

*CHAPTER-IV*

**LAND REVENUE**

## CHAPTER-IV: LAND REVENUE

### 4.1 Tax administration

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

The Revenue Department functions as the Administrative Department of the Government. The overall control of revenue related judicial matters along with supervision and monitoring over revenue officers vests with the Board of Revenue (BoR), Ajmer. 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.

### 4.2 Internal audit

The Financial Advisor, BoR is the head of the Internal Audit Wing. There were 18 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 2012-13 to 2016-17 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
2012-13	70	672	742	670	72	10
2013-14	72	672	744	586	158	21
2014-15	158	672	830	551	279	34
2015-16	279	809	1,088	883	205	19
2016-17	205	815	1,020	772	248	24

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

The Department stated that the arrear in audit was due to the shortage of posts and deployment of staff in disposal of outstanding audit paras raised by the Internal Audit Parties.

It was noticed that 20,937 paragraphs were outstanding at the end of 2016-17. Year-wise break up of outstanding paragraphs of Internal Audit Wing is as under:

Year	Upto 2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Paras	9,239	1,350	1,377	1,243	3,289	4,439	<b>20,937</b>

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

Out of 20,937 paragraphs, 9,239 paragraphs were outstanding for more than five years 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 33 units of Land Revenue Department (Department) conducted during the year 2016-17, audit noticed non/short recovery of premium, lease rent, conversion charges, non-reversion of land and other irregularities amounting to ₹ 261.30 crore in 5,873 cases as detailed under:

(₹ in crore)			
Sl. No.	Category	Number of cases	Amount
1	Performance Audit on 'Allotment and conversion of land under Rajasthan Land Revenue Act in the Revenue Department'	1	176.21
2	Non-recovery/short recovery of premium and lease rent from State Government Departments	49	28.53
3	Non-recovery/short recovery of conversion charges from <i>khatedars</i> <sup>1</sup>	346	5.58
4	Non-reversion of land to Government	14	16.47
5	Other irregularities relating to:		
	(i) Revenue	5,151	0.02
	(ii) Expenditure	312	34.49
<b>Total</b>		<b>5,873</b>	<b>261.30</b>

During the year 2016-17, the Department accepted audit observation of ₹ 77.24 crore pertaining to 6,091 cases, of which 5,253 cases involving ₹ 22.94 crore were pointed out during the year 2016-17 and the rest in the earlier years. The Department recovered ₹ 10.16 crore in 452 cases during the year 2016-17, of which 27 cases involving ₹ 0.06 crore related to the year 2016-17 and rest of the earlier years.

The Department accepted and recovered the entire amount of ₹ 23.02 lakh pointed out by Audit after issue of a draft paragraph to the Government. This paragraph has not been discussed in the Report.

A Performance Audit on 'Allotment and conversion of land under Rajasthan Land Revenue Act in the Revenue Department' involving revenue of ₹ 176.21 crore is discussed in the following paragraphs.

<sup>1</sup> *Khatedars* are tenants on Government land to whom the land is given for agricultural purpose.

## 4.4 Performance Audit on 'Allotment and conversion of land under Rajasthan Land Revenue Act in the Revenue Department'

### 4.4.1 Introduction

Effective and efficient use of land, being a scarce and limited resource, leads to economic development of any society. Recognising that land is a source of wealth lies at the heart of effective public administration. Land Revenue Policies, therefore, need to be directed towards this objective. The Revenue Department is responsible for making policies for this sector. Allotment of land and assessment and collection of land revenue are governed under the Rajasthan Land Revenue Act, 1956 (LR Act) and rules framed thereunder. The land revenue mainly comprises receipts from sale of Government land, lease rent, premium and conversion charges.

**Allotment of Government land:** As per Section 102 of the LR Act the State Government shall have the power to allot land for purpose other than agriculture as well as on special terms to Individuals, Societies, Trusts, Institutions, Firms, Industries, Companies, Corporations and Government Departments. Such powers are exercised through the Rules framed for the purpose or by issuing orders. Under Section 92 of LR Act, the Collector may set apart land for any special purpose. Such land shall not be used otherwise than for the purpose it was specified without the previous sanction of the Collector.

**Conversion of land:** Any person desiring use of agricultural land for non-agricultural purpose shall apply for the requisite permission in the prescribed manner to the prescribed authority under Section 90-A of LR Act and rules made thereunder. The Collector at district level, Sub-Divisional Officer (SDO) at sub-division level and *Tehsildar* at *Tehsil* level are responsible for assessment and collection of conversion charges for the change of land use.

### 4.4.2 Organisational set up

The powers of Administrative Department are vested in the Revenue Department in the Government. The Revenue Department is headed by the Principal Secretary, Revenue. The Board of Revenue (BoR) controls revenue related judicial matters and is responsible for supervision and monitoring of the work of the revenue officers. The BoR is headed by a Chairman and consists of 20 members. The BoR is assisted by 33 Collectors at the district level, 289 SDOs at the sub-division level and 314 *Tehsildars* at the *Tehsil* level in all matters relating to assessment and collection of land revenue. The Collector at district level is responsible for issue of allotment orders, assessment and collection of cost of land, assessment/revision of lease rent and recovery of dues.

### 4.4.3 Audit objectives

The Performance Audit (PA) was carried out to examine:

- whether the process of allotment of Government land was transparent and was being done as per the provisions of the Act and Rules framed thereunder;
- whether the assessment and collection of lease rent, premium, cost of land, realisation of Government's share of sale proceeds of Government land by Urban Local Bodies (ULBs) and conversion charges were finalised according to the provisions of the Act/Rules and orders issued from time to time; and
- whether appropriate monitoring and control mechanism existed to keep watch on allotment, utilisation of land and recovery of revenue due to Government.

### 4.4.4 Scope and methodology of audit

The PA covers the working of the Department relating to allotment and conversion of land and recovery of dues for the period 2011-12 to 2015-16. Out of 33 districts, eight District Collector's offices<sup>2</sup> were selected<sup>3</sup> for test check. The selection of districts was made through random statistical sampling. In addition, the relevant records at BoR and office of the Principal Secretary, Revenue were also examined. The Audit was conducted during October 2016 to May 2017.

ULBs have been authorised to dispose of the land falling under their jurisdiction. A portion of the amount (a fixed percentage of sale proceeds) received from sale is required to be deposited into the Government account as the share of the Government. Records relating to assessment and collection of Government share from sale proceeds of Government land of 11 ULBs<sup>4</sup> in the selected districts were also scrutinised during the PA.

As per the records furnished, 1,148 sanctions were issued for allotment of Government land during the years 2011-12 to 2015-16. Out of these, 411 sanctions pertained to the eight districts selected by Audit. All these were scrutinised during the course of the audit.

### 4.4.5 Audit Criteria

The audit findings were bench marked against the criteria derived from the following Acts/Rules, *etc.*

- The Rajasthan Land Revenue Act, 1956 and the Rules framed thereunder;
- Rajasthan Land Revenue (Industrial Areas Allotment) Rules, 1959;
- Rajasthan Land Revenue (Allotment of Land for Setting up of Power Plant based on Renewable Energy Sources) Rules, 2007;
- Rajasthan Land Revenue (Conversion of Agricultural Land for Non-agricultural purposes in Rural Areas) Rules, 2007 and
- Various Notifications/Circulars/Orders issued by the Government.

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<sup>2</sup> Ajmer, Barmer, Bundi, Jaipur, Jaisalmer, Jodhpur, Pali and Sirohi.

<sup>3</sup> Unit was selected on the basis of random statistical sampling.

<sup>4</sup> Ajmer Development Authority; Jaipur Development Authority; Jodhpur Development Authority; Municipal Council: Barmer, Bundi, Jaisalmer, Pali and Sirohi; Nagar Nigam: Ajmer, Jaipur and Jodhpur.

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#### 4.4.6 Acknowledgement

The Indian Audit and Accounts Department acknowledges the co-operation of Revenue Department in providing necessary information and records for audit. An Entry Conference was held on 10 March 2017 to explain the audit objectives and methodology. An Exit Conference was held on 6 October 2017 with the Additional Chief Secretary, Revenue Department and other officers to discuss the findings of the PA. The replies received during the Exit Conference and at other points of time have been appropriately considered in the relevant paragraphs.

#### 4.4.7 Allotment of land

##### 4.4.7.1 Deficiencies in allotment of land

A transparent procedure for allotment of Government land to individuals and organisations needs to be put in place. This should ensure timely utilisation of the land allotted for the stated purpose. The deficiencies noticed during the PA in allotment are discussed in the following paragraphs:

- **Absence of policy for allotment of land:** Audit found that no policy had been put in place by the Government for allotment of the land. The Department had neither issued any instructions for determining the eligibility criteria of the applicants who could apply for allotment of land nor had prescribed any system for processing the applications received for allotment of land. No advertisements through newspapers were made for allotment of land. When this was pointed out the Government accepted the fact that no advertisements were made for allotment of land through newspapers except in case of land allotted to tourism units where allotments are made through advertisements in the newspapers. Thus, the practice followed for allotment of the land was not uniform. A definite procedure for allotment need to be framed by the Government so as to ensure that the department's functioning are transparent and there exist a uniformity in the system of allotment of the land.
- **Absence of Departmental Manual:** The Department had not framed a manual to regulate and control the working of the Department. Absence of the manual had resulted in lack of monitoring in the allotment of land and ascertaining the responsibility at each stage involved in the allotment of the land. When this was pointed out to the Government accepted that no manual had been prepared and no procedure was prescribed for allotment of land. It further stated that a check list comprising of 27 points had been prepared for verification of the details regarding the allotment of land. However, the fact remains that the check list prepared cannot serve as a substitute for a manual. A definite procedure needs to be prescribed by framing a manual that may serve a guide for allotment of land.
- **Maintenance of records at Government level:** No system existed for recording the details of the sanctions of the allotment of land issued from time to time by the Government. Neither register in this regard for recording these sanctions nor their related files were maintained at secretariat level. A file containing the sanction orders issued by the Government called 'Guard File' was maintained. The Guard File(s) were

not page numbered and sanction orders were not kept serially. In absence of this, Audit could not ascertain whether the Guard files contained all the sanctions issued for allotment of land. No record regarding rejection of proposals received by the Government for allotment of land was maintained.

- **Non-maintenance of records at district level:** No provision has been made by the Department in the Rules or by issue of orders for maintenance of registers for monitoring the receipts of applications, their disposal, sanctioned received and allotment made by the District Collectors. Audit found that in Jaipur, Jodhpur and Jaisalmer districts, the Collectors had maintained registers but these were found incomplete *i.e.* date of receipt of applications was not mentioned. In Jaisalmer and Jodhpur registers were being maintained since 2012 and 2014 respectively, so disposal of applications received prior to this period could not be ascertained. In these districts applications received for land allotment for wind/solar power projects were not being entered in the register. Besides, in Jodhpur applications received for allotment of land on cost<sup>5</sup> were not recorded. It was also observed that the register/information was not submitted periodically to the District Collector. In Ajmer and Bundi no such register was maintained.

This resulted in lack of monitoring of receipt and disposal of the applications of allotments in the Department. The Government may consider prescribing maintenance of a register to monitor receipt of applications and their timely disposal.

During the Exit Conference the Government while accepting the audit contention for the framing of policy for allotment of land stated that a procedure for allotment of Government land for ensuring transparency and a uniform procedure to be followed by all the District Collectors shall be prescribed. As regards the maintenance of records the Government stated that the registers would be maintained.

#### **4.4.7.2 Status of applications for allotment of land**

Analysis of the status of applications<sup>6</sup> for allotment of Government land, in selected districts for the period from 2011-12 to 2015-16 provided by the

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<sup>5</sup> Land on cost: It is a term used by the Department and means the price of the Land recoverable as per DLC rates.

<sup>6</sup> In Jaisalmer and Jodhpur applications received for land allotment for wind/solar projects were not being entered in the register. As such have not been included in the pending applications.

concerned District Collectors is mentioned in the following table:

Sl. No.	District Collector	Total number of applications received during 2011-12 to 2015-16	Number of pending applications (as on 31 March 2016)	Reason for pendency of applications
1	Jaipur	620	121	As per the information furnished 83 applications were pending out of 620 applications received during 2011-2016. In addition to these, 38 applications were pending from 2005 to 2010. Thus a total number of 121 applications were pending. The Department stated that these were pending due to non-submission of reports by the concerned SDOs/ <i>Tehsildars</i> .
2	Jaisalmer	127	118	As per the information furnished 39 applications were pending out of 127 applications received during 2011-2016. In addition to these, 79 applications received for tourism purpose were pending from 2003 to 2010. The Department stated that these were pending due to non-submission of reports by the concerned SDOs/ <i>Tehsildars</i> .
3	Jodhpur	439	15	Due to delay in submission of reports by the concerned SDOs/ <i>Tehsildars</i> .

Source: Information provided by the District Collectors.

The LR Act and Rules framed thereunder do not provide any time limit for disposal of applications received for allotment of land, nor has any instruction in this regard been issued by the State Government. There were 254 applications pending disposal in the above three districts. In absence of the maintenance of records in other districts, the total number of applications pending disposal could not be ascertained. The absence of control over the process of allotment provides scope for arbitrary action on the part of the allotting authorities. There is a need for strengthening the system for speedy disposal of the allotment cases and for making the process of allotment transparent.

During Exit Conference Government stated that it would look into the feasibility of prescribing time limit for disposal of applications at each level.

#### 4.4.7.3 Computerisation of records

**Maintenance of Digital Records:** A Scheme 'Land Record Modernisation Programme' (LRMP) was initiated in 2008 by the Government of India. The LRMP was continued till it was merged with Prime Minister's 'Digital India Land Record Modernisation Programme' (DILRMP) in 2016-17. According to the programme Data Entry/Re-entry, establishment of *Tehsil* Computer Centers, providing connectivity among revenue offices, establishment of State Data Centre, digitilisation of Cadastral Maps<sup>7</sup> and establishment of Modern Record Room works at each *Tehsil* was to be done by the BoR.

<sup>7</sup> Cadastral map: A map showing the places of land with survey number.



### Allotment and utilisation of funds for computerisation

The year wise budget allocation and expenditure under the LRMP/DILRMP was as follows:

(₹ in crore)				
Year	Budget	Expenditure	Savings	Per cent of unspent funds
2011-12	16.98	4.52	12.46	73.38
2012-13	10.25	1.87	8.38	81.76
2013-14	12.39	7.67	4.72	38.10
2014-15	56.80	5.16	51.64	90.92
2015-16	50.98	0.57	50.41	98.88
<b>Total</b>	<b>147.40</b>	<b>19.79</b>	<b>127.61</b>	<b>86.57</b>

The above table indicates that in five years from 2011-12 to 2015-16 the BoR incurred expenditure of only ₹ 19.79 crore against allocated funds of ₹ 147.40 crore which is only 13.43 per cent of total allocation. The work of computerisation had started in 2008, despite a lapse of more than nine years the work has not been completed.

#### Computerisation of Allotment and Conversion process

Audit further noticed that the process of allotment and conversion of land was not included in the computerisation scheme. This would have helped the Department for better monitoring and transparency in the allotments.

The Department stated (September 2017) that it had computerised the *Jamabandis* under Computerisation of Land Record (CLR) programme and digitilisation of cadastral maps was under progress. The work of computerisation could not be completed due to vacancy of post of *Patwaris*, doing the works of other departments and conducting of Revenue campaigns. Further, the Government accepted the audit contention for computerisation of allotment and conversion process.

#### 4.4.7.4 Reversion of land to Government

It was noticed that in 46 cases the land measuring 15,066.02 *bigha*<sup>8</sup> was not utilised for the purpose it was allotted. The Collector reverted the land in 13 cases and did not revert in 33 cases despite a lapse of 2 to 27 years. These are discussed in the following paragraphs:

##### Delayed reversion of land set apart for special purposes

As per Section 92 of LR Act, the Collector may set apart land for any special purpose and such land shall not be used otherwise without the previous sanction of the Collector.

Audit found that there was no system at the District Collectorate level to monitor the utilisation and reversion of the land set apart for specific purpose. No register was maintained to watch the timely and proper utilisation of the set apart land.

<sup>8</sup> *Bigha*: A local Unit for measurement of land.

- In District Jaisalmer Government land measuring 287.85 *bigha* in *Tehsil* Jaisalmer was set apart (January 1990) for hotel and commercial purposes. Out of this land, 144.10 *bigha* land was allotted (between May 1993 and September 1994) to three companies for establishment of hotels within three years of allotment. The land, was not utilised by these companies even after lapse of 13 to 14 years due to which the allotments of land were cancelled by the Government. The details are mentioned in the following table:

Sl. No.	Name of company	Date of allotment	Area of allotted land (in <i>bigha</i> )	Date of cancellation of allotment
1	The Indian Hotel Company Limited (Taj Group)	1 May 1993	49.85	22 June 2007
2	Oberoi Associated Hotel Private Limited	8 September 1994	48.50	27 July 2009
3	I.T.C. Hotel Private Limited	19 May 1993	45.75	22 May 2006
<b>Total</b>			<b>144.10</b>	

The allotments of the set apart land(s) were cancelled after 13 to 14 years. The land is still vacant and has not been utilised even after a lapse of 27 years from the date it was set apart (January 1990). Thus, in absence of a register the status of land set apart could not be monitored. Consequently no attempt was made to seek applications from the other interested persons for the setting up of hotels/commercial establishments.

- Scrutiny of land allotment records of District Collector, Ajmer revealed that Government land measuring 21 *bigha* in village Makarwali in *Tehsil* Ajmer was set apart (October 2005) for *Anaj Mandi* purpose. The Government sanctioned (December 2005) allotment of the said land to a society at cost for establishment of satellite *mandi*. The District Collector, Ajmer issued a demand notice (29 May 2007) against the cost of land valued at ₹ 68.25 lakh but it was not deposited. Despite a delay of 11 years the sanction order had not been cancelled by the Government.

The allottee requested (April 2011) the District Collector for allotment of land stating that the society could not deposit the amount due to its poor economic condition. Thereafter, it had repeatedly requested the District Collector (February 2012 and September 2014) to revise the cost of the land (at the prevailing DLC rate) so that it can be deposited. The Department, however, did not take any action either to cancel the sanction order or raise a revised demand or to allot to other persons.

In absence of the Register for monitoring of the set apart land, status of the applications received for allotment of land set apart could not be ascertained. The Government may consider prescribing provisions regarding maintaining control registers for set apart land and introduce the practice of publicity through newspapers, *etc.* to seek applications from the interested persons. The Department may also make an attempt to review all the cases, cancel the allotments of land that have remained unutilised and seek applications from other interested persons for its allotment.

The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to all District Collectors for maintaining register of set apart land, to keep watch on the allotted land and to review all allotted land. Further, the Government also instructed all the District Collectors to take proper action for use of land for other purposes where the land was not used for prescribed purposes after a long period.

### **Non-reversion of land to Government**

As per terms and conditions of the allotment, the allotted land shall be used strictly for the purpose for which it was allotted and the allottees shall within two years be liable to complete the construction of building and to put it in use for the purpose for which the land was allotted, failing which the land shall be reverted to the Government unless the period is extended by the allotting authorities due to valid reasons.

In the following cases land was allotted under Section 102 of LR Act, which stipulate for grant of land for the purpose desired by the applicants. Though the allotted land had not been utilised, it was not reverted to the Government.

- During review of land allotment records of six District Collectors<sup>9</sup>, it was noticed that in 31 cases, Government land measuring 3,214.63 *bigha* was allotted (between February 2006 and December 2014) for specified purpose to 31 institutions *i.e.* industries, educational/industrial training institutions, hostels, *krishi upaj mandi*, dance & music institutions, hospitals, solar photovoltaic and wind power projects, other buildings of public utilities, *etc.* As per terms and conditions of the allotment, the land was to be used within two years of the allotment. Scrutiny of *Mauka*<sup>10</sup> reports provided by the concerned *Tehsildars* revealed that in 27 cases, the allottees had not started construction work on the land; there was nothing on the record to show that the allottees had applied for extension of time. Therefore, the allottees had neither used the allotted land for the intended purpose within the prescribed period nor applied for any extension. The land should have been reverted to the Government. In the remaining four cases, the construction was partially done and the land was partially utilised as detailed below:
- In one case, the land measuring 45 *bigha* at Ajmer was allotted for educational and hospital purposes, only ten rooms and boundary wall were constructed and it was being used for agriculture work as per *Mauka* Report furnished by *Tehsildar* in November 2016;
- In a case, land measuring 62.50 *bigha* at Ajmer was allotted for educational (school and college) purpose. The land was being used partially (only 0.29 *bigha* was used by the educational institution) as per the *Mauka* Report furnished by *Tehsildar* in November 2016;
- In a case, land measuring 21 *bigha* at Ajmer was allotted to *Krishi Upaj Mandi* for fruits and vegetable market (*Mandi*). Only boundary wall and a few tin sheds were constructed. The *Mandi* has not been in operation as per *Mauka* Report furnished by *Tehsildar* in November 2016 and

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<sup>9</sup> Ajmer, Dausa, Jaisalmer, Jodhpur, Pali and Sirohi.

<sup>10</sup> *Mauka* reports: Site inspection report submitted by the competent authority.

- In a case, land measuring 2199.24 *bigha* (356.13 hectare) in village Dhudsar in *Tehsil* Pokran was allotted (February 2015) to an allottee for establishment of a 150 MW Solar Photovoltaic Power Project. As per provisions of Government of Rajasthan's order dated 27 January 2010, initially the land should have been allotted only for 50 MW capacity *i.e.* 733.08 *bigha* (118.37 hectare) and the land for the remaining capacity of 100 MW *i.e.* 1466.16 *bigha* (237.42 hectare) should have been kept reserved and allotted only after the full utilisation of previously allotted land for generation of 50 MW power. The Collector, however, allotted 2199.24 *bigha* (356.13 hectare) land for establishment of 150 MW Power Project at the initial stage itself. Further as per terms and conditions of allotment of land, renewable energy power plant was to be set up within a period of two years from the date of allotment of land, failing which the land would be reverted to the State Government unless the period was extended by the allotting authorities for valid reasons. There was nothing on record to indicate that the allottee had applied for or was granted any extension for establishment of power plant. Though the land was to be automatically resumed to the Government, the land was still recorded in the name of the allottee in the land record *i.e.* *Jamabandi* report after expiry of time. The District Collector, however, did not take any action to resume permission of the land due to non-fulfillment of terms and conditions of allotment.

The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions have been issued to District Collector, Jaisalmer for investigation/ regularisation of the case.

**The Government may consider strengthening the mechanism for watching the utilisation of land as per the terms and conditions of the allotment failing which action may be taken as per the relevant Act/rules and entry in the land record *i.e.* *Jamabandi* may be reversed.**

### Case Study 1

Scrutiny of land allotment records of District Collector, Ajmer revealed that Government land measuring 250 *bigha* in *Tehsil* Sarwar was allotted (between November 1993 and May 2001) to an allottee for a period of 25 years for development of Government land as private forest. The allottee in its action plan had proposed plantation of 52,050 trees in the area. The *Mauka* report of the land disclosed that only 790 trees *i.e.* only 1.52 *per cent* of action plan were available in the allotted land.



The District Collector, however, neither took any step for cancellation of allotment nor was the land reverted to the Government due to non-plantation of trees as per action plan. Absence of system for monitoring by the Department resulted in non-utilisation of land by allottees and non-reversion of land to Government.

The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to all District Collectors to maintain register of allotment, to make a system of timely supervisions/review to keep watch on the compliance of the allotment conditions and to get a *Mauka* report from the subordinate officers to take immediate action for cancellation of allotment in case of breach of conditions of the allotment.

### **Delayed reversion of land allotted for renewable energy**

Rule 7 of the Rajasthan Land Revenue (Industrial Areas Allotment) Rules, 1959 and Rajasthan Land Revenue (Allotment of land for setting up of power plants based on Renewable Energy Sources) Rules, 2007, Government land can be allotted for setting up of renewable energy power plants. Further, the Rules provide that renewable energy power plant shall be set up within a period of two years from the date of allotment of land, failing which the land shall revert to the State Government unless the period of two years is extended by the allotting authorities for valid reasons.

Scrutiny of land allotment records of three District Collectors<sup>11</sup> revealed that Government land measuring 11,416.65 *bigha* was allotted (between January 2005 and October 2012) to ten wind/solar power developers for establishment of power plants based on renewable energy. The power plants were to be established (2007 to 2014) within two years of the allotment as per terms and conditions of the allotment of land. It was found that the Collectors reverted the land to the Government between March 2015 and March 2017 due to non-utilisation by the allottees. Thus there was delay of three to 10 years in reversion of land. In these three districts applications received for land allotment for wind/solar projects were not being recorded in any register. As such the applications in pipeline could not be ascertained. It was also noticed that no efforts were made for utilisation of the land by either seeking fresh applications or by granting the land application received earlier.

The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to the District Collectors to get a *Mauka* report of the land for ensuring the fulfillment of conditions of allotment, if conditions are not fulfilled the allotment may be cancelled. During Exit Conference the Government also agreed that monitoring mechanism would need to be improved to avoid any delay in reversion.

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<sup>11</sup> Barmer, Jaisalmer and Jodhpur.

#### 4.4.7.5 Lack of coordination between Department and urban local bodies and absence of system for timely realisation of share of sale proceeds of Government land

As per notification dated 8 December 2010, JDA, UIT or Municipal Corporation/Council, as the case may be, shall on disposal of the land through sale, allotment or regularization, have to deposit a portion of the amount so realised in the State Government account *i.e.* 20 *per cent* in case of Development Authority, 5 *per cent* in case of Urban Improvement Trust and 2.5 *per cent* in case of Municipal Corporation/Council.

Audit called for information from 11 ULBs regarding the deposit of share of sale proceeds of the land sold by them into the Government account. Five ULBs did not furnish the information, one ULB Municipal Council, Sirohi furnished nil information.

As per the information furnished, Government's share of ₹ 424.11 crore had not been deposited in Government's account after sale of the land by these five ULBs for the year 2011-12 to 2015-16 as discussed in following paragraph:

(₹ in crore)							
Name of Urban Local Body	2011-12	2012-13	2013-14	2014-15	2015-16	Total	Reasons for non-deposit
Ajmer Development Authority	0.88	2.49	0.54	1.30	1.27	6.48	Due to poor economic condition of the ULB.
Jaipur Development Authority	8.77	21.49	67.32	110.81	155.72	364.11	Reasons were not provided.
Municipal Council, Barmer	0	0	0.42	0.06	0	0.48	Due to poor economic condition of the ULB.
Jodhpur Development Authority	5.53	1.73	13.08	0	30.69	51.03	Due to poor economic condition of the ULB.
Nagar Nigam, Ajmer	0.52	0.23	0.14	0.69	0.43	2.01	Replied received is as follows.
<p>The Nagar Nigam, Ajmer stated that the share payable to State Government on the sale proceeds of the land was not clear. In some cases it was stated to be 60 <i>per cent</i> while it was stated to be 90 <i>per cent</i> in another cases.</p> <p>The reply is not tenable as the state share for cost of the land received from the sale, allotment and regularisation has been clearly notified by the Government of Rajasthan, Revenue Department <i>vide</i> their notification dated 8 December 2010. As per the notification the corporation has to pay 2.5 <i>per cent</i> of the amount realised through sale, allotment or regularisation of the land. Besides, the corporation had itself worked out the state share of the cost of land payable by them. In case of any doubt the matter could have been referred to the Government for clarification.</p>							
<b>Total</b>	<b>15.70</b>	<b>25.94</b>	<b>81.50</b>	<b>112.86</b>	<b>188.11</b>	<b>424.11</b>	

Source: Information provided by the concerned ULBs.

Scrutiny of sale proceeds records of Government land of eight District Collectors and information provided by the six ULBs disclosed that there was no exchange of information between the Department and the ULBs regarding revenue realisation, sale, allotment and regularisation of land by the ULBs. No register/files were maintained by the Department/BoR to ensure timely receipt of its share of sale proceeds of Government land. Internal audit of the District Collector's Office was not being conducted, therefore, an important ingredient of internal control was missing.

The Government may consider strengthening the mechanism for timely realisation of its dues from the sale of Government land by the ULBs. It may consider levying interest for late deposit of Government's share by the ULBs.

The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to the concerned District Collectors to examine the realisation of Government's share of sale proceeds of Government land disposed by ULBs.

#### **4.4.7.6 Non/short recovery of cost of land**

Cost of Government land allotted to various allottees for intended purposes was recoverable as per provisions of LR Act and Rules made thereunder. The irregularities noticed in five districts<sup>12</sup> out of selected districts are discussed below.

In terms of the LR Act, rules framed thereunder and the notification issued thereunder premium of the land allotted to Individuals, Societies, Trusts, Institutions, Firms, Industries, Companies, Corporations and Government Departments for industrial purpose, construction of schools, colleges, dispensaries, *dharmasalas* and other buildings of public utility *etc.* would be charged as per the rates decided by the concerned District Level Committee (DLC). In addition, annual lease rent at the rate of 10 *per cent* of the cost of land was also recoverable.

Audit noticed that the Department had not recovered the cost of the land before allotment in eight cases measuring 714.69 *bigha*. This resulted in non/short realisation of cost of land amounting to ₹ 167.39 crore. The land was allotted to the Government corporations and private institutes for industrial and educational purpose. It was found that in three cases the land was allotted at rates lesser than the DLC rates, in four cases it was allotted without any approval from the Revenue Department and in the remaining case possession of land given was without recovering the cost of the land and

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<sup>12</sup> Ajmer, Barmer, Bundi, Jaipur and Pali.



allotment. These are discussed in the following table:

Name of the District Collector/Firm/Organisation	Nature of observation
<b>Under valuation of the land</b>	
District Collector, Pali  M/s. Ambuja Cement Limited	The Government land measuring 58.85 <i>bigha</i> in various villages in <i>Tehsil</i> Jaitaran was allotted (July 2014) to an allottee through the Department of Industries for laying railway line. It was found that the Collector demanded and recovered only ₹ 16.02 lakh <sup>13</sup> from the allottee against the cost of 50.05 <i>bigha</i> land situated at village Ras-I at prevailing agriculture DLC rates. The <i>Mauka</i> report of <i>Tehsildar</i> Jaitaran revealed that the land was situated on National Highway (NH). The cost of land was ₹ 80.08 lakh <sup>14</sup> as per the DLC rates of land situated at NH. This resulted in short levy and recovery of ₹ 64.06 lakh.
M/s. Siddhi Vinayak Cement Limited	Government land measuring 139.35 <i>bigha</i> situated in various villages in <i>Tehsil</i> Jaitaran (Pali) was allotted (18 September 2013) to an allottee through the Department of Industries for establishing a cement plant. Scrutiny of allotment records revealed that the Collector demanded and recovered only ₹ 10.86 lakh <sup>15</sup> from the allottee. The land measuring 37.45 <i>bigha</i> land was located in village Sinla. The <i>Jamabandi</i> of the land and report of Mining Engineer showed that the said land was in probable mining area for which separate rates had been prescribed by the DLC. The cost of allotted land worked out to ₹ 34.08 lakh <sup>16</sup> . This resulted in short levy and recovery of ₹ 23.22 lakh.
The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to District Collector, Pali to investigate the matter and to send a factual report.	
District Collector, Jaipur.  M/s. PSL Limited, Mumbai	The District Collector, Jaipur allotted (25 March, 2010) Government land measuring 90 <i>bigha</i> in Village Gaduda, <i>Tehsil</i> Phagi to an allottee through the Department of Industries for manufacturing of steel pipes. It was found that the Collector demanded and recovered only ₹ 2.53 crore <sup>17</sup> from the allottee for the 90 <i>bigha</i> land at prevailing agriculture DLC rates. The <i>Mauka</i> report of <i>Tehsildar</i> Phagi revealed that the allotted land was 1.5 kilometre from Diggi-Malpura Road for which higher rates were fixed by the DLC. The cost of the allotted land worked out to ₹ 3.16 crore <sup>18</sup> . This resulted in short levy and recovery of ₹ 63 lakh.
The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to District Collectors, Jaipur to investigate the matter and to send a factual report.	

<sup>13</sup> ₹ 16.02 lakh: 50.05 X ₹ 0.32 lakh per *bigha* as per DLC rates.

<sup>14</sup> ₹ 80.08 lakh: 50.05 X ₹ 1.60 lakh per *bigha* as per DLC rates effective from 1 October 2014.

<sup>15</sup> ₹ 10.86 lakh: 37.45 *bigha* X ₹ 0.29 lakh per *bigha* as per DLC rates effective from 29 September 2011.

<sup>16</sup> ₹ 34.08 lakh: 37.45 *bigha* X ₹ 0.91 lakh per *bigha* as per DLC rates effective from 29 September 2011.

<sup>17</sup> ₹ 2.53 crore: (61.30 X ₹ 3.13 lakh per *bigha* as per DLC rates of irrigated agriculture land + 28.70 X ₹ 2.13 lakh per *bigha* as per DLC rates of un-irrigated agriculture land) effective from 28 August 2009.

<sup>18</sup> ₹ 3.16 crore: (46.80 X ₹ 3.75 lakh per *bigha* as per DLC rates of irrigated agriculture land + 43.20 X ₹ 3.25 lakh per *bigha* as per DLC rates of un-irrigated agriculture land) effective from 28 August 2009.



<p>District Collector, Jaipur.</p> <p>Nirman Cheritable Trust, Sri Ganganagar</p>	<p>The Government land measuring 55.36 <i>bigha</i> (14 hectare) situated in village Jhar in <i>Tehsil</i> Bassi was allotted in October 2008. Distance of the land was 190 metres from the NH 14 as per <i>Mauka</i> report of <i>Tehsildar</i> Bassi. Out of 14 hectare, 4 hectare (15.81 <i>bigha</i>) was allotted free of cost for establishment of residential girls school to boost girl's education and the remaining 10 hectare (39.55 <i>bigha</i>) was allotted on cost for establishment of Technical University. The possession of the land was handed over to the allottee in December 2008. It was found that the allottee had not used the land for intended purpose. The original purpose (Technical University) of the land was changed to establishment of medical college and was allotted "land on cost". The change of land use was approved (April 2015) by the Government. The District Collector, Jaipur issued (June 2015) a demand notice of ₹ 6.58 crore by applying incorrect DLC rates instead of ₹ 11.49 crore<sup>19</sup> applicable for land situated within 500 metres of NH. The cost of the allotted land was not deposited by the allottee even after lapse of two years. The possession of the said land was still with the allottee (June 2017). This resulted in short raising of demand of ₹ 4.91 crore. The institution has not paid any amount resulting in non realisation of ₹ 11.49 crore.</p>
<p>The matter was reported to the Government (August 2017). The Government accepted the fact that land measuring 10 hectare were allotted on recovery of cost of the land at the DLC rates. But allotment had not been issued as the matter regarding terms and conditions was still under the consideration of the Government. The reply is not correct as the Government had already issued sanction order of the land on payment of the cost of the land. The Collector should have issued the demand notice and made efforts to recover the cost of the land. The land continues to be under the possession of the institution without payment of the cost of the land.</p>	
<p><b>Allotment of the land without approval</b></p>	
<p>District Collector, Jaipur</p> <p>Rajasthan Cooperative Dairy Federation Limited, Jaipur</p>	<p>The Government land measuring 96 <i>bigha</i> in village Dhindol (Kishanpura) in <i>Tehsil</i> Bassi was in the possession of Animal Husbandry Department (AHD). The Principal Secretary, AHD issued an order (November 2009) that the Rajasthan Cooperative Dairy Federation Limited (RCDF) wanted to expand dairy, establish a plant for manufacturing of cattle feed and infrastructure development at the said land and, hence, the land allotted to AHD may be transferred to RCDF. The land was transferred (date not available) to the RCDF without the approval of the Revenue Department and without recovery of cost of land and lease rent. As per <i>Mauka</i> report of <i>Tehsildar</i> Bassi, the entire land was being utilised by the RCDF. The cost of the land (₹ 3.67 crore<sup>20</sup>) and annual lease rent (₹ 36.66 lakh<sup>21</sup>) was recoverable as per applicable DLC rates of un-irrigated agriculture land for the year 2016-17. The Department, however, had not initiated any action for recovery of cost and lease rent of ₹ 4.04 crore.</p>
<p>The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to District Collector, Jaipur to recover the cost of land from RCDF.</p>	
<p>District Collector, Ajmer</p> <p>Central Reserve Police Force (CRPF), Ajmer</p>	<p>The land measuring 241.76 <i>bigha</i> (39.15 hectare) was under the possession of CRPF since 1992 without any approval of the Government. The Sanction orders for allotment of land on cost was issued on 6 August 2015 <i>i.e.</i> after a lapse of 23 years. It was</p>

<sup>19</sup> ₹ 11.49 crore: 55.36 X ₹ 20.75 lakh per *bigha* as per DLC rates effective from 1 October 2014.

<sup>20</sup> ₹ 3.67 crore: 96 x ₹ 3.82 lakh per *bigha* as per DLC rates effective from 6 October 2015.

<sup>21</sup> ₹ 36.66 lakh: 10 per cent of ₹ 3.67 crore.

	stated that <i>khasra</i> numbers and <i>Jamabandi</i> report of the land was not provided by <i>Tehsildar</i> , Ajmer to the Collector resulting in delay in issue of sanction order. However, Audit noticed that no demand notice for deposit of the amount was issued to the CRPF. Consequently no allotment order was issued and the land valued at ₹ 113.78 crore continued to be under the possession of the CRPF without payment of the cost of the land.
District Collector, Barmer  Border Security Force (BSF), Barmer	The land measuring 13.55 <i>bigha</i> (2.194 hectare) was under the possession of BSF since 1965 without any approval of the Government. The sanction order for allotment of land on cost was issued on 9 July 2015 <i>i.e.</i> after a lapse of 50 years. Demand of ₹ 27.86 crore was issued by the Collector on 16 October 2016. The amount has been not deposited by the BSF. Consequently no allotment order was issued and the land continued to be under the possession of the BSF without payment of the cost of the land.
District Collector, Ajmer  Airport Authority of India (AAI)	The Government issued a sanctioned order for allotment of land measuring 19.82 <i>bigha</i> (3.21 hectare) to AAI on 13 April 2015. The possession of the land was given in 2017. Thereafter demand notice for recovery of the cost of the land had not been issued by Collector, Ajmer. Besides, no allotment order was issued and the land valued at ₹ 8.72 crore continued to be under the possession of the AAI without payment of the cost of the land.

During Exit Conference the Additional Chief Secretary stated that all these matters would be looked into.

#### 4.4.7.7 Non-monitoring of lease rent

As per order dated 18 June 2007, the lease rent payable for the land allotted for setting up of Renewable Energy Power Plant shall be paid annually. Annual rent shall be charged at the rate of ₹ 2500 per hectare per year.

- Scrutiny of information provided by District Collector, Jodhpur revealed that ₹ 19.01 lakh lease rent was recoverable from the power producers/developers for the period 2011-12 to 2015-16. This was not demanded.
- Scrutiny of Demand-Collection and Balance report of District Collector, Jaisalmer revealed that ₹ 3.59 crore lease rent was recoverable in District Jaisalmer from the 14 power producers/developers. This was neither paid nor demanded resulting in non-recovery of lease rent aggregating to ₹ 3.59 crore.
- Scrutiny of allotment and lease rent records of District Collector, Sirohi revealed that Government land measuring 673.35 *bigha* (17,04,355.32 square metre) in *Tehsil* Pindwara was allotted (between July 1981 and February 1984) to an allottee for setting up of cement plant. The lease rent had to be revised<sup>22</sup> after 30 years from the date of allotment of the land. It was found that the concerned Collector had not revised the lease rent though it was to be revised between 2011 and 2014. As a result, the lessee was paying the rent at the same rate it was fixed in the year of allotment. This resulted in short recovery of lease rent of ₹ 34.21 lakh<sup>23</sup>.

<sup>22</sup> As per Rule 5 of Rajasthan Land Revenue (Industrial Area Allotment) Rules, 1959, the Government by issue of notification dated 13 August, 2009 revised the rates of lease rent for villages, towns and cities.

<sup>23</sup> ₹ 34.21 lakhs: (510914.56 X ₹ 50 paise per square metre per year X 5 year) + (243063.80 X ₹ 50 paise per square metre per year X 2 year) + (950376.96 X ₹ 50 paise per square metre per year X 4 year).

The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to District Collectors, Jaisalmer and Jodhpur for recovery of lease rent and to send a factual report in the matter.

#### 4.4.7.8 Recovery of arrears on account of cost of land

As per information provided by BoR, arrear of ₹ 607.04 crore pertaining to Land Revenue Department was outstanding as on 31 March 2016. The outstanding amount of arrear as on 1 April 2011 was ₹ 111.24 crore which increased to ₹ 607.04 crore as on 31 March 2016 i.e. an increase of 445.70 per cent in outstanding revenue.

Against the total outstanding amount of ₹ 607.04 crore, an amount of ₹ 550.57 crore (90.70 per cent) was due from seven Departments/Enterprises on account of cost of land. Of this, ₹ 13.96 crore pending against Railway, Udaipur was sub-judice in the Honorable High Court of Rajasthan. The breakup and the stages at which these are pending in respect of the remaining six cases involving ₹ 536.61 crore was as follows:

Name of the Departments/Enterprises	Nature of dues	Amount (₹ in crore)
Archeology Department, Chittorgarh	An amount of ₹ 3.10 crore was outstanding from Archeology Department, Chittorgarh. The department had applied for allotment of land free of cost on 06 December 2010. The Collector had sent write-off proposal to the Government in 2016. Further action taken has not been intimated.	3.10
Air Port Authority, Udaipur	An amount of ₹ 22.79 crore was outstanding from Air Port Authority, Udaipur. The authority had requested in September 2017 for allotment of land either free of cost or on the DLC rates prevailing in the year 1954 in which the land was allotted. Joint Secretary Civil Aviation had requested the State Government for exemption in dues in April 2017. Further action taken has not been intimated.	22.79
North Western Railway, Bikaner	An amount of ₹ 1.77 crore was outstanding from North Western Railway. The date of allotment was not available. However, the correspondence for payment for recovery of amount had started since 2013. It was stated that the Divisional Manager Railway had denied (April 2017) to pay the amount. However, BoR has shown it as recoverable and has sent the matter to the State Government in July 2017.	1.77
Nal Air Port, Bikaner.	An amount of ₹ 239.71 crore was outstanding from Nal Air Port, Bikaner. The Civil Aviation Department (CAD) had requested for allotment of land free of cost which was not agreed by the State Government. Later the CAD agreed (January 2017) to deposit the cost, however, the amount has not been deposited so far (September 2017). The date of allotment of land was not available.	239.71
Hindustan Petroleum Corporation Limited, Barmer	An amount of ₹ 193.91 crore was outstanding from Hindustan Petroleum Corporation Limited. The Department stated (August 2017) that this amount would be adjusted against the amount of ₹ 200.00 crore payable by the State Government as share capital to the Company. The matter was stated to be pending at Central Government level for further action.	193.91
Electricity Board	An amount of ₹ 75.33 crore was outstanding from Electricity Board of Rajasthan. The Department stated that the amount was being adjusted against the Government dues payable by the Government on account of assistance to the Board. This arrangement has been stopped since 11 April 2016 and the Board has been directed (March 2017) to pay the amount in cash by the Finance Department of Rajasthan.	75.33
<b>Total</b>		<b>536.61</b>

Thus, it would be seen from above that the Department had not recovered the amount before allotment of the land and with the passage of time these demands have almost become irrecoverable. A system need to be put in place to ensure that the amounts due to the Government are recovered before giving the possession of the land to the allottees. The details of remaining amount of ₹ 56.47 crore were not furnished.

During Exit Conference the Government stated that the matter would be looked into.

#### 4.4.8 Conversion of Land

The Collector at district level is responsible for assessment and collection of conversion charges for the change of land used. Land used for non-agriculture purposes without permission may also be regularised by depositing four times conversion charges on prevailing market price of land by the applicant.

Scrutiny of records disclosed that land was being used for non-agriculture purposes without effecting change of land use. The reasons for not affecting the change were mainly as follows:

- *Patwari* did not record the fact about the change of land use from agriculture to non-agriculture and unauthorised use of land in the *Jamabandi*.
- No periodic inspections were prescribed for ensuring timely utilisation of converted land. No register was maintained at district level to watch whether the land was being used for the purpose for which it was converted and the use of the converted land had started within the prescribed period.
- There was no system to ensure that the extension in time was allowed for use of converted land by depositing the 25 per cent additional amount of conversion charges.

Audit noticed that conversion orders were to be withdrawn for land measuring 857.06 *bigha* where the *khatedars* could not fulfill the conditions of conversion orders in 35 cases. The land records of the Department were found incomplete and as a result the conversion orders that could not be implemented were not withdrawn as detailed below:

##### 4.4.8.1 Non-withdrawal of conversion orders

In terms of the State Government's order dated 16 January 2012, converted land must be used for the specified purpose within a period of five years. The period of five years may be extended further by five years on submission of an application after depositing the 25 per cent additional amount of conversion charges by the applicant. If the land is not used for the specified purpose within such extended period, the conversion order shall be deemed to have been withdrawn.

Scrutiny of conversion records of five District Collectors<sup>24</sup> revealed that land measuring 600.26 *bigha* in 34 cases in 11 *Tehsils*<sup>25</sup> was converted (between May 2010 and December 2011) for industrial, residential colony, tourism and

<sup>24</sup> Ajmer, Jaipur, Pali, Sirohi and Jaisalmer.

<sup>25</sup> Sirohi, Revdar, Rohat, Chomu, Fulera, Bassi, Jamwa Ramgarh, Maujmad, Kishangarh, Jaisalmer and Fatehgarh.

other purposes. Cross verification of conversion orders collected from offices of District Collectors with *Mauka* report and *Jamabandi* reports collected from *Tehsils* revealed that neither the land was used for the specified purpose nor the time period had been extended by depositing the 25 per cent additional amount of conversion charges.

The conversion orders were deemed to have been withdrawn but suitable entries in the land records *i.e.* *Jamabandi* were not made. Thus, the conversion orders were not withdrawn in the Departmental records.

The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to concerned District Collectors for investigation of utilisation of land and to send factual reports in the matter.

### Case Study 2

#### **Land not vested with the State Government due to absence of suitable entries in the land records *i.e.* *Jamabandi***

As per Government's order dated 16 January 2012, if the Scheduled Caste/Scheduled Tribe (SC/ST) *khatedar*, after getting his land converted for non-agricultural purpose, has transferred the land to any person, who is not a member of SC/ST, and such land has not been used for non-agricultural purposes within a period of five years or extended period then such land shall vest with the State Government without any compensation.

Scrutiny of conversion records of District Collector, Ajmer revealed that *khatedari* land measuring 114.70 *bigha* belonging to SC community was converted for industrial purpose in May 2010. Thereafter, it was sold (February 2013) to a firm (non-SC partners). It was required to be used before May 2015. There was nothing on record to indicate that the Firm had applied or was granted any extension for establishment of industries by depositing additional amount of 25 per cent of the conversion charges. According to *Mauka* report (November 2016) furnished by *Tehsildar* Kishangarh, industry was not established on the land. The land was to be vested with the State Government without any compensation and suitable entries should have been made in the land records *i.e.* *Jamabandi*. In absence of these entries the land continued to be in the name of firm.

When this was pointed out (August 2017) the Government replied (October 2017) that instructions had been issued (August and September 2017) to District Collector, Ajmer to take proper action as per rule against the firm for non-utilisation of the land for industrial purpose within the stipulated period and to send a factual report in the matter.

#### **Non-fulfillment of exemption condition of Ceiling Act**

Scrutiny of conversion records of District Collector, Ajmer revealed that *khatedari* land measuring 256.80 *bigha* situated in village Churli, *Tehsil* Kishangarh was converted (March 2010) for development of industrial area. It was found that the land was held by a firm and was granted exemption (August 2008) under Rajasthan Imposition of Ceiling on Agriculture Holdings Act, 1973. Under this Act, 50 per cent exemption on conversion charges of ₹ 10.39 lakh was also allowed to the firm. The *Mauka* report of *Tehsildar* Kishangarh revealed that even six years after the conversion order, only

14 industries were in operation on 12.35 *bigha* (20,000 square metre). The constructed area was only 3.08 *per cent* of the total area. The rest of the area was vacant as on November 2016. As per condition of exemption of Ceiling Act, industries should have been established within three years failing which the exemption should have been withdrawn.

There was no system to monitor that the land converted for non-agriculture purpose had been utilised within the prescribed time frame or further extension in time had been granted after realisation of additional amount of conversion charges.

The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to District Collector, Ajmer for recovery/investigation in the matter and to send a factual report.

### Non/short recovery of conversion charges

Agriculture land used for non-agriculture purposes must be converted before its use. Conversion of agriculture land for non-agricultural purposes is being done under LR (Conversion of Agricultural Land for Non-agricultural purposes in Rural Areas) Rules, 2007. No review of records was done to ensure that conversions were made in accordance with the conditions prescribed in the rules. Scrutiny of conversion records of eight selected District Collectors disclosed that conversion charges of ₹ 4.51 crore in 71 cases were not recovered as mentioned in paragraph numbers 4.4.8.2 and 4.4.8.3.

#### 4.4.8.2 Conversion charges due from Central Government Department/ Institution

As per circular dated 2 March 1987, if land is allotted to Central Government department/institution, then conversion charges for the part of land which would be used for residential purpose shall be chargeable at residential rate and for the part of land which would be used for commercial purpose would be chargeable at commercial rates provided for that area.

Scrutiny of allotment/conversion records of District Collector Sirohi and Barmer revealed that Government land measuring 8,03,541 square metre was allotted (between March 2015 and September 2015) to three Central Government Departments/Enterprises on cost. The concerned District Collector issued notice for deposit of the cost of the land. The conversion charges amounting to ₹ 3.08 crore, however, were not levied and recovered by the concerned District Collectors as detailed below:

Sl. No. Name of District	Date of allotment	Name of Department/ Enterprise	Purpose of allotment	Area of allotted land (in square metre)	Recoverable conversion charges (₹ in crore)
1 Sirohi	11 March 2015	Indian Container Nigam Limited	Logistic Hub	7,73,503	0.77 (at the rate of ₹ 10 per square metre)
2 Barmer	24 September 2015	Border Security Force, Barmer	Residential Colony	21,942	2.09 (at the rate of 7.5 per cent of sale value of ₹ 27.86 crore)
3 Barmer	11 June 2015	Raj West Power Limited, Badres	Residential Colony	8,096	0.22 (at the rate of 7.5 per cent of sale value of ₹ 2.96 crore)
<b>Total</b>				<b>8,03,541</b>	<b>3.08</b>

The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to District Collectors, Barmer and Sirohi for recovery/investigation in the matter and to send factual reports to the Government.

#### 4.4.8.3 Short/non-levy/recovery of conversion charges

As per Rule 7 of Rajasthan Land Revenue (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 rates<sup>26</sup> prescribed by the Government from time to time. Conversion charges are payable at DLC rate of agricultural land or the rate at which land was purchased (purchase rate) as mentioned in registered sale deed, if any, whichever is higher.

- **Land used for institutional purpose**

During test check (August 2016) of conversion records of District Collector, Pali, it was noticed that a *khatedari* land measuring 62,705 square metre (6.27 hectare) in village Jawali in Tehsil Rani (Pali) was converted (November 2015) for institutional purpose in favour of a *khatedar*. Audit noticed that the entire piece of land was used for institutional purpose as per *Mauka* report (2 August, 2015) of *Patwari*, Jawali. The Department, however, recovered ₹ 5.50 lakh as four time charges<sup>27</sup> only for constructed area (5,604 square metre) instead of ₹ 17.33 lakh<sup>28</sup> for total used area (62,705 square metre) for institutional purpose. This resulted in short recovery of ₹ 11.83 lakh.

The matter was reported to the Government (June 2017). The Government replied (August 2017) that process of recovery was under progress.

- **Industrial (brick kiln) purpose**

During test check (August 2016) of conversion records of District Collector, Sri Ganganagar, it was noticed that in seven cases, 86,780 square metre *khatedari* land was converted (between January 2013 and September 2015) from agricultural to industrial (brick kiln) purpose in favour of seven *khatedars*. The *khatedars* paid conversion charges of ₹ 4.34 lakh<sup>29</sup>. *Mauka* reports (August 2016) of *Tehsildars* Shadulshahar and Sri Vijyanagar revealed that 1,50,490 square metre land was being used by the brick kiln owners for brick kiln purpose, though they had permission for 86,780 square metre land

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<sup>26</sup> Residential Colony:	₹ 7.5 per square metre or 7.5 per cent amount of DLC rate of agricultural land or 7.5 per cent amount of the purchase rate of that agricultural land as mentioned in registered sale deed, if any, whichever is higher.
Commercial purpose:	₹ 10 per square metre or 10 per cent amount of concerned DLC rate of agricultural land or 10 per cent amount of the purchase rate of that agricultural land as mentioned in registered sale deed, if any, whichever is higher.
Institutional purpose:	₹ 5 per square metre or 10 per cent amount of DLC rate of agricultural land, or 10 per cent amount of the purchase rate of that agricultural land as mentioned in registered sale deed, if any, whichever is higher.
Industrial Purpose:	₹ 5 per square metre or 5 per cent amount of DLC rate of agricultural land or 5 per cent amount of the purchase rate of that agricultural land as mentioned in registered sale deed, if any, whichever is higher.

<sup>27</sup> As per Rule 13, if a person had used agricultural land for non-agricultural purpose without permission, he shall submit an application for regularisation of the conversion to the prescribed authority by depositing four times the conversion charges.

<sup>28</sup> ₹ 17.33 lakh: 62,705 X ₹ 6.91 per square metre as per DLC rates X 4 time.

<sup>29</sup> ₹ 4.34 lakh: 86,780 x ₹ 5 per square metre.

only. Thus, 63,710 square metre<sup>30</sup> land was being utilised irregularly. Therefore, four times the conversion charges of ₹ 12.74 lakh were to be levied and recoverable for the land which was utilised without regularisation.

The matter was pointed out to the Department and reported to the Government (June 2017). The Department replied (July 2017) that entire amount of ₹ 2.02 lakh had been recovered in two cases and investigation/recovery was under progress in five cases. During Exit Conference the Government stated that the matter would be looked into.

- **Residential/commercial purposes**

On scrutiny of information provided by the *Tehsildar* Pali (District Pali), it was noticed that a survey was conducted (between February 2015 and October 2015) by *Tehsildar* Pali and it was found that in 45 cases, *khatedari* land measuring 3,13,391 square metre was being used for non-agriculture purpose *i.e.* residential/commercial without change of land use. The Collector, however, had not issued any notice to the defaulters for depositing four times conversion charges amounting to ₹ 94.78 lakh for the land used without any authority.

(₹ in lakh)

Sl. No.	Nature of land use	Number of cases	Area of used land (in square metre)	Rate applicable (₹ per square metre)	Recoverable conversion charges (area x rate x 4)
1	Residential Colony	39	3,05,788	7.5	91.74
2	Commercial	6	7,603	10	3.04
<b>Total</b>		<b>45</b>	<b>3,13,391</b>		<b>94.78</b>

The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to District Collector, Pali for recovery/investigation in the matter and to send a factual report to the Government.

- **Application of incorrect rate of land**

During test check (between November 2015 and April 2016) of conversion records of three District Collectors<sup>31</sup>, it was noticed that *khatedari* land was converted (between July 2012 and August 2014) to industrial purposes in four cases and for institutional purpose in one case. Scrutiny of conversion orders revealed that the Department had not applied the purchase rates of the land for calculation of conversion charges and recovered only ₹ 11.09 lakh based on market rate of the land instead of ₹ 27.63 lakh based on purchase rate of the land. This resulted in short levy and recovery of ₹ 16.54 lakh.

During Exit Conference the Government stated that the matter would be looked into.

- **Non-recovery of rebate on conversion charges**

State Government had introduced (July 2010) 'Policy for Promotion of Agro-Processing and Agri-Business, 2010' (Policy). As per clause 11 of the Policy read with Rajasthan Investment Promotion Scheme (Scheme), 50 *per cent* concession would be available on the charges for conversion of

<sup>30</sup> 63,710 square metre: 1,50,490 square metre (-) 86,780 square metre.

<sup>31</sup> Bikaner, Jaipur and Tonk.



land for industrial purpose if conversion of land is made for agro-processing and agri-business. Further, the benefits availed shall be withdrawn and recovered along with interest at the rate of 18 *per cent* per annum from the date from which the benefits have been availed in case of breach of any of the conditions for allotment of the land.

It was observed that no mechanism was in place to ensure compliance with the conditions of conversion orders. The Departmental authorities, therefore, remained unaware about the sale of the land by the beneficiaries without using it for the stated purposes.

Scrutiny of conversion records of District Collector Sirohi revealed that in 11 cases the *khatedars* had applied for conversion of their agriculture land for establishment of agro-processing and agro-business projects. The concerned SDO Sirohi and Revadar had issued orders (between December 2014 and March 2016) for conversion of land at 50 *per cent* of conversion charges prescribed for industrial purpose with condition that the beneficiaries would have to use the land for explicit purposes within five years. It was found that the beneficiaries had sold (between October 2015 and June 2016) the converted land within a period of four days to ten months after the conversion of the land without establishing agro-processing and agro-business projects. Thus rebate on conversion charges of ₹ 5.75 lakh besides interest of ₹ 0.56 lakh at the rate of 18 *per cent* availed by the beneficiaries was required to be withdrawn.

The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to District Collector, Sirohi for recovery/investigation in the matter and to send a factual report.

#### **4.4.8.4 Short levy/non-recovery of regularisation charges**

In terms of notification dated 9 March 2015, rates of regularisation charges of land converted for industrial purpose or agricultural land being used for industrial purpose, shall be equal to two times of rates of agriculture land of that area.

As per Rule 13A of Land Revenue (Industrial Area Allotment) Rules 1959, any Government agricultural land which was used for industrial purpose without allotment up to 15 July 1994, could be regularised on the payment of prevalent market price of land in the neighborhood. In case the land was in towns/villages which were not covered under any municipality and had the population of more than eight thousand, there the penalty leviable could not be more than the prevailing market price of the land.

- Scrutiny of conversion records of District Collector, Jaipur, revealed that Government land measuring 4.39 *bigha* in village Basdi Ganeshpura *Tehsil* Shahpura was in the possession of a company. Scrutiny disclosed that a plant for washing of china clay was running from the year 1967-68 on the said land without regularisation. The land was regularised in June 2015. The Collector recovered (July 2015) ₹ 26.26 lakh<sup>32</sup> as regularisation charges including penalty by applying one time DLC rate instead of ₹ 39.39 lakh<sup>33</sup> at twice the DLC rate. This resulted in short levy of regularisation charges of ₹ 13.13 lakh.

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<sup>32</sup> ₹ 26.26 lakh: Regularisation charges of ₹ 13.13 lakh (₹ 2.99 lakh per *bigha* X 4.39) + penalty of ₹ 13.13 lakh.

<sup>33</sup> ₹ 39.39 lakh: Regularisation charges of ₹ 26.26 lakh (₹ 2.99 lakh per *bigha* X 4.39 X 2) + penalty of ₹ 13.13 lakh.

- In another case, Government land measuring 3.95 *bigha* in village Shyampura *Tehsil* Bassi was in the possession of a Company. Scrutiny disclosed that a crusher plant was running prior to 15 July 1994 on the said land without regularisation. The land was regularized in March 2016. The Collector issued (May 2016) a notice of ₹ 1.66 crore<sup>34</sup> (for recovery of regularisation charges of ₹ 0.83 crore and penalty of ₹ 0.83 crore) instead of ₹ 2.49 crore<sup>35</sup> at twice the DLC rate including penalty of ₹ 0.83 crore. No amount had been recovered by the District Collector, Jaipur so far (February 2017). This resulted in non-recovery of regularisation charges of ₹ 2.49 crore.

The matter was reported to the Government (August 2017). The Government replied (October 2017) that instructions had been issued to District Collector, Jaipur for recovery/investigation in the matter and to send a factual report.

#### 4.4.9 Conclusions and Recommendations

Procedure for allotment of Government land has not been codified by the State Government. Further, centralised record is not maintained for all the application received/decided at Government level.

Absence of provisions regarding time limit for disposal of applications received for allotment of land resulted in pendency of applications. Lack of mechanism to monitor the use of land set apart for specific purposes resulted in non-utilisation of set apart land for long period. In absence of monitoring mechanism, reversion of land was either not effected or was delayed. Lack of coordination with ULBs and absence of system for monitoring the timely receipt of Government's share from sale of Government land by the ULBs resulted in non-realisation of Government's share. Neither any system was established for periodic submission of returns nor any register was maintained at district level to watch the compliance of the terms and conditions of conversion orders. Non-compliance with the provisions of the rules resulted in irregular allotment of land; short/non-levy/recovery of cost of land and lease rent; application of incorrect DLC rates; non-recovery of conversion charges, etc.

*The Government may consider:*

- *prescribing a procedure to allot Government land to be followed by the District Collectors for ensuring transparency and uniformity;*
- *providing a time limit for disposal of applications for allotment of land;*
- *evolving a mechanism for timely review of the utilisation of set apart land and in case of non-utilisation changing the purpose of land for ensuring optimum utilisation;*
- *directing the ULBs to furnish details of sale proceeds of land to Revenue Department so that it can monitor the receipt of Government share; and*
- *strengthening mechanism to monitor compliance of the conditions of conversion orders and withdrawal of these orders in case of non-compliance.*

<sup>34</sup> ₹ 1.66 crore: Regularisation charges of ₹ 83.03 lakh (3.954 X ₹ 21.00 lakh per *bigha*) + penalty of ₹ 83.03 lakh.

<sup>35</sup> ₹ 2.49 crore: Regularisation charges of ₹ 1.66 crore (₹ 21.00 lakh per *bigha* X 3.954 X 2) + penalty of ₹ 0.83 crore.

