

CHAPTER-IV : LAND REVENUE

4.1 Tax administration

Allotment of land, assessment and collection of land revenue are governed under the Rajasthan Land Revenue Act, 1956 and rules framed there under. 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). 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 conducted by the Department

The Financial Adviser, 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 2011-12 to 2015-16 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
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
2015-16	279	809	1,088	883	205	19

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 19,792 paragraphs were outstanding at the end of 2015-16. Year-wise break up of outstanding paragraphs of Internal Audit wing is as under:

Year	Upto 2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Paras	8,741	1,065	1,520	1,669	1,653	5,144	19,792

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

Out of 19,792 paragraphs, 8,741 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 11 units of Land Revenue Department conducted during the year 2015-16, audit noticed non/short recovery of premium, lease rent, conversion charges, non-reversion of land and other irregularities amounting to ₹ 119.50 crore in 11,055 cases as detailed under:

(₹ in crore)

Sl. No.	Category	No. of cases	Amount
1	Non-recovery/short recovery of premium and lease rent from State Government Departments	28	25.12
2	Non-recovery/short recovery of conversion charges from <i>khatedars</i> ¹	622	7.90
3	Non-reversion of land to Government	13	45.52
4	Other irregularities relating to:		
	(i) Revenue	6,729	4.46
	(ii) Expenditure	3,663	36.50
Total		11,055	119.50

During the year 2015-16, the Department accepted audit observations of ₹ 148.62 crore in 1,854 cases, which were pointed out in earlier years. The Department recovered ₹ 118.90 crore in 981 cases during the year 2015-16 which related to the earlier years.

Few illustrative cases involving ₹ 51.19 crore are discussed in the succeeding paragraphs.

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

4.4 Short recovery of cost of land and lease rent due to incorrect application of District Level Committee rates

As per Government's notification (October 2005), premium² of the land allotted to the Government departments/corporations/institutions 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 from the lease holder.

4.4.1 The statement of DLC rate (effective from 4 October 2012), provided that cost of the land located in villages situated on State Highway and Mega Highway upto 100 metres from the Road would be three times rate for the category of agricultural land.

In District Nagaur, land measuring 2.76 hectares bearing *khasra*³ number 302 in village *Panwari*, *tehsil* Kuchamancity was allotted (6 December 2012) to *Rajasthan Rajya Bhandar Vyvastha Nigam* (RRBVN) for 99 years on lease basis at a cost of ₹ 44.35 lakh at agriculture rate of ₹ 16.07 lakh per hectare and lease rent of ₹ 13.30 lakh⁴, aggregating to ₹ 57.65 lakh.

During scrutiny (July 2015) of allotment records⁵ of District Collector, Nagaur, it was found that the allotted land was situated on Kishangarh-Kuchaman city mega highway for which three times DLC rate was applicable. Thus, the cost of land was ₹ 1.33 crore at the rate of ₹ 48.21 lakh per hectare and lease rent of ₹ 39.92 lakh, aggregating to ₹ 1.73 crore. This resulted in short recovery of cost of land and lease rent of ₹ 1.15 crore⁶.

The matter was pointed out to the Department (August 2015) and reported to the Government (June 2016); their reply is awaited (October 2016).

4.4.2 DLC Jaipur prescribed special rates for the category of agricultural land located in villages situated on National Highway/State Highway/Main Road which were effective from 26 March 2012.

In District Jaipur, Government land measuring 12.77 hectare (50.49 *bigha*) at *khasra* number 1176/2/2 in village Govindgarh, was allotted (January 2013) to Rajasthan Co-operative Dairy Federation Limited for establishment of Metro Dairy.

During test check (April 2016) of the allotment records of District Collector, Jaipur, it was noticed that the above land was situated on Govindgarh-Malikipur main road and was adjacent to National Highway number 11. The Department recovered the cost of land and lease rent at the rate of ₹ 9.14 lakh per *bigha* prescribed by DLC for un-irrigated agricultural land situated away from National Highway/State Highway/main road instead of ₹ 14.11 lakh per *bigha* for agricultural land situated on National Highway/State Highway/main road.

This resulted in short recovery of cost of land and lease rent of ₹ 3.92 crore as

² Premium here means the cost of land.

³ A type of index of field-book map, popularly known as *khasra* where in all facts about crop are mentioned.

⁴ for the period 2012-15 (₹ 44.35 lakh x 3 x 10 per cent = ₹ 13.30 lakh)

⁵ Records checked: check list submitted by Sub-divisional Officer, Nava (Nagaur) and Joint Inspection Report of RRBVN.

⁶ Short recovery of cost of land and lease rent ₹ 1.73 crore (-) ₹ 57.65 lakh = ₹ 1.15 crore.

detailed below:

(₹ In lakh)

Area in bigha	DLC rate per bigha	Premium of the land	Lease rent for 3 years (21.1.13 to 20.1.16) at the rate of ₹ 71.24 lakh per year	Total amount recoverable	Amount recovered	Short recovery
50.49	14.11	712.41	213.72	926.13	534.10	392.03

The matter was pointed out to the Department (May 2016) and reported to the Government (September 2016); their reply is awaited (October 2016).

4.4.3 As per Circular (2 March 1987) issued by the State Government, allotable Government land in rural areas shall be allotted to departments and enterprises of Central Government at prevailing rate of agricultural land of concerned area prescribed by DLC.

In District Alwar, 149.22 hectare land situated at village *Bahadurpur patti Katla, tehsil* Alwar was allotted (29 November 2013) to Central Reserve Police Force (Woman Battalion) (CRPF) for 99 years on lease basis.

During test check (November 2015) of the allotment records, it was found that the rate of land was increased on 6 September 2013 from ₹ 10.00 lakh per hectare to ₹ 13.00 lakh per hectare. The land was allotted to CRPF on 29 November 2013. However, the Collector applied pre-revised DLC rate in the allotment and recovered ₹ 3.73 crore⁷ instead of ₹ 4.85 crore⁸. This resulted in short recovery of cost of land of ₹ 1.12 crore.

After this was pointed out in January 2016 and reported to the Government in June 2016, the Government replied (September 2016) that a notice for recovery had been issued (June 2016) and steps for recovery were being taken.

4.5 Non-reversion of land to Government

4.5.1 As per Clause 3 (iii) of 'Terms of Allotment' issued under Rajasthan Land Revenue (Allotment of Unoccupied Government Agricultural Lands for Construction of Schools, Colleges, Dispensaries, Dharamshalas and other Buildings of Public Utility) Rules, 1963, the land shall be used strictly for the purpose for which it was allotted and the construction of building for which the land was allotted shall commence within six months from the date of handing over possession. The allottee shall within two years be liable to complete the construction of building and put it to use for the purpose for which the land was allotted. As per Clause 3 (vii) of the terms of allotment, in case of breach of any conditions, the land shall revert to the State Government.

During test check (July 2015 and November 2015) of the allotment records of three District Collectors⁹, it was noticed that Government land measuring

⁷ 149.22 hectare X 10 lakh = 14.92 crore X 25 per cent = ₹ 3.73 crore

⁸ 149.22 hectare X 13 lakh = 19.40 crore X 25 per cent = ₹ 4.85 crore

⁹ Nagaur, Alwar and Tonk.

46.15 *bigha*¹⁰ valued at ₹ 2.32 crore¹¹ was allotted for educational/*Krishi Upaj Mandi* purposes in three cases during the years 2005 to 2010. It was also noticed that the land in these cases was not used within the prescribed period after it was handed over between the years 2005 and 2013 to the allottees. However, the concerned Collectors did not monitor the use of allotted land and take any action to revert the land to the Government. This resulted in non-reversion of land worth ₹ 2.32 crore.

The matter was pointed out to the Department (between August 2015 and January 2016) and reported to the Government (July 2016). The Revenue Board, Ajmer replied (August 2016) that in case of Tagore Mahila Sikshan Sansthan, Alwar, action for cancelation of allotment and reversion of the land to the Government was under process at district level; in case of Shri Govindam Kalayankari Vikas Sansthan, Tonk, a letter had been written to the Government for granting one year extension for construction/use of land. The reply in one case was awaited. The reply from the Government is awaited (October 2016).

4.5.2 Rule 7 of the Rajasthan Land Revenue (Industrial Areas Allotment) Rules, 1959 prescribes that industries should be set up within a period of two years on the land allotted for the purpose, failing which the land should revert to the Government unless the period of two years is extended by the allotting authorities due to valid reasons.

During test check (January 2016) of allotment records of District Collector, Bikaner, it was noticed that land measuring 75 hectares was allotted (30 March 2009) for 99 years on lease basis to the Rajasthan Small Industries Corporation Limited (RAJSICO) for establishment of Inland Container Depot with the condition that the depot should be established within a period of two years from the date of issue of lease deed. In case of non-establishment or violation of any terms and conditions of lease deed, the land was to be reverted to the Government. It was noticed that the RAJSICO had neither established depot within the prescribed period nor any permission to extend the period was granted. However, the authorities did not take any action to revert land to the Government. This resulted in non-reversion of land worth ₹ 33.41 crore.

The matter was pointed out to the Department (February 2016) and reported to the Government (August 2016). The Revenue Board, Ajmer replied (August 2016) that a letter for reversion of the land had been written to the Government and action would be taken as per Government's instruction. The reply from the Government is awaited (October 2016).

4.5.3 Rule 8 of Rajasthan Land Revenue (Allotment of Land for Agro-Based Export Oriented Produce Purposes) Rules, 1996, prescribes certain conditions of allotment of land. As per Rule 10, in the event of violation of any of the conditions of these rules as well as other regulations that may be specified from time to time by the Revenue Department of the State Government, the

¹⁰ *Krishi Upaj Mandi*, Mundawa, Nagaur: 30 *bigha*, Tagore Mahila Sikshan Sansthan, Alwar: 4.05 *bigha* and Shri Govindam Kalayankari Vikas Sansthan, Tonk: 12.10 *bigha*.

¹¹ *Krishi Upaj Mandi*, Mundawa, Nagaur: ₹ 90.00 lakh, Tagore Mahila Sikshan Sansthan, Alwar: ₹ 87.21 lakh and Shri Govindam Kalayankari Vikas Sansthan, Tonk: ₹ 54.37 lakh.

Department may cancel the allotment after giving an opportunity of being heard to the allottee.

Further, as per terms and conditions of lease deed, in case of breach of the conditions of lease, the lease shall stand terminated and the said plot shall revert to the lessor and the lessee shall not be entitled to any compensation for premature determination of the lease.

During test check (March 2016) of the allotment records of District Collector, Jaipur, it was noticed that 120 *bigha* land (*khasra* No. 333) situated in village *Papad, tehsil Jamwaramgarh*, district Jaipur was allotted (March 2003) to Rajtek Plantation Private Limited, Jaipur for *Jojoba* plantation. Scrutiny of records revealed that the allottee neither started any work on the allotted land nor applied for any extension. As such, the land valuing ₹ 5.73 crore at DLC rate remained unutilised for two years from the date of allotment. The Government had not taken any action to determine the lease and revert the land to the Government due to violation of provisions of the Rules and terms and conditions of lease agreement. This resulted in non-reversion of land worth ₹ 5.73 crore.

On being pointed out (March 2016), the Collector agreed with the audit observation (April 2016).

The matter was pointed out to the Department (May 2016) and reported to the Government (September 2016). The Revenue Board, Ajmer replied (September 2016) that a letter for cancellation of allotment of the land had been written (21 March 2013) to the Government and the case was under consideration at Government level.

It would be seen from the reply received that the decision regarding reversion of the land had not been taken by the Government despite a lapse of more than three years. The reply from the Government is awaited (October 2016).

4.6 Non-recovery of conversion charges from Rajasthan Housing Board

For allotment of land to Rajasthan Housing Board (RHB), a notification dated 8 September 1987 was issued by the State Government *vide* which if the Government allots its own agricultural land to RHB, then the RHB has to pay the cost of land on prevailing market rate and the conversion charges at normal rate under Rajasthan Land Revenue (allotment, conversion and regularisation of agricultural land for residential and commercial or for any other purposes of public interest) Rules, 1981.

During test check (July 2015) of the allotment records of District Collector, Nagaur, it was noticed that 200 *bigha* agricultural land bearing *khasra* number 73 situated at village *Nagaur* was allotted (3 June 2010) to RHB at a cost of ₹ 3.12 crore. Out of 200 *bigha* land, 113 *bigha* was for residential and commercial purposes and remaining 87 *bigha* was meant for public utility. It was found that the conversion charges of ₹ 43.75 lakh were not recovered from the RHB.

After this was pointed out in July 2015 and reported to the Government in July 2016, the Government replied (September 2016) that a demand had been raised (August 2016) and steps for recovery were being taken.

4.7 Non-recovery/short 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 prescribed by the Government from time to time.

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

During test check (between June 2015 and April 2016) of conversion records of seven District Collectors¹², it was noticed that in 115 cases, *khatedari* land was used for residential, industrial, commercial and institutional purposes without conversion of the land. However, in 79 cases, the Department did not take any action for recovery of premium and four times of the conversion charges which resulted in non-recovery of ₹ 1.66 crore. Further, in 36 cases, conversion charges were short recovered to the extent of ₹ 90.56 lakh. The details of 115 cases are as under:-

(₹ in lakh)

Sl. no.	Nature of land use	Non-recovery of conversion charges		Short recovery of conversion charges	
		Cases	Amount	Cases	Amount
1	Residential	-	-	3	22.97
2	Commercial	1	52.38	18	24.72
3	Industrial	43	45.32	12	29.63
4	Institutional	35	68.55	3	13.24
Total		79	166.25	36	90.56

This resulted in short/non-recovery of conversion charges of ₹ 2.57 crore.

The matter was pointed out to the Department between August 2015 and May 2016 and reported to the Government in September 2016. The Revenue Board recovered ₹ 2.52 lakh in two cases and recovery proceedings were initiated in one case. In another case the conversion charges were recovered for land measuring 800 meter instead of 10,300 meter for which no reasons were furnished. The reply in the remaining cases has not been received. The reply of the Government is awaited (October 2016).

4.8 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 land for industrial purpose if conversion of land was 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

¹² Alwar, Bikaner, Hanumangarh, Jaipur, Jhalawar, Jhunjhunu and Kota.

date from which the benefits have been availed in case of breach of any of the conditions for allotment of the land.

During test check (between March 2016 and April 2016) of conversion records of District Collector, Jaipur, it was noticed that 27 persons had applied for conversion of their agriculture land for establishment of agro-processing and agri-business projects. The concerned five Sub-divisional Officers¹³ (SDOs) had issued orders (between February 2013 and March 2015) 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.

Cross verification of conversion records and information regarding sale of lands received from concerned sub-registrar (SR) offices disclosed that the beneficiaries had sold (between February 2013 and March 2015) the converted land without establishing agro-processing and agri-business projects within a period of 3 days to 19 months after conversion of the land.

Due to absence of mechanism at the level of SDOs/*Tehsildars*/SRs to watch compliance with the conditions of conversion orders, the Department remained unaware about sale of land. This resulted in non-recovery of rebate on conversion charges of ₹ 41.69 lakh and interest of ₹ 10.69 lakh, aggregating to ₹ 52.38 lakh.

The matter was pointed out to the Department (May 2016) and reported to the Government (September 2016); their reply is awaited (October 2016).

¹³ Chaksu, Jamwaramgarh, Sambhar, Shahpura and Virat Nagar.