any subordinate officer and pass such orders as they may deem fit.

Under sec.14, Civil courts are barred from entertaining any suit or pass any injunction for any acts under this Act.

9.34. Regularization of Encroachments :

Government in G.O.Ms.No.508 Rev (Assign) Dept dt.20.10.95 have issued orders for regularization of Encroachments by way of dwelling houses in Govt. lands situated in the areas notified as urban in 1991 census and in Industrial Town Ships. Extending the benefit to the areas covered by Nagarpanchayats / notified panchayats, the Govt in G.O.Ms.No.972 revenue (Assign) dept dt.4.12.98 have issued orders for regularization of Encroachments subject to the following conditions.

- i) The encroachment should be from a period on or before 31.3.1990 (i.e., the encroachment should be over 5 years).
- ii) There shall be a residential structure existing on the land

iii) The extent of land encroached upon by the encroacher should not be in violation of the provisions of the urban land ceiling Act.

iv) All the persons occupying Govt. land unauthorisedly shall file applications to the Tahasildar / Dist Collector concerned. Time limit for filing application was extended upto 31.7.99 in G.O.Ms.No.419 rev (Assign) Dept dt.25.5.99

v) The maximum extent to be regularized free of Market value in each case shall be as follows.

Areas in Municipal Corporation	80 Sq.yads
Nagarpanchayats/ notified grampanchayats	120 Sq.Yads

In respect of encroachments by the persons below poverty line are eligible as per assignment rules, the excess area over and above free of Market value limits shall be regularized on payment of Market value

vi) For regularization of encroachments free of cost to the extent stipulated, the annual income of the encroacher shall not be more than Rs.10,000 as for G.O.Ms.No.94 Rev (Assn-1) Dept dt.24.01.96.

vii) Pattas in all cases of regularization of encroachments shall be issued in the name of the woman i.e. the spouse of the head of the family only or the name of woman who heads a family

viii) The committees headed by the District collectors shall scrutinize all cases of regularization and empowered to approve regularization of encroachments upto Rs.8 lakhs each case.

ix) In case of the regularization of encroachments on payment of Market value, the encroacher is required to pay the Market value in four installments. 25% of Market value shall be paid within one month from the date of issue of regularization orders. Remaining three installments shall be paid once in every six months within a total period of one and half years from the date of regularization.

x) There shall be a rebate of 25% in the Market value for the encroacher who pays the entire Market value within one month from the date of issue of regularization orders.

xi) In cases where regularization is done on payment of Market value, conveyance deed shall be executed after full payment. The registration fee and stamp duty shall be exempted in such cases. In cases of regularization of encroachment on free of Market value, Patta certificate shall be issued.

9.35. Audit checks:

i) Entries recorded in col.No.8 to 14 of village account 4.c may be verified with reference to the information provided in village Account .3 (Adangal) to ensure the nature of encroachments.

- ii) The village accounts and Jamabandhi files should be scrutinised to see that all the inspection remarks made by the revenue officials with regard to encroachments and unauthorized occupations are taken into account in that particular fasli year
- iii) It may be seen whether all the assessment, penalties, fee, rents imposed on encroachments are correctly brought to demand.
- iv) Audit should ascertain whether the regularization of encroachments and unauthorized occupations is done in accordance with the conditions stipulated in G.O.Ms.No.972 revenue (Assign.I) department dt.4.12.98.

CHAPTER 10

ANDHRA PRADESH REVENUE RECOVERY ACT, 1864

10.1. The A.P.Revenue Recovery Act, 1864, aims at consolidation and simplification of the laws relating to the collection of public revenue. The Act, which was in force in the (Andhra Area) of the State of Andhra Pradesh was subsequently extended to the (Telangana Area) with effect from 19th January, 1959, by the Madras Rent and Revenue sales and the Madras Revenue Recovery (Andhra Pradesh Extension and Amendment) Act, 1958.

10.2. Procedure for Recovery.- The act prescribed the manner of dealing with persons, who fail to pay the land revenue etc., in an ascending order of the coercive processes first the movable property is to be attached next the immovable property; failing both the arrest of the person himself as detailed below. The object of such summary process is so avoid the complex and protracted proceedings involved in a civil suit.

(a) Distraint and Sale of Movable Property. – Sns. 9 to 11 of the above said Act deal with the procedure for distraining movable property. When the amount has not been paid by the defaulter pursuant to the terms of the demand issued by the Collector or other officer empowered by the Collector in this behalf, the distrainer should transmit an inventory of the movable property distrained to the nearest public officer empowered to sell distrained property in order that it may be publicly sold for the discharge of arrears due, with interest, batta and cost of distraint (Sn.9).

(b) Attachment and sale of immovable property.- Sns.26 to 36 of the Act deal with the procedure for attachment and sale of immovable property. When the defaulter fails to pay the arrears as per the terms of the demand issued by the Collector or other officer empowered in this behalf the arrears should be recovered by attachment and sale of the defaulter's land in the manner prescribed in the Sections referred to above.

10.3. Public revenue due on land should, for the purpose of this Act, be taken to include cesses or other dues payable to the State Government on account of water supplied for irrigation vide Sn. 1 *ibid.* (upto 1.7.96).

10.4. Arrears of revenue shall bear interest at six per cent per annum vide Sn.7 *ibid.*

10.5. According to Sn. 3 of the Act, every landholder should pay to the Collector or other officers empowered by him to receive it, the revenue due upon is land on or before the day on which it falls due.

10.6. The Act authorize the Revenue Officers to buy land for Government in case the bid forthcoming is very low, on account of combination and collusion among the people of the village.

10.7. The movable properties can be distained by the Village Revenue Officers besides the Revenue Inspector/Tahsildar. The Immovable properties can be distrained only by the Tahsildar. Auctions of movable or immovable properties can be conducted by the Tahsildar and got ratified by the Revenue Divisional Officer.

10.8. Forfeiture of Deposit Amount. – A sum of money equal to fifteen per cent of the price of the land should be deposited by the purchaser of the land with the competent authority and where the remainder of the amount is not paid within 30days, the money so deposited is liable for forfeiture vide Sn. 36.

10.9. The following items of revenues due to Government from the defaulters are deemed to be public revenues due upon the lands and accordingly the provisions of the Andhra Pradesh Revenue Recovery Act, 1864, shall apply for the recovery of arrears pertaining to these revenues: -

10.10. (i) The amount of assessment rent, fee and penalty imposed under A.P. Land Encroachment Act, 1902, vide Sn. 9 *ibid*.

(ii) The assessments payable under the provisions of the Non-agricultural Assessments Act, 1963 vide Sn.9 *ibid*.

(iii) The Drainage Cess payable under the provisions of A.P. (Krishna, Godavari and Pennar delta area) Drainage cess Act, (Act 26 of 1985).

(iv) The Drainage Cess payable under the provisions of the A.P. (non-delta) Drainage Cess Act, (Act 20 of 1985).

(v) The arrears of sugarcane purchase tax (SRA Cir.LR. I/4, dt. 4-5-76).

(vi) Arrears of land cess under Sn. 78 of the Madras Dist. Boards Act.

(vii) Arrears of Sales Tax Sn. 10 of Madras General Sales Tax Act, vide Sn.52, of the Recoveries Act.

(viii) Duties, penalties and other sums due under India Stamp Act (Sn.48 of the Indian Stamp Act).

((ix) All amount due from a Foreman to the Registrar or any other officer (Sn.64 of the Indian Chit Fund Act).

(x) Any tax, penalty or fine due under the A.P. Motor Vehicles Taxation Act, 1963 vide Sn. 17, *ibid*.

(xi) All excise revenue, loss on account of default amounts due to Government under contract relating to excise revenue (Sn.65(1) of A.P. Excise Act, 1968).

10.11. Interest. –Excise Revenue arrears carry interest at 6% per annum under Sn. 65(3) of the S.O.Excise Act. The interest is to be calculated on the arrears of Excise

revenue from the date of reference to the revenue department till the date of recovery and it should be recovered along with the principal amount.

10.12. All arrears of revenue other than land revenue due to the State Government , all advances made by the State Govt. for cultivation or other purposes connected with the revenue, all fees or other dues payable by any person or on behalf of village servants on revenue or police duties, all cesses lawfully imposed upon land and all sums due to the State Govt. including compensation for any loss or damage sustained by it in consequence of a breach of contract may be recovered in the same manner as arrears of land revenue under the provisions of Sn.52 of this Act.

Note: The High Court observed that once the Revenue Divisional Officer has determined the amount of arrears due and issued a notice to the defaulter the sum has become due to the Government and thereafter the property is attachable and sale can be conducted. Sn.52 of the Act does not in any way subscribe to the argument that the amount does not become due unless and until the highest Appellate Authority, finally disposes of the dispute raised by the defaulter, (Cir.No. SRA/HQrs./LR.I/Cir.No.50 dt. 15-3-76).

10.13. All loans granted and all advances made to any person. –

- (i) By any bank to which the repayment of the said loan and advances is guaranteed by the State Government; or
- (ii) By any corporation established by or under a central or provincial or State Act or Government company as defined in Sn.617 of the Companies Act, 1956 or any public body is may be notified in this behalf by the State Government in the Andhra Pradesh Gazette. (vide Sn.52-A inserted after Sn.52 of the Revenue Recovery Act, 1864 by Act No.18 of 1977 SRA (HQrs.) Cir. No. 44 dt. 31-8-77).

10.14 Brought in lands (vide B.S.O.45). - When all steps taken have failed in realizing land revenue from a ryot and recourse in had to attaching the ryot's land as a last resort, it may become necessary for Government itself to but the land for want of bid for the land brought to auction due to combination of ryots or otherwise. In such an event, Govt.bid amount should not exceed 50% of the estimated value of the property or the amount of arrears plus expenses incurred, whichever is less. Till the land is disposed of by re-sale, assignment or otherwise, it should be brought on record as Govt. land and entered in Mandal Office register. The land may not be allowed to remain uncultivated till it is disposed of but given on lease on "Eksala" basis for an amount not less than two times the assessment.

When there is reason to suspect combination to prevent the realization of the full value of the land, an officer who is authorized by the Collector and who is nor the Auction Conducting Officer shall bid on behalf of Government upto an amount not exceeding 50% of the estimated value of the land or an amount equal to the arrears of revenue plus expenses whichever is less and purchase the property on behalf of Government as the highest bidder. But in case of any other bidder in the auction making a

bid in excess of 50% of the estimated value of the land or an amount equal to the arrears of revenue plus expenses, the officer bidding on behalf of Government shall cease to take part in the auction.

10.15. Similar provisions apply in respect of buildings
(G.O.Ms. No. 1041 Rev.dt.16-6-76).

10.16. There is no bar to reassign the land to the original owner or his heirs, who have not willfully defaulted in payment of a Land Revenue provided the entire assessment due upto date with interest thereon is paid to the Government.

10.17. Audit should see that the purchase price does not exceed 50% of the estimated value of the property of the amount or arrears plus expenses whichever is less. Audit should also see whether all such lands are brought to auction every year regularly and in case of failure to bring them to auction, audit should comment on the loss of land revenue due to failure of leasing over the lands. The delay in sale or auction of the attached lands and non-realization of sale amounts, delay due to non-confirmation by Revenue Divisional Officer may be commented upon.

10.18. In Board's B.P.R.T. 2814/75 dt.17-9-75 instruction were issued for the maintenance of a Register in the Mandal Offices in which individual cases referred to it by other departments for recovery (as if it is an arrear of land revenue) under Revenue Recover Act 1864, should be entered so that an effective watch over such items may be kept.
(SRA/Hqrs./LR/II/C/ No/ 30 dt. 20-2-1976)

10.19 Audit Checks. – Audit should see that (i) the relevant register is properly maintained and that adequate action is being taken by the Revenue authorities in realizing the arrears of revenue referred to by the other departments.

(C&AG Cir.No. 14 of 1973 No.233 Rec. A, (IV) 9.73 circulated in SRA (HQ) Cir.No. 19 dt. 12-11-73).

(ii) 10 per cent collection charges recovered by revenue authorities in respect of recoveries referred in para 10.13 of this chapter.

MISCELLANEOUS

11.1. Civil Supplies receipts. – The field parties conducting the local audit of the Collectors office and Mandal offices should also take up the audit of receipts on account of civil supplies department.

The receipts on account of licence fees for various purposes and also collection of dues consequent on revision of issue price of rice and wheat, from time to time should be checked in the above said offices.

11.2. Audit Checks.- Audit should ascertain whether the department has –

- (i) a complete list of licenced dealers;
- (ii) taken the stock position of the respective essential commodities, duly ascertaining it from the dealers on the crucial dates;
- (iii) obtained the stock position on the crucial dates from each licensee in the Mandal and the differential amount of the demand was communicated promptly by the Mandal office to the collector, i.e., District Supply Officer;
- (iv) got these stock balances verified by an official of the Revenue Department to ensure their correctness;
- (v) correctly assessed and raised the differential demand against the licensees and collected it;
- (vi) remitted the differential cost by challan to the credit of the Commissioner of Civil Supplies, Board of Revenue, Hyderabad under the relevant head of account;
- (vii) maintained proper record of Demand, Collection and Balance to watch the progress of recovery (SRA (HQ)/NTR/261 dt.21-1-77).

11.3. Escheats.- ‘Escheats’ means all unclaimed properties left by Hindus, Mohammadans and others who have died intestate and without heirs. While the general superintendence of escheats of real property is vested with the Board of Revenue, it is not so in respect of personal property vide Board’s Standing Order 197(3).

11.4 All escheats should be disposed of by the Board of Revenue. In cases where the value of the property exceeds Rs.10,000 the concurrence of the Govt. should be obtained. Subject to certain conditions, Collectors are empowered to dispose of the escheats of values not exceeding Rs.1,000 vide Board’s Standing Order 197(3).

11.5. Real property which has been escheated to Government should not ordinarily be disposed of until it has been in the possession of Govt. for twelve years and thereafter it should be disposed of under the Darkhast rules contained in B.S.O.'s No.15 as modified in G.O.Ms. No.1523 Rev. 11-6-49 and subsequent orders, if any, vide B.S.O. 197(7).

11.6. Audit Checks. - As the escheats of real property (lands) will be under the possession of the Government for twelve years audit may ensure from the Register 'G' maintained in the Mandal Office that all cultivable lands are duly leased out without any delay so that there is no loss of revenue to the Government. It may also be verified whether all escheats which were in possession of the Govt. for more than 12 years has been disposed of as laid down in B.S.O.197(7).

11.7. Bought-in-buildings. –All building bought-in by Govt. at revenue sales for arrears of revenue are to be handed over to the P.W.D. for maintenance and repairs etc., vide B.S.O. 45(7).

11.8. The officer confirming the sale should communicate a copy of his order to the Executive Engineer, Public Works Department (Roads and Buildings) concerned and hand over possession of the building for its further management (Board's Lr.No. TT3/442/76 dt. 8-10-76).

11.9. Audit Checks. –Audit may ensure that the building are handed over to the concerned authorities without any delay.

11.10. Audit of Court Fee Stamps.-The Comptroller and Auditor General has ordered that is should be seen that applications or petitions which attract the court fee stamps under the provision of the Court Fee Act, 1870, bear the proper stamp duty and cases of non-levy of court fee it any, could be commented upon in the Local Audit Report.

11.11 Applications or petitions presented to officers of the Land Revenue Department of the Govt. of A.P. falling under items 10(a), (b), (c), (j) and (k) of Schedule-II of A.P. Court Fee and Suit Valuation Act, 1956, and attracting court fee stamps should be seen during the local audit of the Revenue Department with a view to include a comment in Local Audit Reports as desired above, in cases of omissions.

(C&AG Cir.No.39 of 1976 communicated through No. 750-RA-IV/31-76 dt.21-10-76 SRA Cir.No. LR.I/43 dt. 10-1-77.)

11.12. Computerization of Mandal Offices

I) Introduction :-

Government of A.P. has decided to make use the developments in the field of Information Technology in order to give efficient fast and reliable services to the citizens. In its I.T. policy it is envisaged to introduce computers for aiding administration throughout the state starting from its bottom most to the top most of unit of administration with the back ground of computerization of land records and Electoral photo Identity card projects, the state Government has taken up this project.

II) I.T. Vision:

The Government feel that large volumes of data generated in the field can be efficiently stored, accessed and processed to plan and monitor the developmental projects for the people effectively by using information Technology. The data generated should be made available through networking throughout the state. According to I.T. Policy of the Government, all Departments would be computerized these computers would be net worked at the district level and the local area networks would be linked to the state capital through APSWAN.

III). Objectives :

The objectives of this project are;

- i) To use information technology to provide fast, efficient and transparent services to people.
- ii) To computerize administrative processes as a foundation for e-governance.
- iii) To reduce administrative delays through necessary process re-engineering and thereby eliminate Scope for corruption.
- iv) To compile an accurate database of people and natural resources.
- v) To generate a unique SSId number for all citizens in the state basing on the data.
- vi) To create and maintenance of land records database at Mandal, District and state levels.
- vii) To collect and analyse statistics relating to crops, rain fall and agricultural output etc.
- viii) To share data base created with other departments.
- ix) To computerize all revenue offices in the state.
- x) To upgrade skills of in-service staff by imparting training in computer applications.

IV) Strategy :

Identify Applications at Tahasildar level.

- i) Category 1 – Work process computerized
- ii) Category 2 – work process manual, but monitoring on computers.
- iii) Category 3 – Back –office functions.

V). Project Implementation :

The Government has taken up computerization of Tahasil offices in 3 phases.

- a) Phase 1. It was decided to issue integrated caste certificates using computers based on the MPHS data collected during 1995. Application packages MPHS, petition Monitoring, payroll package, Land Acquisition and land records have been installed.

b) Phase 2. In addition to above data other application packages for issue of Birth and Death certificate, civil Supplies Monitoring package and pensions are under development stage.

c) Phase 3. Under phase III in addition to the above data, MPHS data conversion from polling station wise to Mandal wise as been completed. Tender notification has been finalised for selecting agencies for taking up MPHS data correction, training and land holding.

After completing the 3 phase program Caste certificates should not be issued manually in computerized Mandals. Tahasildars should use the petition monitoring package for entering and monitoring petitions received by them or referred to them by other departments. This will it self serve as a petition register. The pay roll package taken care of Treasury Bills as well as pay slips to employees. As regard land Acquisition package it is possible now to monitor all stages of land acquisition with the help of this package, and also generate all statutory notifications like DN & DD.

Features of the citizen data base:-

The integrated MPHS/HDS database is among the biggest data bases with 7.6 crore individual records, 1.71 crore house holds consisting data of 28, 191 villages of 1126 Mandals of the state. It contains socio – economic details of individuals and house holds. Social security Identification number assigned for entire population in the state.

Infrastructure :-

Citizen Interface counters, Hardware of Soft ware provided to all 1126 Mandal Offices 81 Revenue Divisional Offices 23 Collectorates and Chief commissioner of Land Administration office at state Head quarters. Multipurpose House hold survey and land records application software and databases have been built up and in use at all Mandal offices.

Computerization of land records:-

Following certificate presently identified for delivery across the counter free of cost in pilot Mandals.

- 1). Adangal / Pahani extracts
- 2). Land ownership certificates
- 3). Mutation record
- 4). R.O.R 1B extracts
- 5). Income certificates
- 6). Residential certificates
- 7). Cast certificates

The database has been linked with multi purpose House hold survey data by incorporating the unique social security Identification Number (SSID) against the names of pattadars. This facilitates for the retrieval of land particulars of the House hold including socio economic details.

Scope for further utilization:-

It is contemplated to put the database for various uses directly and in integration with land records database for the following purposes:-

- 1). BPL families:- by rural development and urban development departments.
- 2). Child Labour:- by labour department
- 3). Tank wise ayacut:- by water user association, irrigation department
- 4). Multipurpose identity cards can be issued for all individuals based on this data
- 5). Data base would be web enabled for transference.
- 6). Data to be used for geographical information system by the planning department for macro and micro level planning.

11.13. Deduction in case of refunding of unused stamp duty paid through challans.

In G.O.Ms.No. 222, revenue (Regn.II) dated 19-2-2005, Government prescribed the procedure to be followed for refund of stamp duty paid through challans. The parties have to apply to the concerned District Collector/Deputy Collector/R.D.O./Tahsildar through Sub-Registrar concerned mentioning the reasons for claiming the refund along with challans and receipt in original issued by the designated bank branch. Sub-Register concerned should scrutinize the application and submit a certificate to that effect to Collector/R.D.O./Tahsildar for refund with a specific note that the challan in question is still in pending in challans register. The D.R.O/Dy.Collector/R.D.O/Tahsildar concerned after due scrutiny issue proceedings of refund of the amount

- (i) The refund shall be permitted for a period of three months from the date of issue of these orders in respect of existing provisions as per note below SR 27 under TR 16 after deducting 10% of the stamp duty paid through challan.
- (ii) The refund shall be permitted for one more month (4th month) as grace period with a deduction of 20% of total stamp duty paid through the challan.
- (iii) Validity period of Challan may be restricted to 4 months only from the date of payment to avoid public hardship, litigation and Administrative problems in reconciliation and verification of old challans etc.,
- (iv) In respect of registration fee and user charges for the services not rendered, the total amount is refundable by the District Registrar concerned as per TR 185.
- (v) In respect of Transfer Duty in Municipal Corporation areas if the transfer duty amount is remitted in to Municipal Corporation Account, refund shall be ordered following the same procedure relating to Stamp Duty as mentioned above.

VERIFICATION OF CREDIT AND RECONCILIATION OF FIGURES

12.1. General. –Primarily the figures of the remittances made as per treasury accounts should be reconciled month after month, by the Department concerned with its own figures ad per books of account kept by it. Such reconciliation will not only facilitate rectification of errors in accounting such as misclassifications but will also serve to detect serious errors due to fraud, defalcations and the like. Due to omission in this respect misappropriation of the tax collections, presentation of bogus challans and drafts fraudulent tampering with the records, etc., have occurred. It should be seen in audit that reconciliation is effected promptly by the subordinate offices.

12.2. The responsibilities of Audit extended to the verification of the fact of remittance of the sums realized as taxes, duties, fees, penalties, etc., into the treasury and the reconciliation of the treasury figures relating to such remittances with the departmental figures. This is the logical culmination of the duties connected with Receipt Audit. Audit should, therefore verify for marked months, that the proceeds of taxes, duties, etc., have actually been remitted into the treasury and entered in the treasury accounts by verification of the relevant records and that the remittances have correctly been classified under the proper heads of accounts. With the introduction of the triennial audit of Mandal offices the accounts of one selected village only has to be checked for all the three fasli years as regards verification of remittances, in addition to verification of two selected months listed from the Mandal (Taluk) chitta, remittances made on behalf of the selected village for all the three fasli years also have to be listed and verified from the treasury records.

12.3. The Government have issued the following instructions under Article 9 of A.P.F.C. Vol. I. -

Both in respect of direct remittances made into the treasury to the credit of the department and the remittance made by the Department after having initially collected them, the offices to which the transaction relate become aware of them through the challan received by them in support of the credits. They should collect all such cases and reconcile them with the treasury records and rectify wrong classification, if any, before the monthly accounts are compiled so that the accounts, in so far as they relate to the receipts rendered to the Accountant General will represent the correct position. The transaction to the end of every month should be reconciled as soon after the close of the month and certificate of reconciliation got recorded by the Treasury Officer/Sub-Treasury Officer and sent to the Controlling Officer by each unit office. The consolidated figures prepared by the controlling officer will in that case represent reconciled figures.

(Govt.Cir.Memo. 76009/2299/Act.68-1 dt. 29-4-1969).

12.4. The controlling officers should send the reconciliation certificates to the Accountant General as in the case of reconciliation of figures under expenditure.

(Govt.Memo No.48937/632/Acts-71-1 dt.26-10-71).

One of the few important checks in Audit is to review, with a view to seeing whether the reconciliation is actually done regularly and in addition credits for the marked months as appearing in the departmental books should also be checked with the original records of the treasury wherever possible so as to ensure that the money received has actually been credited into treasury.

(C&AG's Cir No.13 of 1974 Circulated in SRA Cir.No. Genl./ I-28-A/74-75/23 dt. 16-10-74).

12.5. In Mandal Office. – The Village revenue officer issues a printed receipt bearing the seal of the Mandal Office whenever a ryot pays the land Revenue etc., The amount so collected and brought to the Cash Book (Chitta) is remitted into the treasury.

The challans in respect of these collection of land revenue, cesses and non-agricultural assessment, etc., remittances are presented by the Village revenue officer at the Mandal Office (along with the duplicated copy of extract of cash book) showing collection details and irsalanama before they are accepted at the Sub-Treasury Office/Bank and these challans are recorded in the Mandal Office, chitta (Account No.7) by the land revenue clerks with Fasli-wise break up of collections under land revenue, cesses, non-agricultural assessment, etc., after proper check in Mandal Office. When duplicate copies of challans are received subsequently after remittances, they are correlated with entries already made in the chitta so as to ensure that all amounts shown in the challans presented at the Mandal Office have in fact been remitted without exception. At the end of the month the remittances are totaled and this constitutes the departmental figures of land revenue receipts as reported by the Village revenue officer and it is reconciled with the figures booked by the Treasury Officer and the differences, if any are settled. A certificate of reconciliation is got recorded by the Treasury Officer/Sub-Treasury Officer.

Audit may check the Land Revenue Chitta and ensure that necessary certificated regarding completion of reconciliation between treasury and departmental figures is recorded therein and failure to effect reconciliation between treasury and departmental figures commented upon in the local audit report.

AUDIT CHECKS AND AUDIT PROCEDURE IN GENERAL

13.1. The main object of audit of receipts from land revenue of State Govt. is to see that all land holdings are correctly assessed, noted in the relevant registers and that amounts due from the holders are collected and remitted into the treasuries promptly. For this purpose, it is necessary to audit the record maintained in the following offices of the Revenue Department: -

- (i) Board of Revenue (Chief Commissioner of Land Administration with effect from).
- (ii) Commissioner of Survey and Settlement and Land Records.
- (iii) Mandal Office.
- (iv) Assistant Director of Survey and Settlement (Incharge of survey parties in the Districts).

13.2. Land Record Office. –Audit may also generally examine the basis on which land is classified under different categories and see that due regard has been paid to the several factors mentioned in the Act and other criteria laid down by Government in fixing the standard rates.

13.3. The following important items of revenue other than land revenue are also scrutinized during the local audit of land offices:

- (i) Non-agricultural assessment.
- (ii) Water Tax.
- (iii) Project affected lands and their Assignments.
- (iv) Bought-in-lands and their administration.
- (v) Escheated property, if any and its administration.
- (vi) Remission of land revenue.
- (vii) Integrated Village Accounts.
- (viii) Cost of Land to be collected in case of regularization of encroachments, alienation, etc.,

Checks to be conducted. –The nature of checks would depend on the procedure of levy, mode of collection etc. Audit checks would be confined to a review of the registers records and Accounts maintained at the Mandal office and village levels. Test check of individual cases and of the arrangements for reconciliation of departmental figures of receipts with those of the Treasury is also to be conducted. The checks to be conducted consist in seeing that land revenue etc., has been collected at the appropriate rates and in accordance with the procedures, formalities prescribed in the Acts/Rules/Boards Standing Orders. Non-fulfilment of statutory requirements, non-assessments, short assessments detected by the department and cases of evasions of payment of land revenue should be pursued to finality. A test check of the challans of land revenue remitted into the treasury is also to be carried out. Audit is to see that all orders in respect of waivers, remissions, refunds, suspensions and exemptions of land revenue are covered by proper authority and to the scales prescribed.

13.4. Composition of local audit party. –The State Receipts Audit Party normally consists of two Assistant Audit Officers/ Section Officers and one Auditor who are generally trained personnel, acquainted with the Land Revenue Laws of the State and various accounts maintained at the Village Mandal levels. The supervision, to the extent of 50% of the party days, by a Gazetted Officer should be so arranged that he may join the audit party towards the closing days of audit and discuss the local audit report with the head of the office inspected.

13.5. Conduct of Audit. –On the first day of Audit, the Senior Officer of the audit party should make out a statement showing the allocation of work among the party members and get this approved by the Inspecting Officer on his taking up the supervisions of the party. Important items of work would be undertaken by the officers who should also review the previous local audit reports. The result of such review should be brought out by giving a gist of objection from previous inspecting reports indicating the reasons for the pendency of each para and the action taken thereon. The points for verification, if any communicated by the Headquarters Section should be looked into and the result reported to that section. The supervisions exercised by the receipt Audit Officer should be particularly directed to seeing that the objection raised are fully supported by facts and rules, etc., and that no incorrect objection is allowed to creep in.

AUDITING STANDARDS

Auditing Standards prescribe the norms of principles and practices, which the Auditors are expected to follow in the conduct of Audit. They provide minimum guidance to the Auditor (It means the Auditing Institutions represented by the field audit party) that helps determine the extent of auditing steps and procedures that should be applied in the audit and constitute the criteria or yardstick against which the quality of audit results are evaluated.

The norms of Principles and Procedures to be followed by Audit are prescribed in “Auditing Standards” (2nd Editions, 2002) which, inter-alia, include the following:

A) Basic postulates : The basic postulates for auditing standards are basic assumptions, consistent premises, logical principles and requirements which help in developing auditing standards and serve the auditors in forming their opinions and reports, particularly in cases where no specific standards apply.

The Basic Postulates are :

- 1) The Supreme Audit Institution of India (SAI) should comply with the International Organisation of Supreme Audit Institutions (INTOSAI) auditing standards in all matters that are deemed material.
- 2) The SAI should apply its own judgement to the diverse situations that arise in the course of Government auditing.
- 3) With increased public consciousness, the demand for public accountability of persons or entities managing public resources has become increasingly evident so that there is a need for the accountability process to be in place and operating effectively.
- 4) Development of adequate information, control, evaluation and reporting systems within the Government will facilitate the accountability process, Management is responsible for correctness and sufficiency of the form and content of the financial reports and other information.
- 5) Appropriate authorities should ensure the promulgation of acceptable accounting standards for financial reporting and disclosure relevant to the needs of the Government, and audited entities should develop specific and measurable objectives and performance targets.
- 6) Consistent application of acceptable accounting standards should result in the fair presentation of the financial position and the results of operations.
- 7) The existence of an adequate system of internal control minimizes the risk of errors and irregularities.
- 8) Legislative enactments would facilitate the co-operation of audited entities in maintaining and providing access to all relevant data necessary for a comprehensive assessment of the activities under audit.
- 9) All audit activities should be within the SAI's audit mandate.
- 10) SAIs should work towards improving techniques for auditing the validity of performance measures.
- 11) SAIs should avoid conflict of interest between the auditor and entity under audit.

B) General Standards : 1) The general auditing standards describe the qualifications of the auditor and the auditing institution so that they may carry out the tasks of field and reporting standards in a competent and effective manner. These standards apply to all types of audit for both auditor and audit institutions. While auditing, the auditor should be independent, competent and due care should be taken in planning, specifying, gathering and evaluating evidence and in reporting finding, conclusions and recommendations.

2) The legal mandate provided in the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 provides for full and free access for the CAG and his auditors to all premises and records relevant to audited entities and their operations and provides adequate powers to the CAG to obtain relevant information from persons or entities possessing it.

3) The audit department seek to create among audited entities an understanding of its role and function, with a view to maintaining amicable relations with them. Good relationships can help the SAI to obtain information freely and frankly and to conduct discussions in an atmosphere of mutual respect and understanding.

C) Field Standards (1) The purpose of field standards is to establish the criteria or overall framework for the purposeful, systematic and balanced steps or actions that the auditor has to follow. These steps and actions represent the rules of investigation that the auditor, as a seeker of audit evidence, implements to achieve a specific result.

(2) The field standards establish the framework for conducting and managing audit work. They are related to the general auditing standards, which set out the basic requirements for undertaking the tasks covered by the field standards. They are also related to reporting standards, which cover the communication aspect of auditing, as the results from carrying out the field standards constitute the main source for the contents of the opinion or report.

(3) The field standards applicable to all types of audit are:

a) The auditor should plan the audit in a manner, which ensures that an audit of high quality is carried out in an economic, efficient and effective way and in a timely manner.

b) The work of the audit staff at each level and audit phase should be properly supervised during the audit and a senior member of the audit staff should review documented work.

c) The auditor, in determining the extent and scope of the audit, should study and evaluate the reliability of internal control.

i) Planning: The auditor should plan the audit in a manner, which ensures that an audit of high quality is carried out without wastage of resources in a economic, efficient and effective way in a timely manner.

1) The following planning steps are normally included in an audit:

a) Collect information about the audited entity and its organization in order to assess risk and to determine materiality.

b) Define the objective and scope of the audit.

c) Undertake preliminary analysis to determine the approach to be adopted and the nature and extent of enquiries to be made later.

d) Highlight special problems foreseen when planning the audit.

e) Prepare a budget and a schedule for the audit.

f) Identify staff requirements and a team for the audit and

g) Familiarize the audited entity about the scope, objectives and the assessment criteria of the audit and discuss with them as necessary.

ii) Supervision: - The work of audit staff at each level and audit phase should be properly supervised during audit, and a senior member should review documented work.

1) The following paragraphs explain supervision and review as an auditing standard.

A) Supervision is essential to ensure the fulfillment of audit objectives and the maintenance of the quality of the audit work. Proper supervision and control is therefore necessary in all cases, regardless of the competence of individual auditors.

B) Supervision should be directed both to the substance and to the method of auditing. It involves ensuring that:

a. The member of the audit team have a clear and consistent understanding of the audit plan.

b. The audit is carried out in accordance with the auditing standards and practices of the SAI.

c. The audit plan and action steps specified in that plan are followed unless a variation is authorized.

d. Working papers contain evidence adequately supporting all conclusions, recommendations and opinions.

e. The auditor achieves the stated audit objectives and

f. The audit report includes the audit conclusions, recommendations and opinions, as appropriate.

2) All audit work should be reviewed by a senior member of the audit staff before the audit opinions or reports are finalized. It should be carried out as each part of the audit

progresses. Review bring more than one level of expenditure and judgement to the audit task and should ensure that:

a. All evaluation and conclusions are soundly based and are supported by competent, relevant and reasonable audit evidence as the foundation for the final audit opinion or report.

b. All errors, deficiencies and unusual matters have been properly identified, documented and either satisfactorily resolved or brought to the attention of a more senior SAI officer, and

c. Changes and improvements necessary to the conduct of future audits are identified, recorded and taken into account in later audit plans and in staff development activities.

3) This standard emphasis's the importance of involvement of each higher level of supervision and does not in any way absolve the lower levels of audit staff carrying out field investigations from any negligence in carrying out assigned duties.

iii) Study & Evaluation of Internal Control : The auditor, in determining the extent and scope of the audit, should study and evaluate the reliability of internal control and depend on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

iv) Compliance with Applicable laws and regulations: It performance audit an assessment should be made of compliance with applicable laws and regulations when necessary to satisfy the audit objectives. The auditor should provide reasonable assurance to detecting illegal acts that could significantly affect audit objectives and should be alert to situation or transaction that could be indicative of illegal acts that may have an indirect effect on the audit reports.

The following paragraphs explain compliance as an auditing standard.

1) Reviewing compliance with laws and regulations is especially important when auditing government programs because decision makes need to know if the laws and regulations are being followed, whether they are having the desired results, and, if not, what revisions are necessary. Additionally government organizations, programs, services, activities, and functions are created by laws and are subject to more specific rules and regulations.

2) Those panning the audit need to be knowledgeable of the compliance requirements that apply to the entity being audited. Because the laws and regulations that may apply to a specific audit are often numerous, the auditors need to exercise professional judgement in determining those laws and regulations that might have a significant impact on the audit objectives.

3) The auditor also should be alert to situations or transactions that could be indicative of illegal acts that may indirectly impact the results of the audit. When audit steps and procedures indicate that illegal acts have or may have occurred, the auditor needs to determine the extent to which these acts affect the audit results.

4) In conducting audits in accordance with this standard, the auditors should choose and perform audit steps and procedures that, in their professional judgement, are appropriate in the circumstance. These audit steps and procedures should be designed to obtain sufficient, competent, and relevant evidence that will provide a reasonable basis for their judgement and conclusions.

5) Generally, management is responsible for establishing an effective system of internal controls to ensure compliance with laws and regulations. In designing steps and procedures to test or assess compliance, auditors should evaluate the entity's internal controls and assess the risk that the control structure might not prevent or detect non-compliance.

6) Without affecting the SAI's independence, the auditors should exercise due professional care and caution in extending audit steps and procedures relative to illegal acts so as not to interfere with potential future investigations or legal proceedings. Due care would include considering the concerned laws and relevant legal implications through appropriate forum to determine the audit steps and procedures to be followed.

V) Audit Evidence : Competent, relevant and reasonable evidence should be obtained to support the auditors judgment and conclusions regarding organization, programme, activity or function under audit.

The following paragraphs explain audit evidence as an auditing standard.

1) The audit findings, conclusions and recommendations must be based on evidence. Since auditors seldom have the opportunity of considering all information about the audited entity, it is crucial that the data collection and sampling techniques are carefully chosen. When computer based system data are an important part of the audit and the data reliability is crucial to accomplishing the audit objective, auditors need to satisfy themselves that the data are reliable and relevant.

2) Auditor should adequately document the audit evidence in working papers, including the basis and extent of the planning, work performed and the findings of the audit. Working papers should contain sufficient information to enable an experienced auditor having no previous connection with the audit to ascertain from them the evidence that supports the auditor's significant findings and conclusions.

3) Adequate documentation is important for several reasons, It will:

a. Confirm and support the auditor's opinions and reports

b. Increase the efficiency and effectiveness of the audit.

- c. Serve as a source of information for preparing reports or answering any enquiries from the audited entity or from any other party.
- d. Serve as evidence of the auditor's compliance with Auditing Standards.
- e. Facilitate planning and supervision.
- f. Help the auditor's professional development.
- g. Help to ensure that delegated work has been satisfactorily performed, and
- h. Provide evidence of work done for future reference.

4) The auditor should bear in mind that the content and arrangement of the working papers reflect the degree of the auditor's proficiency, experience and knowledge.

vi) Analysis of Financial Statements: In all types of audit when applicable auditor should analyze the financial statement to establish whether applicable accounting standards for financial reporting and disclosure are complied with and should perform to such degree that a rational basis is obtained to express an opinion on financial statements.

The auditor should thoroughly analyze the financial statements and ascertain whether:

- a) Financial statements are prepared in accordance with acceptable accounting standards;
- b) Financial statements are presented with due consideration to the circumstances of the audited entity;
- c) Sufficient disclosures are presented about various elements of financial statements; and
- d) The various elements of financial are properly evaluated, measured and presented.

The methods and techniques of financial analysis depend to a large degree on the nature, scope and objective of the audit, and on the knowledge and judgement of the auditor.

2) Where the SAI is required to report on the execution of budgetary law, the audit should include;

- a) For revenue accounts, ascertaining whether forecast are those of the initial budget, and whether the audits of taxes, rates and duties recorded, and imputed receipts, can be carried out by comparison with the annual financial statements of the audited activity;
- b) For expenditure accounts, verifying credits to assist budgets, adjustment laws and, for carryovers, the previous year's financial statements.

3) Where the SAI is required to report on systems of tax administration or systems for realizing non-tax receipts, along with a systems study and analysis of realization of revenues/receipts, detection of individual errors in both assessments and collection is essential to highlight audit assertions regarding the system defects and comment on their efficiency to ensure compliance.

D) Reporting Standards: 1) On the completion of each audit assignment, the Auditor should prepare a written report setting out the audit observations and conclusions in an appropriate form; its content should be easy to understand, free from ambiguity and supported by sufficient, competent and relevant audit evidence and be independent, objective, fair, complete, accurate, constructive and concise.

2) With regard to fraudulent practice or serious financial irregularities detected during audit or examined by audit, a written report should be prepared. This report should indicate the scope of audit, main findings, total amount involved, modus operandi of the fraud or the irregularity, accountability for the same and recommendation for improvement of internal control system, fraud prevention and detection measures to safeguard against recurrence of fraud/serious financial irregularity.

3) The audit report should be complete. This requires that the report contains all pertinent information needed to satisfy the audit objectives, and to promote and adequate and correct understanding of the matter reported. It also means including appropriate background information.

4) In most cases, a single example of a deficiency is not sufficient to support a broad conclusion or a related recommendation, all that it supports is that a deviation, an error or a weakness existed. However, except as necessary, detailed supporting data need not be included in the report.

5) Accuracy requires that the evidence presented is true and the conclusions be correctly portrayed. The conclusions should flow from the evidence. The need for accuracy is based on the need to assure the users that what is reported is credible and reliable.

6) The report should include only information findings and conclusions that are supported by competent and relevant evidence in the auditor's workings papers. Reported evidence should demonstrate the correctness and reasonableness of the matter reported.

7) Correct portrayal means describing accurately the audit scope and methodology and presenting findings and conclusions in a manner consistent with the scope of audit work.

8) Objectivity requires that the presentation through out the report be balanced in content and tone. The audit report should be fair and not be misleading and should place the audit results in proper perspective. This means presenting the audit results impartially and guarding against the tendency to exaggerate or over emphasize deficient performance. In describing shortcomings in performance, the Auditor should present the explanation of the audited entity and stray instances of deviation should not be used to reach broad conclusions.

9) The tone of reports should encourage decision-makers to act on the auditor's findings and recommendations. Although findings should be presented clearly and forthrightly, the auditor should keep in mind that one of the objectives is to persuade and this can best be done by avoiding language that generate defensiveness and opposition.

10) Being convincing requires that the audit results be presented persuasively and the conclusions and recommendation followed logically from the facts presented. The information presented should be sufficient to convince the readers to recognize the validity of the findings and reasonableness of audit conclusions. A convincing report can help focus the attention of management on matters that need attention and help stimulate correction.

11) Clarity requires that the report be easy to read and understand. Use of non-technical language is essential. Wherever technical terms and unfamiliar abbreviations are used, they should be clearly defined. Both logical organizations of the material and precision in stating the facts and in drawing conclusions significantly contribute to clarity and understanding. Appropriate visual aids (such as photographs, charts, graphs and maps etc.) should be used to clarify and summarize complex material.

12) Being concise requires that the report is not longer than necessary to convey the audit opinion and conclusions. Too much of details detracts from the report and conceals the audit opinion and conclusions and confuses the readers. Complete and concise reports are likely to receive greater attention.

13) Being constructive requires that the report also includes well thought out suggestions, in broad terms, for improvements, rather than how to achieve them. In presenting the suggestions due regard should be paid to the requirements of rules and orders, operational constraints and the prevailing milieu. The suggestions should be discussed with sufficiently high level functionaries of the entities and as far as possible, their acceptances obtained before these are incorporated in the report.

14) Timeliness requires that the audit report should be made available promptly to be of utmost use to all users, particularly to the auditee organizations and/ or Government who have to take requisite action.

13.6. Audit memoranda of the Local Audit Report should be courteously worked in temperate language without issuing any directives to the departmental officers. The audit Memorandum should bring out the omissions that appear to have occurred at the time of levy of taxes and request should be made to verify the correctness of the audit observations and to take such action as deemed necessary under intimation to Audit. The tax involved, should be specifically mentioned wherever possible.

The departmental officers should be requested to offer their remarks with reference to the Audit Memoranda issued and return the same in original within 3 days. It should be ensured by the field parties that the departmental officers do not give vague and evasive replies to the Audit Memoranda.

13.7. Diaries indicating details or work done on each day should be maintained by AAOs/Section Officers and auditors of the Inspecting parties in form SY-324 (Specimen is given below). Weekly extracts there from should be sent by the Inspection parties to HQrs. Section through the Inspecting Officer where the duration of the audit exceeds seven working days.

Dairy SY-324 of Sri.....Asst.Audit Officer/Section Officer/Auditor for the week ending Saturday the

Date	Day of the week & hour of attendance	Name of the Dept./Office inspected	Details of work done
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The..... AAO / S.O
 Auditor
 Countersigned
 Inspecting Officer

(RAST VI 8-3-4/75-76 dt. 30-7-1976).

13.8. The audit of contingent expenditure of Land Revenue offices etc., has been entrusted to State Receipt Audit branch with effect from 1-10-73 along with the receipt audit of Mandal Office.

(C&AG Lr.No. 101/Rec. A/111/145-72/111 dt.18-4-73.)

13.9. The contingent audit of Mandal Office should be conducted since last audit till the month previous to the month in which audit takes place and should not be confined to the years of receipt audit only which will be for specified faslis as per the intimation sent to the Tahsildar. (SRA (HQ) Cr.No. LR-1/IA Misc. 75-76/10 dt. 1-6-1975).

13.10. Documents involved in suspected cases of frauds. –The field parties need not bring the documents relating to the cases of suspected frauds to Headquarters for taking Photostat copies. It is enough that a note of the document in question is taken and the matter is brought to the notice of the departments wherever necessary.

(CAG Decision Communicated in SRA 9HQ) Cir.No. 2-8-/76-77, dt. 3-9-1976).

13.11. Omissions and mistakes in framing laws. – The C&AG has opined that, as a matter of principle, comments focusing Parliament's /Legislature's omissions or mistakes in framing the laws need not to incorporated in the Audit Report. If, however,

the provisions of law have led to consequences not intended at all by the policy underlying the law or lacunae is being exploited by unscrupulous tax payers by way of legal avoidance, a draft para may be featured under “other topics of interest” subject to the condition that no remedial action is under contemplation.

(No. 375 Rec. A/IV/50-73, dt. 24-5-74, Circulated in C&AG Cir.No. 8 of 1974 circulated in SRA Cir.No. 10 dt. 3-7-74).

13.12. Preparation and submission of local audit reports. –The following instruction have been issued for guidance in respect of preparation and submission of Local Audit Report:-

- (i) The instructions contained in Manual of Standing Orders (Audit) should be followed.
- (ii) The objection should be classified as follows:-
 - (a) Objection valued at Rs.30,000 and more should be registered in Part-II-A
 - (b) Objections valued at Rs.5000 and more but less than Rs.30000 should be registered in Part-II-B.
 - (c) All other objection should be included in the Test Audit Note.
- (iii) The local audit report should be written up by the Receipt Audit Officer himself in all cases where he supervises the party on the closing days of the local audit. In all other cases, the AAO/SO may draft the report.
- (iv) There should be proper marshalling of the facts contained in the half-margin and the facts should be arranged in logical sequence. Cogent arguments should be advanced in making a point and the conclusion arrived at should be convincing.
- (v) Field parties should as far as possible as possible enclose copies of Government orders of Judgement extracts of rules etc., in the departmental manual etc., which may not be expected to be available in HQrs.Sn. (vide Cir.No.7-A dt.8/73 of SRA/HQrs.)
- (vi) Annexures to the local audit report should be serially numbered as I,II,III etc, giving reference to the relevant paragraph. The page number of the Annexure should be indicated against the concerned para.
- (vii) The rough notes including the Audit Memoranda and the report should be tagged separately and page numbered from bottom to top and not vice versa, these should be arranged in the following manner: -

- (a) Forwarding note.
- (b) Special note to the HQrs. Sections, if any.
- (c) Local Audit Report.
- (d) Annexures referred to in Local Audit Report.
- (e) Test Audit Note (Copy)
- (f) Allocation of work Half Margins and relies.
- (g) List of Files etc., seen.
- (h) Duplicated Half Margins and other rough sheets.
- (viii) Short recoveries of revenue due to Government made good on the spot at the instance of audit should nevertheless be included in a separate paragraph of Local Audit Report in cases where the individual amount is in excess of Rs.100 so that they may be included in the Register of Audit Activity.
- (ix) Only real and sustainable objections supported by cogent arguments and proper authority should be raised by the Parties who should exhibit fair-play and impartially in examining and appreciating the replies of the Department.
- (x) The parties should not draw conclusions without considering the reply given by the department. Differences, if any, should be settled before the paras are drafted which should contain accepted facts only.
- (xi) The field parties should as far as possible go through their Local Audit Reports as edited by State Receipt Audit HQrs. Whenever time permits, when they go over to Headquarters.
(SRA/ Hqrs/Circular No. 5 dt. 6-4-74).
- (xii) The Local Audit Report should be despatched in covers addressed by name to the Asst.Audit Officer or Audit Officer State Receipt Audit Headquarters Sn. and not to the Senior Deputy Accountant General (SRA). The report should be despatched so as to reach the Headquarters Section within a week of the completion of the audit in order to ensure their state receipt at the Headquarters Sn.
(SRA HQrs./Reg/Hq/73-74 Cir. No. 27, dt.January, 1974.)

- (xiii) (a) The local audit report should be for the (Fasli) years in respect of which the receipts accounts were generally examined and test audit was conducted.
- (b) The local audit report should be in three parts as indicated below:
Part – I Introductory para and outstanding objection.
Part –II Major irregularities and important paras.
Part –III Minor objection and points.

Note: A gist of outstanding objection from previous inspection report is to given in brief in para 1(b) vide SRA Cir.38 dt.1-1-1979.

- (xiv) A para, as to the records requisitioned but not made available to audit, if any, should invariably be incorporated in the Local Audit Report.
(C&AG Cr. No.306/REC-A/IV/30-73 dt. 15-10-73 SRA Hqrs. Cir.No. 17 dt. 8-11-73).
- (xv) The provisions of Inspection (Civil) Manual for local audit of contingent expenditure of Mandal Office should be followed and a separate local audit report relating to expenditure should be sent along with the Local Audit Report for revenue receipts.
(SRA (HQ) O.O.No. 16 dt. 26-11-73 based on C&AG Lr.No. 101/Rec-A/III/145-72/111 dt.18-4-1973).
- (xvi) The certificate of verification of credits for two months selected and name of village marked should be specifically recorded in the memorandum forwarding the Local Audit Report.
(SRA/Hqrs./Cir.No. 28-A/74-75/23 dt.16-10-74).
- (xvii) The departmental authorities are not required to give a list of remittances for which verification of credits with the Treasury accounts is to be done. It is the duty of the field party to collect the required particulars for verification with the Treasury records with reference to Chitta and Challans available with the department.
(SRA(HQ.) L.R.I./IA/607 dt.24-6-75.)
- (xviii) The draft report should be discussed with the departmental officer and certificate as indicated below recorded on Part-I of the report before it is sent to the Headquarters Sn.No reply to Part-III is required as its disposal is watched during the next audit.

“Certified that the report has been discussed and that facts mentioned therein have been verified and found correct.”

13.13. The Comptroller and Auditor General has ordered that objections, irregularities pertaining to the recovery of those taxes and duties or any remission thereof by the respective departmental authorities which come to light during the course of audit of Mandal Office should be reflected in the Local Audit Report, on the respective Taxes/Duty, e.g. objections relating to sales tax recoveries may be shown in the Local

Audit Report on Sales tax, those pertaining to Abkari dues in the Local Audit Report on State excise duties etc. To this end, the Local Audit parties should send a special notes regarding irregularities and recoveries pertaining to sales tax excise duties, etc., which will be passed on to the respective sections for processing further and issue of supplementary reports, wherever necessary. It has accordingly been decided that special points or lapses on the part of the departments should be brought out by the field parties through a special note for further action in the State Receipt Audit (HQ) Sn.

(C&AG Cir.No.14 of 1973 No. 233-Rec-A (iv) 9-73, dt. 13-8-73 SRA Hqrs./Cir No. 19 dt. 12-11-73).

13.14. Duties of Headquarters Section. –The Headquarters Sn. should arrange to obtain Govt. orders notifications, departmental circular instruction; clarifications and judgements of courts etc., affecting land revenue receipts and examine them. References to Govt. or Commissioner of Land Revenue should be made promptly whenever found necessary. Copies of important orders or circulars should be communicated to the Audit parties for their guidance. A review of the Audit Reports of the other states should also be undertaken and cases of important irregularities commented upon in those reports should also be communicated to the audit parties for their guidance.

13.15. The C&AG has prescribed the maintenance of the following registers:-

- (i) A list of Mandal offices, survey and Land Revenue offices etc., to be audited triennially.
- (ii) A programme register showing the selected offices etc., for the purpose of audit in a quarter.
- (iii) A register to watch receipt of the Local Audit Reports from the audit parties and issue of the same to the department.
- (iv) An objection book with a register of adjustment in the prescribed form.
- (v) A register to show the progress of objection.

13.16. A statement of inspection reports pending over six months and another statement showing the objects outstanding for over six months in the prescribed form should be sent to the C&AG every quarter, duly indicating the money value of the Audit objections. A quarterly report showing the offices from which even the first replies to the Local Audit reports have not been received should also be communicated to the Head of the Dept/Govt.

13.17. The Hqrs. Sn. will be responsible for processing the draft paras on land revenue receipts to be included in Receipts Audit Report. For this purpose, a separate register to watch the progress of the paragraphs to be proposed for inclusion in the Audit Report should be maintained. Paras with money value of more than Rs.30,000 only are to be proposed for audit report vide C&AG's :r.No. 441-RA IV/63-76 dt.9-6-76.

13.18. In order to facilitate the exercise of various checks is required to be done during the audit of accounts of Mandal offices, a comprehensive questionnaire has been framed and attached to this Manual for the guidance of inspection parties vide Annexure v.

13.19. Resolution of duties of members of State Receipt Audit Parties as per Circular No. 6 of 1984 of No. 252- Rec. A-IV/3(I)-84/Gr.I, Office of the Comptroller and Auditor General of India, New Delhi – 110 002 dated 28-2-84.

(B) Land Revenue

I. Audit Officer:

1. Reviews of items marked with asterisk and discussion of outstanding Local Audit Report para.
2. Review of system of exemption from land revenue.
3. Review of periodicity of settlement of revenue and inquiries arising from failure to effect resettlement of types of lands whose yields have increased or decreased disproportionately in comparison to general class of lands.
4. Review of system for reconciliation of recoveries posted in departmental records with recoveries as per treasury records.
5. System for raising and enforcement of demand.
6. System for enforcing recovery of demands and pursuing arrear demands.

II . Assistant Audit Officers/Section Officers/Auditor/ Junior Auditor (to be allotted by Audit Officer or Senior Assistant Audit Officer designated by Audit Officer).

- * (1) Audit of demands raised, their correctness, computation and assessment classification of lands, demands for other dues charges, fees etc.
- * (2) Check of other records and registers including grant of exemptions and refunds and connected files, cash books, receipt books, records recived from Irrigation and Works departments and other departments for effecting recoveries as arrears of land revenue.
- (3) Any other item of work allotted by Audit Officer or Assist Audit Officer designated by Audit Officer.

ANNEXURE I
(vide para 4.4)

Formula for working out the cost rates

Area Particulars	Extent in Hectares	Particulars	Amount
1	2	3	4

1. Infield of 50 acres and below

Dry	X	Measurement Allowance of Surveyors, pay and allowances and Travelling allowance of chain-man proportionate share of pay and allowance of stone Accountant cost of survey utilized including Sales Tax.	
Wet	Y		
Waste or poromboke	Z		

2. Unenfranchised Inams

Dry, Wet and PRoromboke -

3. Fileds over 20 hectares Dry or Wet -

$$X+Y+Z$$

Area in terms of dry

Dry	X	Surcharge @ 33 1/2 on a	a/3
Wet	1 1/2 Y		
*Poromboke	Z		

$$X+1 \frac{1}{2} Y+Z$$

ANNEXURE I

1	2	3	4
Rate for dry per hectare		$\frac{a+a/3}{X+1 \frac{1}{2}Y+Z}$	
Rate for wet per hectare		$\frac{1 \frac{1}{2}(a+a/3)}{(X+1 \frac{1}{2}Y+Z)}$	
Rate for hectare of wet or dry in fields of over 50 acres (1/4 of dry)	1/4 (a+a/3)	$\frac{(1/4 (a+a/3))}{(X+1 \frac{1}{2} Y+Z)}$	
Ryots Share Cost of X Hectares of dry		$= X \times \frac{(Xa+a/3)}{(X+1 \frac{1}{2} Y+Z)}$	
Cost of Y hectares of wet		$= Y \frac{1 \frac{1}{2} (a+a/3)}{(X+1 \frac{1}{2} Y+Z)}$	
	Total	$\frac{(a+a/3)}{X+1 \frac{1}{2} Y+Z} \times X + 1 \frac{1}{2} Y$	
Amounts of Ryots share adjustable (A)		$\frac{3/4 (a+a/3)}{X+1 \frac{1}{2} Y+Z} \times (X + 1 \frac{1}{2} Y)$	
Ryots share adjustable to L.R. Land		$\frac{1/4 (a+a/3)}{(X+1 \frac{1}{2} Y+Z)} \times X + 1 \frac{1}{2} Y)$	

ANNEXURE I

1	2	3	4
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Government Share (B)

Total amount apportioned (minus) Ryot's share i.e.,

$$(a+a/3) - (X+1 \frac{1}{2} Y) + \frac{(a+a/3)}{X+1 \frac{1}{2} Y+Z} +$$

Total amount recoverable from Government's Share and Ryot's adjustable to Deposits
= $a+3/4 B$.

ANNEXURE IV
(Para 7.27)

Accounts that are maintained in a Mandal Office

S.No.	Register No.	Contents of the Register
1.	A	Number, name and description of villages and hamlets.
2.	B	Details regarding permanently settled estates, Inam villages and minor inams included therein.
3.	C	Lands held on lease.
4.	D	Assignments to depressed classes, military grant etc.
5.	E	House sites acquired and assigned to depressed classes.
6.	F	Lands alienated or exempted from assessment.
7.	G	Lands escheated to Government.
8.	1	The extent of cultivation month by month for each Revenue Inspectors Range.
9.	2	The details of area cultivated with different crops and their estimated outturn.
10.	3	Daily record of retail prices of certain principal articles.
11.	4	Application of Land.
12.	5	Relinquishment of Right to land.
13.	6	Transfer of land.
14.	6.1	Transfer applications received by the Revenue Inspector
15.	7	Changes in the classification of Government and minor Inams.
16.	8	Changes in Govt. and Inam ayacuts (occupies and unoccupied)
17.	8-A	Survey fields and sub-divisions.
18.	9	Remission and deduction in each village.

S.No.	Register No.	Contents of the Register
19.	10	Particulars of Beriz deduction.
20.	11	Particulars of miscellaneous revenues in ryotwari village.
21.	11-A	Particulars of miscellaneous revenues in proprietary villages.
22.	12	Abstract Register of settlement for ryotwari villages.
23.	13	Lands held on progressive cowles.
24.	14 –A	Abstract Register of collections from ryotwari villages.
25.	14 – B	Particulars of revenue reported to be irrecoverable.
26.	14 –C	Particulars of overpayment.
27.	14 –D	Irrecoverable arrears written off in ryotwari village.
28.	15	Abstract register of collection from permanently settled estates and whole Inam villages.
29.	16	Demand collection and Balance statement for each estate or village month by month.
30.	17	Interest Register for ryotwari.
31.	17 –A	Interest for permanently settled estates and whole Inam village.
32.	17 –B	Interest account of proprietary estates village service.
33.	18	Particulars of sales for arrears of revenue.
34.	18 –A	Lands purchased by Govt. at sales for arrears of revenue i.e., Bought-in-lands.
35.	19	Unoccupied lands sold under B.S.O. 15, 16, 20, 21, 22, 45, 90 and 91
36.	20 –I	Assessment on which the land cess is charged in permanently settled estates.
37.	20 –II	Assessment on which the land cess is charged in Inam villages.

S.No.	Register No.	Contents of the Register
38.	21	Number of Agriculture stock.
39.	22	Total number of well, tanks, channels, and other works actually used for irrigation.
40.	23	Number of holdging of various values.
41.	25	Particulars of irrigation.
42.	26	Exemption from land revenue.
43.	27	Firka register of forecast of crops section –I to VI.
44.	28	Taluk Register of forecast of crops section –I to VI.

Mandal Office :

Registers to be checked. -

1. Register of Sub-divisions.
2. Register of Remissions (Mandal Account No.9).
3. Register of Prices.
4. Register of Stay orders.
5. Register of Write Off cases.
6. Register of New Survey files and sub-division (Register No.8A)
7. Register of Assignments (Mandal Account No.4)
8. Register of Interest Account.
9. Register of Bought-in-lands (Mandal Account No. 18-A)
10. Register of Auctions.
11. Register of Receipts Books (Stock).
12. Register of Pattedar Passbooks.

13. Register of Local Cess adjustments.
14. Register of daily collections.
15. Register of village-wise khata (Mandal Register No.6)
16. Register of Abstract of collection of Villages (Account No.14)
17. Register of miscellaneous Revenues (Mandal Account No.11).

Demand Collection and Balance Statements :

The demand Collection and Balance statements are maintained in the Mandal Office in respect of the following items of revenue.

1. Land Revenue.
2. Andhra Pradesh Irrigation Levy of Andhra Pradesh irrigation Projects (special land tax) Act, 1976.
3. Non-Agricultural Assessments Act, 1963.
4. Cost of Survey Marks, Demarcation charges recoverable from ryots.
5. Drainage Cess.
6. Cost of Town and Panchayat Survey charge.
7. Recoveries under Revenue Recover Act, 1864.
8. Andhra Pradesh Surcharge Act, 1957.

Files :

1. Relating to special Land tax.
2. Relating to write off cases of land revenue.
3. Relating to Remissions, suspensions and waiver of Land Revenue.
4. Relating to allocation of local cess.
5. Relating to Lands Fs out.
6. Relating to Jamabandhi irrigation.

7. Relating to Non-agricultural Assessment.
8. Relating to District Irrigation Development Board.
9. Relating to Embezzlement cases.
10. Relating to Administrative reports.
11. Relating to Inspection reports by the Departmental offices.
12. Relating to Revenue Recovery Act, 1864.

ANNEXURE V
(Para 15.18)
Questionnaire for the conduct of Audit of Mandal Offices

General :

Have the following items of revenue or matters been scrutinized and comments incorporated in the Audit Report: -

- (j) Land Revenue.
- (ii) Non- Agricultural Assessment.
- (iii) Project affected land and their assignment
- (iv) Brought in lands and their disposal.
- (v) Escheated property and its administration.
- (vi) Estate abolition and ryotwari assessments.
- (vii) Inam abolition and ryotwari assessments.
- (viii) Village Accounts.
- (ix) Disposal of lands acquired under the Land Ceiling Act.

2) Survey and settlement :

Have the progress of survey, collection of survey fees and D.C.B. been scrutinized in the light of the instruction contained in the relevant paragraph in Chapter IV of the manual.

3) Land Revenue

- (i) Have one village accounts for each or fasli been called for from the selected villages and been subjected to audit scrutiny as instructed in the relevant paragraphs of Chapter V & VI of the manual.
- (ii) Has the village demand been taken to the D.C.B of the Mandal.
- (iii) Has the Khata been posted up-to-date.

- (iv) Have the land revenue collection been checked with the relevant challans, irsalnama, Khata etc., for the selected village and selected months.
- (v) Has the D.C.B of land revenue been critically scrutinized with view to seeing that the component items that go to make up the total balance that is outstanding collection.
- (vi) (a) Have the outstandings been classified as collectable and non-collectable balances.
 - (b) If so the reasons given for non-collectable balance have been scrutinized in detail with a view to satisfying audit that the reasons are justified.
 - (c) Has adequate and effective action been taken for collecting the collectable balances and are the items that go to make up the balances covered by one or other process.
- (vii) Have any embezzlements of revenue collection have been notice as a result of audit or as result of administrative inspections. If so, the action taken in either case may be indicated and a para included in the Audit Repot.

Have the audit checks as contemplated in paragraphs been exercised.

Have the cesses levied on land revenue been scrutinizes in general as contemplated in Chapter VI of the manual and as instructed, in particular, in para 6.1 to 6.7.

(4) Abolition of estates and inams :

Have the abolition of estates and imams been generally scrutinized with reference to the instructions contained in Chapter VIII.

(5) Land Ceiling on Agricultural Holdings Act :

Have the lands acquired under Land reforms (Ceiling on Agricultural Holdings) Act, 1973 and their disposal been checked in accordance with the instructions contained in Chapter XIII of the manual.

(6) Land Assignment :

Have the assignments of land been checked in accordance with the instructions contained in Chapter IX in General and particularly in para 9.4. to 9.11.

(7) Andhra Pradesh Revenue Recovery Act :

Have the audit checks as instructed in para 10.9 been conducted in addition to the special checks required to be exercised in the circular issued from time to time from the Headquarters.

(8) Miscellaneous items like civil supplies Receipts, Pattadar Pass Books, Tree owners Rent etc.

Have the miscellaneous items like Civil supplies receipts, Pattadar Pass Books, Tree owners Rent etc., been scrutinized as instructed in Chapter XIII of the manual.

(9) Verification of credit and reconciliation of figures :

- (a) Has the verification of the revenue remitted into the treasuries been done with reference to the credits appearing at the treasury accounts as instructed in Chapter XIV.
- (b) As reconciliation of departmental receipts been effected month by month. If not reconciled the month for which the reconciliation has been done should be mentioned indicating the reasons for non-reconciliation for rest of the period.

In case where objections have been raised with reference to orders issued by Government recently (a copy of which may not be available at SRA HQs.) a copy of this order been obtained from the departmental officer and enclosed to the Report in support of the objection featured in the local audit report.

