

CHAPTER-IV
LAND REVENUE

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EXECUTIVE SUMMARY

Decrease in tax collection	In 2012-13 the collection of land revenue decreased by 56.05 <i>per cent</i> over the previous year.
Action taken by Department in respect of observations pointed out by audit in earlier years	During the five year period 2007-08 to 2011-12, audit pointed out non/short levy of conversion fee, fine, non-finalisation of alienation proposals, non-levy of interest on collection of arrears etc. with revenue impact of ₹ 1,221.67 crore in 368 cases. Department/Government had accepted audit observations in 188 cases involving ₹ 262.51 crore and recovered ₹ 0.92 crore in 88 cases.
Results of audits conducted in 2012-13	In 2012-13, audit test checked records of 34 offices relating to Department of Land Revenue and found audit observations relating to levy and collection of tax for conversion of agricultural land for non-agricultural purposes. The Department accepted non/short levies and other deficiencies of ₹ 76.82 crore in 200 cases of which 195 cases involving ₹ 12.87 crore were pointed out during 2012-13.
What audit has highlighted in this chapter	<p>In this chapter audit highlighted non-levy of conversion tax of ₹ 1,249.65 crore. Some of the significant audit findings are given below:</p> <p>Conversion tax was not levied on 4,430.41 acres of land alienated in favour of allottees for non-agricultural purposes such as housing, industries, tourism etc.</p> <p>In 16 test checked divisions, covering 3,977 cases 40,573 acres of land was converted for other than agricultural purposes through approval of layouts by Divisional Level Panchayat Officers (DLPOs), Urban Development Authorities (UDAs), District Town and Country Planning Officer, Municipal Corporations/Municipalities and through execution of either Development cum General Power of Attorney Agreements at Sub-registrar/District Registrar offices or mining/quarrying leases by Industries and Commerce Department. In all these cases land was converted without obtaining permission of conversion from Revenue Department and payment of conversion tax.</p>

Based on information gathered from selected offices of Industries and Commerce Department, audit noticed that though 1,441 mining/quarrying leases covering an area of 13,153.82 acres were executed between 2 January 2006 and 31 March 2012, none of the lessees had applied for conversion of lands to non-agricultural purposes resulting in non-levy of conversion tax and penalty.

Conclusions

Monitoring mechanism is to be prescribed at RDO level through periodical returns from Tahsildar in respect of new layouts/industrial/mining activities taken up in their jurisdiction.

Co-ordination is to be ensured between Land Revenue and other Departments by making issue of 'no-objection certificate' by Land Revenue Department mandatory to avoid unauthorised conversion of agricultural lands for non-agricultural purposes.

Suitable clause is to be incorporated in alienation orders stipulating mandatory levy and collection of conversion tax.

Mechanism is to be prescribed for exercising effective control over recovery process.

4.1 Tax administration

At the apex level, Chief Commissioner of Land Administration (CCLA) is responsible for administration of Revenue Board's Standing Orders (BSO), Andhra Pradesh (AP) Water Tax Act, 1988, AP Agricultural land (Conversion for non-agricultural purpose) Act, 2006, AP Irrigation, Utilisation and Command Area Development Act, 1984 and Rules and orders issued thereunder. State is divided into 23 districts, each of which is headed by a District Collector who is responsible for the administration of the respective district. Each district is divided into revenue divisions and further into mandals⁷⁷, which are kept under administrative charge of Revenue Divisional Officers and Tahsildars respectively. Each village in every mandal is administered by a Village Revenue Officer (VRO) under the supervision of the Tahsildar. VROs prepare tax demands under all the Acts mentioned above for each mandal from the village accounts and get it approved by the concerned *Amabandi* officers⁷⁸. VROs/Revenue Inspectors are entrusted with work of collection of revenue/taxes such as water tax, conversion fee for agricultural lands etc. At Government level, Principal Secretary (Revenue) is in charge of overall administration of Revenue Department.

4.2 Trend of receipts

Actual receipts from land revenue during the years 2008-09 to 2012-13 alongwith total tax receipts during the same period is exhibited in the following table and graphs.

Table 4.1 - Trend of receipts

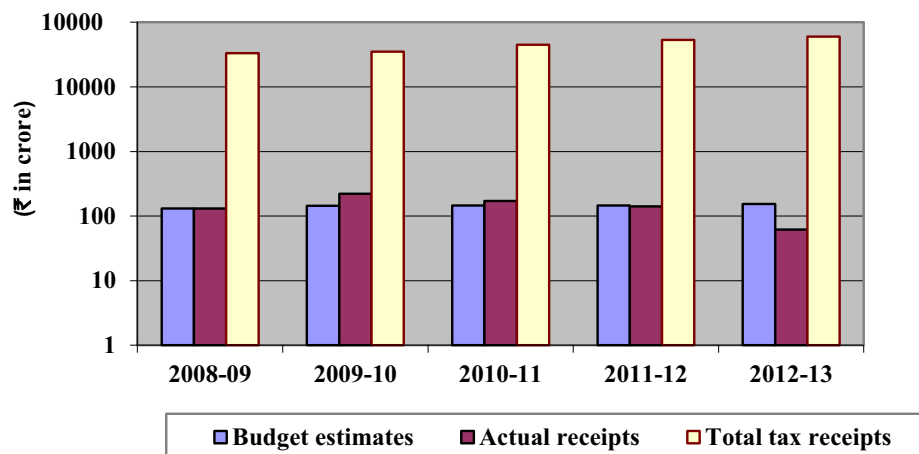
(₹ in crore)

Year	Budget estimates	Actual receipts	Variation excess (+)/ shortfall (-)	Percentage of variation	Total tax receipts of the State	Percentage of actual receipts vis-a-vis total tax receipts
2008-09	130.48	130.35	(-) 0.13	(-) 0.10	33,358.29	0.39
2009-10	144.00	221.56	(+) 77.56	(+) 53.86	35,176.68	0.63
2010-11	145.00	170.74	(+) 25.74	(+) 17.75	45,139.55	0.38
2011-12	146.00	140.56	(-) 5.44	(-) 3.73	53,283.41	0.26
2012-13	153.30	61.78	(-) 91.52	(-) 59.70	59,875.05	0.10

⁷⁷ Mandals are the jurisdictional area of each Tahsildar.

⁷⁸ *Amabandi* officer is District Collector or any other officer nominated by him not below the rank of Revenue Divisional Officer.

Graph 4.1: Budget estimates, actual receipts and total tax receipts



Percentage of land revenue receipts *vis-a-vis* total tax receipts of State had registered a decline from 0.39 *per cent* to 0.10 *per cent* during 2008-09 to 2012-13 except during 2009-10. Percentage of actual receipts *vis-à-vis* total tax receipts recorded during 2012-13 is lowest in the last five years.

4.3 Impact of Local Audit

During the last five years, audit had pointed out non/short levy, incorrect grant of remission, loss of revenue with revenue implication of ₹ 1,221.67 crore in 368 cases. Of these, Department/Government had accepted audit observations in 188 cases involving ₹ 262.51 crore and had since recovered ₹ 0.92 crore. Details are shown in the following table:

Table 4.2 - Impact of local audit

(₹ in crore)

Year	No. of units audited	Amount objected		Amount accepted		Amount recovered	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
2007-08	276	92	730.95	40	76.77	6	0.03
2008-09	180	53	110.50	22	0.66	2	0.01
2009-10	214	43	11.22	14	0.46	1	0.01
2010-11	272	82	314.01	42	182.83	37	0.45
2011-12	312	98	54.99	70	1.79	42	0.42
Total	1,254	368	1,221.67	188	262.51	88	0.92

Insignificant recovery of ₹ 0.92 crore (0.09 *per cent*) as against the money value of ₹ 262.51 crore relating to accepted cases during the period 2007-08 to 2011-12 highlights the failure of Government/Department machinery to act promptly to recover Government dues even in respect of cases accepted by them.

4.4 Levy and collection of tax for conversion of agricultural land for non- agricultural purposes

Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural purposes) Act, 2006, which came into force with effect from 2 January 2006 (hereinafter called as Act), prescribes a One-time Conversion Tax⁷⁹ (OTT) to be levied on all agricultural lands converted for non-agricultural purposes on or after the commencement of Act. The Act *inter alia* purports to

- monitor activities to discourage the indiscriminate conversion of agricultural land for non-agricultural purposes;
- accord permission for conversion of land for non-agricultural purposes like industrial, commercial, residential, etc.

Act mainly provides that

- no agricultural land in the State shall be put to non-agricultural purpose, without prior permission of the competent authority;
- every owner⁸⁰ or occupier of agricultural land shall pay a conversion tax at the rate of 10 *per cent* of the basic value⁸¹ of the land converted for non-agricultural purposes;
- if conversion tax so paid is found to be less than tax prescribed, a notice shall be issued by competent authority to applicant within 30 days of receipt of application intimating deficit amount to him. In case no intimation is received by applicant from Department within 30 days about deficit payment of conversion tax, it shall be deemed that amount paid is sufficient for the purpose;
- if any agricultural land had been put to non-agricultural purpose without obtaining permission, competent authority shall impose a penalty of 50 *per cent* over and above the conversion tax; and
- Any tax or penalty which remains unpaid after the date specified shall be recoverable as per provisions of Revenue Recovery (RR) Act.

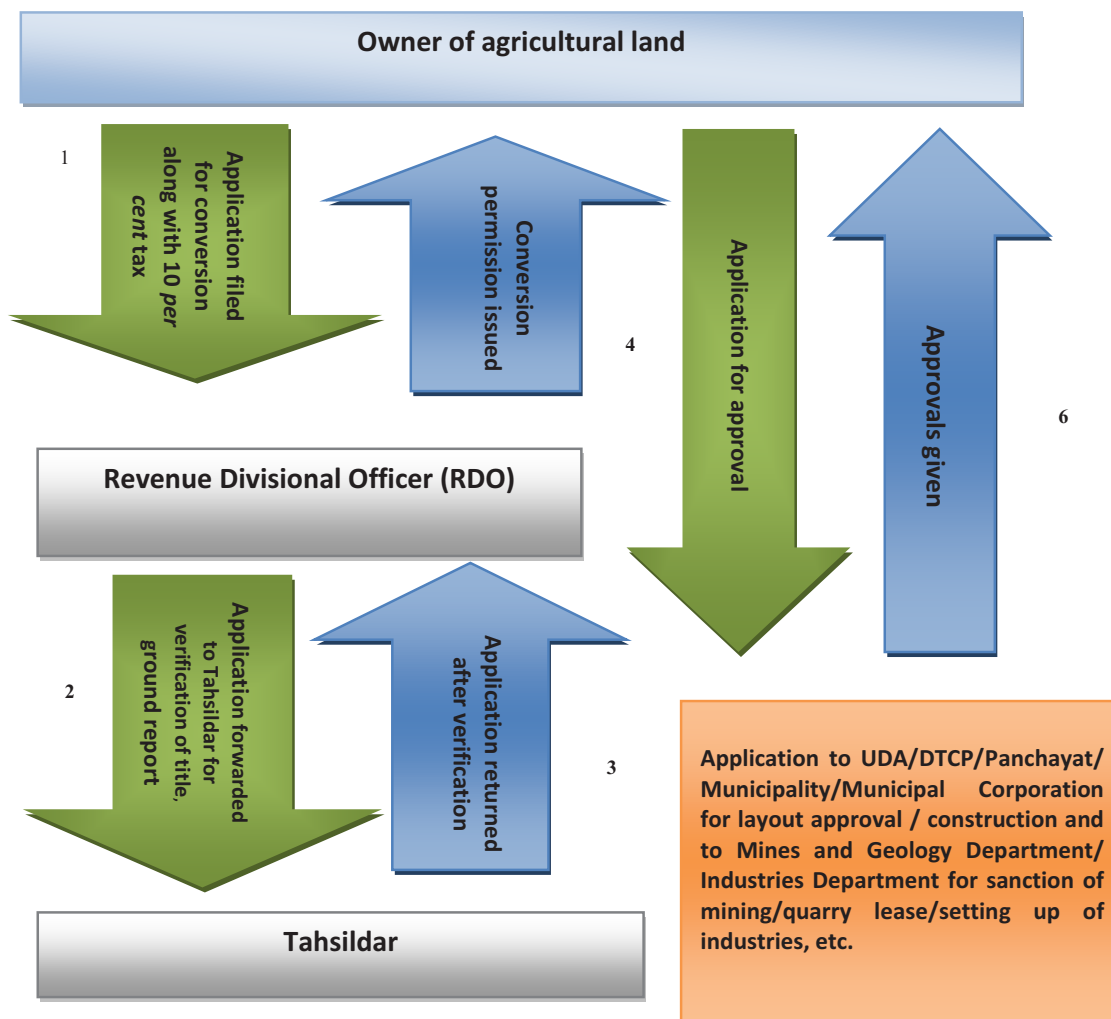
According to Rule 6(iv) of AP Agricultural Land (conversion for non-agricultural purposes) Rules, 2006, where land is deemed to have been converted for non-agricultural purposes, the date for the purpose of calculation of basic value shall be the earliest of the date of detection of conversion by competent authority or the date of entry into village accounts or the date of application by owner/occupier, whichever is earlier.

⁷⁹ Substituted for 'fee' vide G.O.Ms.No.396 dated 19 June 2012.

⁸⁰ As per Section 2 (m) of the Act, "Owner" includes any person in respect of whom lands that have been leased out by the State Government or the Central Government.

⁸¹ Basic value is defined as the value fixed by the competent authority i.e., Market value committee report which is maintained at District/Sub-Registrar's office.

Following flow chart describes the process of conversion of agricultural lands for non-agricultural purposes along with roles of all agencies concerned, and payment of conversion tax.



Revenue Department in State is headed by Principal Secretary, Revenue. Main activities of Revenue department include matters of land revenue (Survey, Settlement and Land Records, collection of water tax, alienation of Government land, according permissions for conversion of agricultural lands for non-agricultural purposes, etc.), State Excise, Commercial Taxes, Registration and Stamps as well as Endowments.

At the apex level, Chief Commissioner of Land Administration (CCLA) is responsible for administration of BSO, AP Agricultural Land (Conversion for non-agricultural purposes) Act, 2006, Rules and related orders issued. He is assisted by District Collectors at district level. Each district is divided into revenue divisions headed by Revenue Divisional Officer (RDO) and further sub-divided into mandals which are kept under administrative charge of Tahsildars. Each village in a mandal is administered by a Village Revenue

Officer (VRO) under the supervision of the Tahsildar. VROs/Revenue Inspectors are entrusted with work of maintaining land records and field inspection duties etc. RDO is the assessing authority in respect of land conversion and District Collector is the appellate authority.

4.4.1 Objectives, scope and methodology of audit

Audit was conducted with a view to examine whether there exists

- a sound system of levy of conversion tax/penalty due to Government, either in the normal course or in cases of detection of conversion; and
- adequate mechanism for coordination with other departments/bodies.

Audit was conducted between July 2012 and February 2013 for the period from 2007-08 to 2011-12 in 16⁸² out of 84 RDOs in State. Offices were selected keeping in view the (i) developments in real estate sector, (ii) major areas where mining/quarrying leases were granted by Mines & Geology Department, (iii) extent of industries set up, etc. In the selected offices, 749 out of 830 conversion cases (90 *per cent*) where conversion tax leviable was more than ₹ five lakh (balance 81 cases were not produced by Rangareddy East division) and 1,734 out of 11,046 conversion cases (10 *per cent*) where tax liability was less than ₹ five lakh were reviewed.

Information was obtained in respect of layout permissions from local bodies⁸³, District Industries Centre, Director of Mines and Geology and Vigilance and Enforcement Department of Government of Andhra Pradesh. Development/Development Agreement-cum-General Power of Attorney Agreements (DGPAs) entered into by owners and realtors/contractors and registered at District/Sub-Registrar offices were also taken into consideration to link up with the levy/non-levy of conversion tax/penalty. The above information/documents were cross-verified with the permissions issued by RDOs and notices issued by Department to check the non-levy/correctness of levy of conversion tax.

Audit objectives were benchmarked against the following sources of audit criteria:

- A.P Agricultural Land (Conversion for non-agricultural purposes) Act, 2006 and Rules thereunder; and
- Notifications and Orders issued by Government from time to time.

⁸² Bhongir, Chevella, Guntur, Kadapa, Kakinada, Kurnool, Mahabubnagar, Medak, Nellore, Ongole, Rajahmundry, Rangareddy East, Sangareddy, Vijayawada, Visakhapatnam and Warangal.

⁸³ Local bodies viz. Hyderabad Metropolitan Development Authority (HMDA), Vijayawada-Guntur-Tenali-Mangalagiri Urban Development Authority (VGTMUDA), Municipal Corporations/Municipalities, District Town and Country Planning (DTCP), Divisional Level Panchayath Offices (DLPO)

Audit Findings

4.4.2 Non-levy of conversion tax and penalty in respect of alienation orders

During scrutiny of alienation records, audit noticed in the offices of nine RDOs that Government lands to the extent of 4,430.41 acres were alienated (between 2007 and 2012) in favour of 62 allottees (PSUs/Corporations/Semi-Government Organizations/Private Parties) for purposes such as housing, industries, tourism, etc. In all these cases, advance possession of lands was also given to allottees.

Under Section 4(1) of the Act, when the land was used for non-agricultural purposes, RDOs had to levy conversion tax at 10 *per cent*, on value of the land. There was no exemption allowed to any of these allottees under section 7 of Act or by Government. Through alienation orders, only was title of the land changed for using the same for specific non-agricultural purposes, but for that the land had to be converted first under the Act on payment of appropriate amount of conversion tax. Alienation orders were not to be construed as conversion orders. However, neither did allottees apply for conversion of land nor did RDOs take any action to levy the conversion tax. This resulted in non-levy and collection of conversion tax of ₹ 28.93 crore. Rangareddy East division alone contributed one third of the cases reported by audit and more than 50 *per cent* of tax realisable.

RDOs replied that matter would be examined.

4.4.3 Non/short levy of conversion tax in cases detected by the Vigilance and Enforcement Department

In the performance of its responsibilities, Vigilance and Enforcement (V&E) Department of Government of Andhra Pradesh, conducts physical inspection of layouts across the State. During 2007 and 2012 V&E detected unauthorised layouts that had come up in Revenue Divisions and reported to respective RDOs. Based on these reports, RDOs had to issue notices to land owners/realtors.

Audit noticed in Chevella Division that demand notices involving conversion tax and penalty of ₹ 20.49 crore in respect of two cases covering an extent of 28.22 acres of land were not issued despite being detected and informed by V&E Department.

Audit collected details of ventures / layouts laid in Ongole division from V&E Department and cross verified the same with records of RDO, Ongole and found that 271 layouts covering an extent of 834.39 acres of land were floated without obtaining prior permission from RDO. Conversion tax along with penalty leviable in these cases worked out to ₹ 19.59 crore.

Further, during test check of conversion cases finalised by Divisional offices of Chevella and Medak, it was noticed that based on reports of V&E, RDOs had issued notices in two cases, to individuals/realtors for payment of conversion tax and penalty. While issuing notices, RDOs had erroneously adopted area of land as 1.07 acres instead of 14.38 acres resulting in short levy of conversion tax and penalty by ₹ 8.64 crore.

Hence, inaction/erroneous action by Department in cases detected by V&E Department resulted in non/short levy of tax and penalty amounting to ₹ 48.72 crore.

RDOs stated that revised demand notices would be served.

Lack of co-ordination between Revenue and other Departments

4.4.4 Various layouts/construction approving authorities

Audit collected information/documents from other Departments for cross verification with records of the selected RDOs to test check monitoring mechanism of the department. In this process the following information was obtained from various sources as described below:

- **Divisional Level Panchayat Officers (DLPOs):** Details of the layouts approved by the Gram Panchayats were collected from 13 DLPOs⁸⁴.
- **Urban Development Authorities (UDAs):** UDAs are the layout approving authorities for the urban areas falling in other than municipal limits as well as District Town and Country Planning limits in the state wherever the UDAs formed. Information about the layouts approved by the two UDAs i.e. HMDA⁸⁵ and VGTMUDA⁸⁶ was collected.
- **Development Agreement-cum-General Power of Attorney (DGPAs):** Audit collected, from two District Registrar offices⁸⁷ and three Sub-Registrar offices⁸⁸, copies of DGPAs which were executed between the realtors/land owners and contractors for conversion/development of land into plots/buildings.
- **District Town and Country Planning (DTCP):** Audit collected information from five DTCPs⁸⁹ and 10 Municipal Corporations/Municipalities⁹⁰ regarding all the layouts/constructions which came up between 1 April 2007 and 31 March 2012.

⁸⁴ Bhongir, Guntur, Kadapa, Kakinada, Kurnool, Mahabubnagar, Nellore, Ongole, Rajahmundry, Rangareddy East, Vijayawada, Visakhapatnam and Warangal.

⁸⁵ Hyderabad Metropolitan Development Authority

⁸⁶ Vijayawada-Guntur-Tenali-Mangalagiri Urban Development Authority

⁸⁷ Nellore and Sangareddy.

⁸⁸ Narsapur, Qutubullapur and Stonehousepet.

⁸⁹ Kurnool, Medak, Ongole, Rajahmundry and Sangareddy.

⁹⁰ Addanki, Kadapa, Kakinada, Kurnool, Mandapeta, Ongole, Pithapuram, Rajahmundry, RC Puram and Samalkot.

- **Industries and Commerce Department:** Audit collected information from the official website of the Industries and Commerce Department and District Industries Centres, in respect of the details of lands used by the units that were set up after 1 April 2007 in the test checked divisions.

Information collected from these sources was cross checked with the records related to conversion permissions and notices for conversions issued by the concerned RDOs. It was observed that in the 16 test checked divisions, in 3,977 cases 40,573 acres of land was converted for use other than agricultural purposes with the layout approvals/permissions issued by the above respective agencies without obtaining the permission of conversion from and payment of conversion fees to the Revenue Department. Neither the individuals/organizations approached the concerned RDOs for obtaining the conversion permissions nor had the Department made any effort to levy conversion tax. Owing to non-existence of provisions in the Act for sharing the information about grant of permissions/leases by other Departments for using agricultural land for non-agricultural purposes and non-coordination with these agencies, conversion fees and penalty amounting to ₹ 1,047.28 crore could not be levied and collected as shown in the following table:

(₹ in crore)

Sl No.	Source	No. of cases	Extent (Ac-Cts)	Total value of land ⁹¹	Conv. Tax @ 10%	Penalty @ 50% of CT	Total Tax and Penalty
1.	Divisional Level Panchayat Officers (DLPOs)	3,620	37,283.50	6,115.06	611.51	305.75	917.26
2.	Urban Development Authorities (UDAs)	126	1,045.46	310.27	31.03	15.51	46.54
3.	Development Agreement-cum-General Power of Attorney	97	983.10	430.95	43.10	21.55	64.64
4.	District Town and Country Planning (DTCP)	86	404.75	59.22	5.92	2.96	8.88
5.	Industries and Commerce Department	48	856.17	66.38	6.64	3.32	9.96
TOTAL		3,977	40,573	6,981.88	698.19	349.09	1,047.28

In Rangareddy East Division alone, 11,360 acres (28 per cent of total) of land was being used for non-agricultural purposes by 774 individuals/organizations, without obtaining conversion permission and payment of conversion tax and penalty of ₹ 296 crore (28 per cent of total).

4.4.5 Mining/quarry leases

Director, Mines & Geology (DMG) and Deputy Directors (DDs) are empowered to grant mining/quarry leases in State. Assistant Director, Mines

⁹¹ The total value of the land was calculated as per the basic values maintained by Registration and Stamps Department.

and Geology (ADMG) is administrative authority who monitors mining/quarrying operations carried out by lease holders in his jurisdiction.

Section 2(m)(i) of the Act defines “Owner” and the definition includes any person in respect of whom lands have been leased out by State Government or Central Government and Section 4(1) provides that every owner or occupier of agricultural land shall pay a conversion tax for using the land for non-agricultural purposes. Hence, every land leased for mining/quarrying is required to be converted and liable for payment of conversion fees.

Audit obtained information from DMG, Hyderabad and twelve ADsMG⁹² in respect of mining/quarry leases that were executed between 2 January 2006 and 31 March 2012 and cross checked the same with permissions issued by Revenue Divisions concerned. It was observed that though 1,441 mining/quarrying leases covering an area of 13,153.82 acres were granted/executed during the above period, none of the lessees had applied for conversion of their lands from agricultural use to non-agricultural use nor had Department taken any action to levy conversion tax/penalty. This resulted in non-levy of conversion tax and penalty of ₹ 84.54 crore.

In response, five RDOs⁹³ accepted audit observation and intimated that demand notices will be issued. However, three RDOs⁹⁴ stated that these lands were rocky and hilly areas and unfit for agriculture. But Section 7 of the Act does not allow any exemption to such lands and under Section 2(m)(i) read with Section 4(1) of the Act, there indeed was liability to pay conversion tax. Remaining six RDOs replied that matter would be examined.

The above cases point towards absence of a co-ordination mechanism within Revenue Department with other departments such as Panchayat Raj, Municipal Administration and Urban Development, Registration and Stamps, Industries and Commerce (Mines & Geology) which resulted in non/short levy of conversion tax/penalty.

4.4.6 Non levy of penalty in cases of conversion without prior permission

During scrutiny of conversion cases finalised by 12 RDOs, it was noticed that in 110 cases, RDOs had issued permissions for conversion of 503.97 acres of agricultural lands for non-agricultural purposes and collected conversion tax. However, as per reports of Tahsildar/Revenue Inspector/VRO these lands were already being used for non-agricultural purposes without prior permission of the competent authority. Hence, penalty was leviable vide Section 6(2) of the Act. RDOs, however, had levied only conversion tax, which resulted in non-levy of penalty to the tune of ₹ 2.45 crore in test checked cases.

⁹² Guntur, Hyderabad, Kurnool, Mahabubnagar, Medak, Nalgonda, Nellore, Ongole, Rajahmundry, Vijayawada, Visakhapatnam and Warangal.

⁹³ Bhongir, Kakinada, Kurnool, Ongole and Warangal.

⁹⁴ Mahabubnagar, Rangareddy East and Visakhapatnam.

RDOs replied that notices would be issued to the parties concerned.

4.4.7 Misclassification of land

Details of lands such as name of land owner, survey number, extent and classification etc., are recorded in *Adangal* (Village Account No.3) maintained by VRO under supervision of Tahsildar.

It was noticed that RDO, Kakinada issued (April 2008) a show cause notice to a firm imposing conversion tax on an extent of 160.32 acres of agricultural lands held by them in Vakalapudi village. In response, the firm stated (May 2008) that lands were classified as 'Potukharabu' (which means land not fit for cultivation) and conversion tax did not apply to such lands. Based on Tahsildar's report (June 2008) that lands were classified as 'Potukharabu' and not fit for cultivation, RDO had withdrawn (June 2008) show cause notice issued to the firm. Audit, however, noticed that said lands were classified as dry/patta lands in village accounts (*Adangal*) that attracted conversion tax and that Tahsildar had misreported. Thus conversion tax alongwith penalty amounting to ₹ 34.92 crore was leviable on the firm.

RDO replied that matter would be examined.

4.4.8 Incorrect computation of tax

During test check of conversion cases finalised by RDO, Rangareddy East, it was noticed that five individuals had applied for conversion of 58.60 acres of agricultural lands for non-agricultural purposes and paid tax. It was observed that conversion tax of ₹ 1.64 crore was levied by RDO instead of ₹ 2.87 crore due to erroneous calculation resulting in short levy of conversion tax to the tune of ₹ 1.23 crore.

RDO stated that revised demand notices would be served.

4.4.9 Short levy of tax due to under valuation and non-levy of penalty

During test check of records of seven RDOs⁹⁵, it was noticed that 15 individuals/entities applied for conversion of 98.11 acres of agricultural land for non-agricultural purposes and paid the conversion tax. Audit noticed that lands were undervalued by adoption of lesser basic values than those maintained by Registration and Stamps Department. Department had levied conversion tax of ₹ 0.50 crore in these cases instead of ₹ 1.78 crore resulting in short levy of conversion tax of ₹ 1.28 crore. In seven of these cases (pertaining to Bhongir, Chevella and Sangareddy divisions) it was noticed that land was already being utilised for non-agricultural purposes without necessary permission for conversion and payment of tax thereof but penalty of ₹ 0.30 crore leviable was also not levied.

⁹⁵ Bhongir, Chevella, Kakinada, Kurnool, Ongole, Sangareddy and Vijayawada.

In response five RDOs⁹⁶ stated that action would be taken after examining the matter. RDOs of Chevella and Sangareddy divisions replied that demand notices would be served.

4.4.10 Short collection due to ineffective recovery process

As per Section 6(4) of the Act, any tax penalty which remains unpaid after the date specified shall be recoverable as per provisions of RR Act.

Audit noticed that 15 RDOs⁹⁷ had raised demands in respect of conversion tax non/short realised during the period from 2006-07 to 2011-12. It was seen from Demand Collection and Balance (DCB) Statements maintained by RDOs as of 31 March 2012, that out of total demand of ₹ 2,512.56 crore in 4,750 cases, only a sum of ₹ 9.84 crore pertaining to 296 cases was collected leaving ₹ 2,502.72 crore pending collection. No further action under RR Act had been taken to recover these arrears.

RDOs replied that necessary steps would be taken to recover the outstanding amount. Reply does not address the question of the magnitude of arrears lying unrealised.

4.4.11 Conclusion

Absence of a system of cross verification and co-ordination between Revenue Department and other Departments/Local Bodies resulted in non-levy of requisite conversion tax/penalty. No periodical returns were prescribed at RDO/Tahsildar level to watch/report on new mining/quarry leases/industries/layouts in their jurisdiction leading to deficient monitoring mechanism in Department.

4.4.12 Summary of recommendations

Government may consider the following recommendations to prevent the leakage of revenue:

- Prescribe a monitoring mechanism at RDO level through periodical returns from Tahsildar in respect of new layouts/industries/mining activities taken up in their jurisdiction;
- Ensure co-ordination between Land Revenue Department and other departments by considering to make ‘No Objection Certificate’ mandatory from the competent authority of Revenue Department before granting technical sanctions for layouts/constructions/mining and quarrying leases by the Urban Development Authorities/Municipal Corporations/Municipalities/DTCs/Gram Panchayats/Mines and Geology Department to avoid unauthorised conversion of agricultural lands for non-agricultural purposes;

⁹⁶ Bhongir, Kakinada, Kurnool, Ongole and Vijayawada

⁹⁷ Bhongir, Chevella, Guntur, Kadapa, Kakinada, Kurnool, Mahabubnagar, Medak, Nellore, Rajahmundry, Rangareddy East, Sangareddy, Vijayawada, Visakhapatnam and Warangal.

- Incorporate a suitable clause in the alienation orders stipulating mandatory levy and collection of conversion tax;
- Prescribe a mechanism for exercising effective control over recovery process.