

CHAPTER-IV: LAND REVENUE

4.1 Tax administration

Assessment and collection of land revenue are governed under the Rajasthan Land Revenue Act, 1956 and rules framed thereunder. Land revenue mainly comprises rent on land, lease rent, premium, conversion charges and receipts from sales of Government land.

The Revenue Department functions as the Administrative Department of the Government and it administers all matters relating to assessment and collection of land revenue. The overall control of revenue related judicial matters along with supervision and monitoring over revenue officers vests with the Board of Revenue (BOR). The BOR is assisted by 33 Collectors at the district level, 289 Sub-Divisional Officers (SDOs) at the sub-division level and 314 *Tehsildars* at the *Tehsil* level. The BOR is also the State level implementing authority for computerisation of land records in Rajasthan.

The Rajasthan Land Revenue Act, 1956, the Rules made thereunder and the notifications issued by the Government from time to time govern the allotment of land and other related issues.

4.2 Internal audit conducted by the Department

The Financial Adviser, BOR is the head of the Internal Audit Wing. There were 14 internal audit parties. The position of number of units due for audit, number of units actually audited and number of units remaining unaudited during the period from 2010-11 to 2014-15 is as under:

Year	Units pending for audit	Units due for audit during the year	Total units due for audit	Units audited during the year	Units remaining unaudited	Shortfall in per cent
2010-11	172	570	742	707	35	5
2011-12	35	624	659	589	70	11
2012-13	70	672	742	670	72	10
2013-14	72	672	744	586	158	21
2014-15	158	672	830	551	279	34

Source: Information provided by the Board of Revenue, Ajmer.

The number of units remaining unaudited at the end of the year was growing year after year and the short fall in coverage of units due for audit has also increased from five *per cent* at the end of 2010-11 to 34 *per cent* at the end of 2014-15.

The Department stated that the arrear in audit was due to short fall in internal audit parties and deployment of staff in general election.

It was noticed that 20,090 paragraphs were outstanding at the end of 2014-15. Year-wise break up of outstanding paragraphs of Internal Audit Wing follows:

Year	Upto 2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total
Paras	9,085	953	1,418	2,125	2,775	3,734	20,090

Source: Information provided by the Board of Revenue, Ajmer.

9,085 paragraphs of Internal Audit Wing pertaining to the period upto 2009-10 were pending for want of compliance/corrective action. The reason given for slow pace of disposal of paras was the shortage of posts in various cadres.

The Government may take steps to ensure expeditious compliance with the outstanding observations raised by the Internal Audit Wing.

4.3 Results of audit

During test check of records of 10 units of Land Revenue Department conducted during the year 2014-15, audit noticed non-recovery and other irregularities amounting to ₹ 7.70 crore in 1,092 cases which fall under the following categories:

(₹ in crore)

Sl. no.	Category	No. of cases	Amount
1.	Non-recovery/short recovery of premium and lease rent from State Government Departments	11	5.34
2.	Non-recovery/short recovery of conversion charges from <i>khatedars</i> ¹	839	1.85
3.	Other irregularities	242	0.51
	Total	1,092	7.70

During the year 2014-15, the Department accepted audit observation of ₹ 12.41 crore in 916 cases which were pointed out in earlier years. The Department recovered ₹ 5.53 crore in 264 cases during the year 2014-15 which related to the earlier years.

The Department also reverted land valuing ₹ 2.43 crore to the State Government after issue of a draft paragraph to the Government.

A few illustrative cases involving ₹ 2.30 crore are discussed in the paragraphs from 4.4 to 4.6.

¹ *Khatedars* are tenants on Government land to whom land is given for agricultural purpose.

4.4 Non-recovery of difference in market value of allotted and surrendered land

4.4.1 The State Government accorded sanction (October 2012) for allotment of land to M/s J.K. Cement Works with a condition that the company would surrender equivalent land in favour of the State. In case of difference in rates prescribed by District Level Committee (DLC) in respect of land allotted by the Government and private land surrendered by company *in lieu* of pasture land, payment/adjustment would be made. As per foot note 3 of relevant DLC rates, two times of maximum rate of agricultural land in the village are payable for mining and probable mining land.

During scrutiny of records of District Collector, Chittorgarh, it was noticed (September 2014) that 9-13 *bigha* pasture land situated at village Mangrol was allotted (October 2012) to M/s J.K. Cement Works under Rajasthan Land Revenue (Allotment of land for Industrial Area) Rules, 1959 in exchange of 9-13 *bigha khatedari* land² surrendered by the company. It was found that cost of the land surrendered by the company worked out to ₹ 19.46 lakh³ as per DLC rate which was lower than the value of land allotted by the Department. Since the land allotted by Department was for mining purpose, the value of land worked out to ₹ 86.48 lakh⁴ as per DLC rate. Due to acceptance of surrendered land having lower market value as per DLC rate, revenue of ₹ 67.02 lakh was required to be recovered.

The matter was brought to the notice of the Department (December 2014) and reported to the Government (March 2015); their reply is awaited (November 2015).

4.4.2 The State Government accorded sanction (July 2012) to allot a piece of land to M/s Hindustan Zinc Limited with the condition that the company would surrender in favour of the State Government equivalent pasture land in the same village.

During test check of records of District Collector, Rajasmand, it was noticed (December 2014) that 53-13 *bigha* pasture land situated at village *Mahenduria, Tehsil* Railmagra was allotted (March 2013) on lease for 99 years to M/s Hindustan Zinc Limited for establishment of Smelting and Power Plant Industry. The Company surrendered 53-13 *bigha khatedari* land situated in villages *Mahenduria* and *Katiya ka Khera*.

It was further noticed that the land surrendered by the Company was not in accordance with the terms and conditions of sanction accorded by the State Government (July 2012) which required that equivalent land should have been surrendered by the Company in the same village. Besides this, the market value of land allotted to the Company was ₹ 135.73 lakh⁵ at the rate prescribed by the DLC, whereas the market value of the land surrendered by the Company worked out to ₹ 65.66 lakh⁶. Due to acceptance of surrendered land

² *Khatedari* land is Government land to be given exclusively for agricultural purpose.

³ 9-13 *bigha* land at the rate of ₹ 2,01,628/- per *bigha* = ₹ 19,45,710/-

⁴ 9-13 *bigha* land at the rate of ₹ 4,48,063/- per *bigha* x 2 = ₹ 86,47,616/-

⁵ 53-13 *bigha* land at the rate of ₹ 2.53 lakh per *bigha* for *Mahenduria-A* = ₹ 135.73 lakh.

⁶ Land at village *Mahenduria* @ ₹ 1,51,800/- per *bigha* for *Mahenduria-B* for 28-14 *bigha* = ₹ 43,56,660/-

Land at village *Katiya ka Khera* @ ₹ 88,550/- per *bigha* for 24-19 *bigha* = ₹ 22,09,322/-

Total = ₹ 65,65,982/-

in different villages having lower market value, there was a loss of revenue of ₹ 70.07 lakh.

The District Collector replied (June 2015) that demand for the differential amount had been raised.

The matter was brought to the notice of the Department (January 2015) and reported to the Government (March 2015); their reply is awaited (November 2015).

4.5 Short recovery of conversion charges

As per Rule 7 of Rajasthan Land Revenue (RLR) (Conversion of Agricultural Land for non-agricultural purposes in Rural Areas) Rules, 2007, premium for conversion of agricultural land for non-agricultural purpose shall be charged at the prescribed rates. Conversion charges for industrial purpose would be charged at ₹ five per square metre (psqm) or five *per cent* of rate of agricultural land prescribed by DLC or five *per cent* of purchase cost of agricultural land as mentioned in registered sale deed, if any, whichever is higher.

Further, under Rule 13, a person who had used agricultural land for non-agricultural purpose without permission can apply for regularisation of case by depositing four times of the conversion charges.

4.5.1 During test check of records of Collector, Chittorgarh, it was noticed (September 2014) that in one case, the *Khatedari* land measuring 1.67 lakh sqm area bearing nine *khasra*⁷ numbers was used for industrial purpose without obtaining permission for conversion of land. The Department recovered premium and penalty of ₹ 31.40 lakh for change of land use of one *khasra* measuring 0.40 lakh sqm land instead of the entire area of 1.67 lakh sqm spread over nine *khasras* on which ₹ 73.29 lakh was leviable. This resulted in short recovery of premium and penalty of ₹ 41.89 lakh.

The District Collector replied (June 2015) that the conversion charges were recovered on *Khasra* on which the company had made unauthorized construction and the audit objection was for the entire area which was not as per rules. The reply was not acceptable because conversion orders for the entire area were issued for which the State Government had granted permission for exemption from the operation of the Rajasthan Imposition of Ceiling on Agricultural Holdings Act, 1973 prior to issue of conversion orders. As such, penalty should have been imposed on the entire area.

The matter was brought to the notice of the Department (December 2014) and reported to the Government (March 2015); their reply is awaited (November 2015).

4.5.2 Test check of records of Collector, Chittorgarh also revealed (September 2014) that 1.37 lakh sqm *Khatedari* land in *Tehsil* Nimbahera was converted for non-agricultural purpose in favour of M/s Lafarge India Pvt. Ltd. on 8 January 2014.

It was noticed that the Department applied incorrect rate for calculating premium to be levied by applying rate of five *per cent* of rate of agricultural

⁷ A type of index of field-book map, popularly known as *khasra* wherein all facts about crop are mentioned.

land prescribed by DLC at ₹ 9 psqm whereas it should have been calculated at five *per cent* of purchase cost of ₹ 3.39 crore as mentioned in the registered sale deed. Thus, a total premium of ₹ 16.94 lakh was recoverable.

It was also observed that the Department worked out premium of ₹ 12.34 lakh out of which it recovered only ₹ 6.17 lakh after allowing rebate of ₹ 6.17 lakh on the basis of entitlement certificate issued by the Industries Department for land other than the land for which permission for conversion was sanctioned. Thus, premium of ₹ 10.77 lakh was short recovered due to incorrect calculation of premium and irregular allowance of rebate.

The matter was brought to the notice of the Department (December 2014) and reported to the Government (March 2015); their reply is awaited (November 2015).

4.5.3 During test check of records of Collectors (Land Records), Udaipur, Bhilwara and Chittorgarh, it was noticed (between May 2014 and November 2014) that in 49 cases, the Department calculated premium of ₹ 27.54 lakh instead of ₹ 55.56 lakh for conversion of agricultural land for non-agricultural purposes by applying incorrect DLC rates or non-application of DLC rates. Thus, conversion charges of ₹ 28.02 lakh were short recovered, as detailed below:

(₹ in lakh)

Sl. No.	Unit/ No. of cases	Conversion charges leviable	Conversion charges levied	Conversion charges short levied	Remarks
1.	Collectorate Bhilwara/13	15.49	10.61	4.88	Four cases of residential colony, two for residential purpose, six for industrial and one for commercial purposes.
2.	Collectorate Chittorgarh/35	29.99	14.69	15.30	Three cases of residential colony, 10 for residential purpose, 15 for industrial and seven for commercial purposes.
3.	Collectorate Udaipur/1	10.08	2.24	7.84	One case of residential purpose.
Total	49	55.56	27.54	28.02	

The matter was brought to the notice of the Department (between August 2014 and January 2015) and reported to the Government (March and April 2015); their reply is awaited (November 2015). However, the District Collector Chittorgarh and Bhilwara replied (June 2015 and July 2015) that in three cases an amount of ₹ 0.37 lakh had been recovered.

4.6 Non-reversion of land to Government

As per Clause 3(3) of terms of Allotment of Unoccupied Government Agricultural Lands for Buildings of Public Utility as notified on 20 July 1963, construction of building for which the land was allotted shall commence within six months from the date of handing over possession. The allottee shall be liable to complete the construction of building and also put it to use for the purpose for which the land was allotted within two years and in case of breach of any conditions mentioned in Clause 3, the land shall revert to the State Government as per Clause 3(7) of the terms of allotment. Rule 7 of Rajasthan Industrial Area Allotment (RIAA) Rules, 1959 provides that industries shall be set up within a period of two years on the land allotted for the purpose, failing which the land shall revert to the Government unless the period of two year is extended by the allotting authorities for valid reasons.

During test check of records of District Collector, Udaipur, it was noticed (October 2014) that Government land of 4,600 sqm situated at village Umarda was allotted to Fine Florocam, Madari Purohitan, Udaipur in 1997 for industrial purpose. It was noticed that the land was not used within the prescribed period. However, the authority failed to take any action to revert the land to the State Government. As a result, land valuing ₹ 11.97 lakh⁸ remained unutilised and the intended benefits could not be achieved.

The matter was brought to the notice of the Department (January 2015) and reported to the Government (March 2015); their reply is awaited (November 2015).

⁸ 4,600 sqm land at the rate of ₹ 260.12 psqm = ₹ 11,96,552.