

CHAPTER-IV: LAND REVENUE

4.1 Tax administration

The assessment and collection of land revenue is governed under the Rajasthan Land Revenue Act, 1956 and the rules made thereunder. Land revenue mainly comprises of rent on land, lease rent, premium, conversion charges payable on use of agricultural land for other purpose, receipts from sales of Government land *etc.*

The administrative power of the Department is vested in the Revenue Department in the Government. The overall control relating to revenue matters vests with the Board of Revenue.

4.2 Impact of audit reports

During the last five years upto 2008-09, audit through its audit reports had pointed out non/short levy, non/short realisation, underassessment/loss of revenue, incorrect exemptions, application of incorrect rate of tax, incorrect computation *etc.*, with revenue implication of ₹ 295.60 crore in 12 paragraphs. Of these, the Department/Government had accepted audit observations in 12 paragraphs involving ₹ 170.28 crore and had since recovered ₹ 82.76 crore. The details are shown in the following table:

(₹ in crore)

Year of audit	Paragraphs included		Paragraphs accepted		Amount recovered	
	Number	Amount	Number	Amount	Number	Amount
2004-05	4	3.17	4	1.75	2	0.61
2005-06	2	29.98	2	28.66	1	14.84
2006-07	1	22.14	1	22.14	-	-
2007-08	4	239.19	4	116.60	2	66.18
2008-09	1	1.13	1	1.13	1	1.13
Total	12	295.60	12	170.28	6	82.76

The Government should make efforts for early recovery of balance amount pointed out in the audit reports.

4.3 Working of Internal Audit Wing

There are 15 internal audit parties, each consisting of three members, which conduct audit of 570 offices on annual basis. The position of number of units, planned for audit, actually audited and remained in arrears during the years from 2005-06 to 2009-10 was as follows:

Year	No. of units	No. of units planned for audit	No. of units actually audited	No. of units in arrear	Percentage of units in arrear
2005-06	567	567	541	26	5
2006-07	567	567	486	81	14
2007-08	567	557	502	55	10
2008-09	570	532	436	96	18
2009-10	570	468	398	70	15

During the years 2008-09 and 2009-10, the pendency of internal audit was 18 and 15 *per cent* respectively and was attributed to general elections held during the period. Criteria of selection of units for internal audit was not intimated to audit.

4.4 Results of audit

During test-check of the records of the 118 units of Land Revenue Department conducted during the year 2009-10, we noticed non-recovery and loss of revenue *etc.* amounting to ₹ 369.56 crore in 4,391 cases. A performance audit review **Allotment/Sale of Land and Recovery of conversion charges** was also conducted which has revenue implications of ₹ 179.32 crore. Details are as under:

Sl.no.	Category	Number of cases	Amount (₹ in crore)
1.	Allotment/Sale of Land and Recovery of conversion charges (A review)	1	179.32
2.	Non-recovery of price of command/uncommand/custodian/ceiling land <i>etc.</i>	2,775	102.56
3.	Non-recovery of premium and rent from Central/State Government departments/undertakings	225	58.13
4.	Non-recovery of conversion charges from 'Khatedars'	251	3.61
5.	Non-regularisation of cases of trespassers on Government land	145	2.20
6.	Other irregularities	994	23.74
Total		4,391	369.56

During the year 2009-10, the Department accepted underassessment and other deficiencies of ₹ 7.89 crore in 920 cases, of which 52 cases involving ₹ 73.74 lakh were pointed out in audit during the year 2009-10 and the rest in earlier years. The Department recovered ₹ 4.32 crore in 703 cases during the year 2009-10, of which 29 cases involving ₹ 51.64 lakh related to the year 2009-10 and the rest to the earlier years.

During test-check of the records of Land Revenue Department, we observed non/short levy/recovery of demand of revenue as mentioned in the succeeding paragraphs of this chapter. Some omissions were pointed out in earlier years but not only did the irregularities persist, these remain undetected till an audit is conducted. These cases are illustrative and are based on a test-check carried out by us. There is need for the Government to improve the internal control system including strengthening of internal audit in order to avoid recurrence of such cases.

A few illustrative cases involving ₹69.13 lakh and a performance audit review on “Allotment/Sale of Land and Recovery of conversion charges” with financial impact of ₹179.32 crore are mentioned in the following paragraphs.

4.5 Performance Audit on Allotment/Sale of Land and Recovery of conversion charges

Highlights

- Due to absence of an appropriate institutional mechanism, Government remained unaware of encroachment on land, its utilisation and need of land reforms to augment State revenue. The revenue collection decreased in 2009-10 due to lack of any concerted efforts to mobilize land resources and lack of effective control systems to ensure prompt receipt of conversion charges.

(Paragraph 4.5.8.1)

- Settlement operations were not undertaken for 18 to 55 years after becoming due, resulting in non-mapping of land and non-revision of land rent.

(Paragraph 4.5.8.2)

- The Department did not resume land valuing ₹ 64.19 crore in eight cases though it was not used for the allotted purpose for more than 49 years.

(Paragraph 4.5.9.2)

- The Jaipur Development Authority and Urban Improvement Trust, Bikaner did not deposit Government's share amounting to ₹ 7.91 crore of sale proceeds of land.

(Paragraph 4.5.10.1)

- Short assessment of cost of land by ₹ 255.60 crore resulted in loss of ₹ 51.12 crore in terms of Government share.

(Paragraph 4.5.10.3)

- Cost of land and conversion charges were either not recovered or recovered at incorrect rates from Central Government departments resulting in non/short recovery of ₹ 62.11 crore.

(Paragraph 4.5.14)

- In violation of guidelines prescribed by Board of Revenue, daily and fortnightly backups were not taken in compact disc.

(Paragraph 4.5.21.7)

- There was delay in preparation of *jamabandies* and updating mutations in 39 villages of 8 tehsils.

(Paragraph 4.5.21.11)

- The entire amount of ₹ 5.31 crore for scanning and digitization of *Khasra* maps provided by the Central Government could not be utilised due to lack of planning.

(Paragraph 4.5.21.12)

- A reliable system of maintenance of land records and generation of records is not available even after incurring expenditure of ₹ 30.49 crore up to March 2008 on computerisation of land records.

(Paragraph 4.5.23)

4.5.1 Introduction

Inter-relationship of people and land has been fundamental progress of civilisation. Effective and efficient use of land, being a scarce and a 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 need to be directed for this objective. Main components of land revenue are rent on land, lease rent, premium, conversion charges and sale proceeds of Government land.

The assessment and collection of land revenue on allotment /sale of land, levy and receipt of conversion charges for change in use of land is governed under the Rajasthan Land Revenue (RLR) Act, 1956 and the rules made thereunder. Rajasthan Tenancy Act, 1955 describes types of tenancy and rights and obligations of land holders *etc.*

4.5.2 Organisational set up

The powers of administrative department are vested in the Revenue Department in the Government. The overall control relating to 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 district level, 191 Sub-Divisional Officers (SDOs) at sub-division level and 244 Tehsildars at tehsil level in all matters relating to assessment and collection of land revenue. BOR is also the State level implementing authority for computerisation of land records in Rajasthan.

4.5.3 Scope of audit

We reviewed the records of 10 out of 33 offices of the District Collectors along with tehsils and other concerned offices besides the BOR covering the period from 2004-05 to 2008-09 during the period from December 2009 to July 2010. Selection of districts was made on the basis of Probability Proportional to Size with Replacement method of sampling. Records relating to assessment and collection of conversion charges and lease rent of selected Urban Local Bodies (ULBs) were also scrutinised.

Further, to ascertain the adequacy and effectiveness of computerisation of land records, review was also conducted at BOR and in 14 tehsils¹, selected from all the seven divisions of the State keeping in view the guidelines issued by the Government of India, provisions of RLR Act and rules made thereunder.

¹ Alwar, Bayana, Bhilwara, Chaksu, Chittorgarh, Churu, Dausa, Jaipur, Jaisalmer, Jodhpur, Kishangarh, Nasirabad, Ramganjmandi and Tonk.

4.5.4 Audit objectives

Review was conducted with a view to:

- examine whether resumption of land was done as per provisions of rules;
- examine whether lease rent, premium, cost of land and conversion charges together with interest *etc.* were properly assessed and collected in time and remitted to Government account;
- analyse reasons for uncollected revenue;
- evaluate effectiveness of internal control mechanism for sale of land and recovery of conversion charges; and
- to ascertain the benefits of Centrally Sponsored Scheme “Computerisation of Land Records” for effective land administration, planning and empowering the people with the right to information

4.5.5 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 in January 2010 to explain the audit objectives and methodology. The audit findings were reported to Government in August 2010. An exit conference was held on 7 November 2010 with the Principal Secretary, Revenue Department to discuss major audit findings.

4.5.6 Trend of revenue

The budget estimates, revised estimates and actual revenue realised by the Department during the years 2004-05 to 2009-10 were as under:

(₹ in crore)

Year	Budget estimates	Revised estimates	Land revenue collected	Percentage of variation between BEs and collection	Percentage of variation between REs and collection
2004-05	100.08	70.08	68.86	(-) 31.19	(-) 1.74
2005-06	92.08	99.05	84.30	(-) 8.45	(-) 14.89
2006-07	110.05	90.05	116.71	(+) 6.06	(+) 29.61
2007-08	100.05	122.06	155.29	(+) 55.21	(+) 27.22
2008-09	212.05	145.01	162.52	(-) 23.36	(+) 12.08
2009-10	250.06	160.16	147.66	(-) 40.95	(-) 7.80

The above table indicates that budget preparation has not been undertaken with due diligence and estimates were not supported with realistic data. The

revenue estimation remained unrealistic even at revised estimates stage except for the year 2004-05 and 2009-10 as variation between the revised estimate and actual collection ranged between (-) 15 per cent (2005-06) to (+) 30 per cent (2006-07). We noticed abnormal increases in revenue collection during 2006-07 which was due to more amount received from Urban Local Bodies (ULBs) on account of charges for change of land use from agricultural to *abadi* purpose. Lower rate of increase in collection during 2008-09 as compared to earlier years was due to State Legislative Assembly election and stay on recovery. Fall of revenue during 2009-10 was mainly due to less receipt on account of conversion charges from Urban Development Department (UDD) and sale of land.

4.5.7 Position of arrears

As per information supplied by the BOR, land revenue amounting to ₹ 83.74 crore was outstanding as on 31 March 2009 as detailed below:

Year	Amount in arrear (₹ in crore)
Prior to 2004-05	12.97
2004-05	3.01
2005-06	1.70
2006-07	40.05
2007-08	6.95
2008-09	19.06
Total	83.74

Scrutiny of arrears revealed that ₹ 12.97 crore were outstanding for more than five years. Accumulation of arrears showed a steady increase with ₹ 40.05 crore and ₹ 19.06 crore added during 2006-07 and 2008-09 respectively. Department intimated (October 2010) that arrears had increased due to stay granted by High Court in case of Railways, pendency of matter for free allotment of land for air port in Udaipur, election of State Legislative Assembly and stay on recovery as per orders of the Government during 2008-09.

Audit findings

System deficiency

4.5.8 Land management

4.5.8.1 Appropriate institutional arrangements

Land is a prized asset of any economy and State has an important role in its proper utilisation. In absence of an institutional mechanism of a department looking at land as an exclusive subject, Government remained unaware of many land related problems. Presently, the Revenue Department is responsible for making policies for this sector, among its other multifarious

responsibilities. Approach of Revenue Department is normally on regulation of land issues and revenue collection. The policy related issues like development of land as a resource, prospective planning and proper monitoring and control do not get sufficient attention. Lack of proper monitoring and concerted efforts to prevent misutilisation or encroachments on Government land is evident from cases noticed in our scrutiny. Use of waste land, improving land utilisation and other land reforms need to be emphasised for augmenting revenue of the State and boosting the economy.

We suggest creation of a separate Department of Land Resources to provide a focused approach to this sector.

4.5.8.2 Survey, record and settlement operations not undertaken

Survey operations are undertaken for mapping of land. Survey number and area of each unit is recorded in a register to aim at preparation of Record of Rights of individuals and State over the land holding. Settlement operations are undertaken for fixation of rent taking into account the soil classification and production potentiality of land. Settlement is to be undertaken every twenty years.

We noticed that settlement operations have not been undertaken in 97 tehsils out of 128 for 18 to 55 years though they were due. Only 31 tehsils are presently under settlement operations against the 128 tehsils. Details of settlement operations are as under:

Year	Total no. of tehsils	Position as on 31 March		
		Settlement operations completed	Under process of settlement operations	Settlement operations not undertaken
2004-05	241	94	38	109
2005-06	241	99	37	105
2006-07	241	107	37	97
2007-08	241	108	36	97
2008-09	243	114	32	97
2009-10	244	116	31	97

Non-undertaking of settlement operations resulted not only in non-mapping of land but also in non-revision of land rent.

*Jarib*² (Chain) of six different lengths are being used for measurement of land in the State. The maps prepared on different yardsticks resulted in lack of uniformity in measurement of land and calculating area of the land in hectare/acre *etc.*

Government may consider establishing effective monitoring system for conducting settlement operations and for adopting a uniform *jarib* for measurement of land.

² Jarib is a standard length iron chain used for measuring the land.

4.5.9 Non-resumption of Government land

Under the provisions of rules framed under RLR Act, 1956, all rights in land held by lessee under a lease are vested in the State. Land with mills/factories *etc.* may be retained by lessee up to a period mentioned in the lease deed. As per rule 7 and 8 of RLR (Industrial Areas Allotment) Rules, 1959, industries are to be set up within a period of two years on the land allotted for the purpose, failing which the land shall revert back to the Government. Further, land allotted for industrial purpose shall not be used for any other purpose.

We noticed that there is no system of periodical monitoring of utilisation of land held by owners of mills, factories *etc.* The department was unaware of the extent of utilisation/misutilisation of land held by them. This resulted in non-resumption of Government land as mentioned below:

4.5.9.1 Collector, Kota allotted Government land measuring 73.55 *bigha* to six industrial units for setting up of industries in village Bhimpura of tehsil Ladpura. Though the industries were not set-up despite lapse of 6 to 21 years, yet the land

valuing ₹ 97.09 lakh was not resumed by the Government.

4.5.9.2 From scrutiny of records of Collector, Tonk and Tehsildar, Malpura, we noticed that for setting up of a cotton ginning factory and dal and oil mills in the municipal area of Malpura, 32.15 *bigha* Government land was allotted (May 1946) to M/S Naveen Bharat Industries Ltd., Malpura on lease basis for a period of 35 years. The application for renewal of lease was rejected (May 1981) by the Collector because the land was not being used for more than 20 years for the allotted purpose. However, in compliance of orders dated 12 December 1991 of the Revenue Minister, the lease was renewed (December 1991) for 30 years commencing from May 1981. The mill is still lying closed and in ruined state but no action has been initiated for resumption of the land valuing ₹ 64.19 crore having potential for commercial use. Department intimated (October 2010) that matter is under consideration of the Government.

4.5.9.3 Collector, Bhilwara allotted Government land measuring 12,973 square yard in the year 1972 to Shri Krishna Cotton, Ginning and Processing Factory, Bhilwara for setting up of an industry. Collector ordered (20 August 1997) to resume the land due to closure of the factory. As there was no system of periodical monitoring in the Department for identification of industries lying closed, the case remained unattended. This resulted in non-resumption of Government land valuing ₹ 1.82 crore. Department intimated (October 2010) that matter is under consideration of High Court. The fact remains that Government has not effectively pursued the case to decide upon the unused Government land.

Government may consider prescribing a monitoring system to watch that land allotted is utilised for the intended purposes.

4.5.10 Non-receipt of share of sale proceeds of land

As per notification issued in December 2006, mutation would be filled up, sanctioned and entries in *jamabandi* made after depositing of 10 *per cent* and 20 *per cent* of sale proceeds of the Government land in Government account by the concerned Urban Improvement Trust (UIT) and Jaipur Development Authority (JDA) respectively. The notification was made effective from 1 April 2005.

Government share amounting to ₹ 2.25 crore and ₹ 5.66 crore was not deposited in Government account by the JDA and UIT, Bikaner respectively. Details of mutation entries were not provided by JDA. Due to lack of monitoring system, Government remained unaware of non-deposit of Government share of sale proceeds of land by ULBs. In addition, there was no provision for levy of interest on late deposit of Government share.

4.5.10.2 We also noticed that Collectors, Bikaner and Jodhpur allotted Government land measuring 2739.85 *bigha* for *abadi* purpose to UIT, Bikaner and UIT, Jodhpur (now Jodhpur Development Authority) for various schemes between April 2005 and August 2008. The land was not sold despite lapse of 21 to 62 months of allotment. Department intimated (October 2010) that suitable instructions are to be issued at the level of UDD. As there was no system of monitoring, the department could not take up the matter with concerned UITs for early disposal of the land.

As per Rajasthan Tourism Unit Policy 2007, minimum 50 *per cent* of commercial reserve price will be charged in case of land allotted for tourism unit. Reserve price was the base price for disposal of land through a process of competitive bidding.

4.5.10.3 We noticed that JDA allotted (January 2008) Government land measuring 300 acre (480 *bigha* or 12,14,400 square metre) in village Daulatpura, Kotda of tehsil Amer to the International Amusement and Infrastructure Pvt. Ltd., New Delhi for development of Amusement Park without process of inviting competitive bidding. The cost of land ₹ 48 crore was charged at District Level Committee (DLC) rate for agricultural land instead of ₹ 303.60 crore (50 *per cent* of ₹ 607.20 crore worked out as per reserve price of commercial land). This resulted in short levy of cost of land ₹ 255.60 crore. The omission led to loss of ₹ 51.12 crore in terms of Government share. In absence of a feedback mechanism, the Department remained unaware about the purpose of land sold by ULBs.

Government may consider establishing an effective monitoring system for recovery of sale proceeds of land, designing a time bound programme for

disposal of land and developing a mechanism for ascertaining and examining the purpose and cost of land sold by ULBs.

4.5.11 Non-recovery of revised cost of land from ULB/UITs

As per notification dated 8 March 2006, Collector may allot *Sawai Chack* (Government) land for *abadi* or any other purposes to ULBs after charging 40 per cent (Government share) of cost of land as per DLC rates. This notification was made effective from 1 April 2005.

Recovery of cost of land from local bodies

We noticed in eight collectorates³ that Government land measuring 7,977.38 *bigha* in 10 cases was allotted for *abadi* purpose but Government share of cost

of land was either not recovered or recovered at incorrect rates resulting in non/short recovery as detailed below:

4.5.11.1 Non-raising of revised demand/non-recovery of Government dues

In following cases, though the allotment was made prior to issue of notification dated 8 March 2006 *ibid* but as the notification was made applicable from 1.4.2005 the revised demand was to be raised. However, there was no record available whether the revised demand was raised by the respective collectors. The amount of 40 per cent Government share in cost of land allocated, worked out to ₹ 97.17 crore.

(₹ in lakh)

S. No.	Allotting authority and date of allotment	Area allotted (In bigha)	Government share (40 per cent of DLC rate)	Amount recovered	Amount not demanded/ not recovered	Further remarks
1	2	3	4	5	6	7
1	Collector, Jodhpur 15.4.2005	36.60	87.84	0.01	87.83	No reply furnished.
2.	Sub-Divisional Officer, Kaithun 25.6.2005	266.19	1834.54	0.55	1833.99	No reply furnished.
3.	Collector, Alwar 24.12.2007	207	2173.50	-	2173.50	Tehsildar confirmed (March 2010) that no demand raised and mutation made in favour of allottee.
4.	Collector, Rajsmand 5.4.2005	21.45	537.26	0.01	537.25	Recovery under process.

³ Alwar, Barmer, Bhilwara, Bikaner, Jaipur, Jodhpur, Kota and Rajsamand.

1	2	3	4	5	6	7
5.	Collector, Jaipur 21.9.2005	6091.64	4408.01	0.00	4408.01	Government had asked (24.11.2006) Commissioner, JDA for depositing 40 per cent of cost of land for which mutation had been opened in the name of JDA. Further progress is awaited.
6.	Collector, Bhilwara 25.8.2008	346.80	873.94	834.48	39.46	The allottee deposited the 40 per cent of DLC rate cost on 7.8.2008. However, the allotment letter was issued on 25.8.2008 and as the revised DLC rates came into effect from 19.8.2008, the cost should have been charged on revised DLC rates.
7.	Collector, Bikaner 17.1.2005	678.90	55.27	0.06	55.21	Demand of ₹ 27.78 lakh has been raised and the recovery is under progress. The demand of balance of ₹ 27.43 lakh has not been raised.
8.	Collector, Bikaner	97	581.59	0.00	581.59	The land was set apart on 26.3.2002 to for solid waste management and the mutation was opened on 1.10.2005. This indicates that land had come in possession of the allottee from 1.10.2005. Therefore, 40 per cent of DLC rate of land of ₹ 581.59 lakh was recoverable but not demanded.
Total					9716.84	

4.5.11.2 Recovery at incorrect rates

In the following two cases of Collector, Barmer, application of incorrect rate of DLC resulted in short recovery of amount of ₹ 9.68 lakh.

(₹ in lakh)

Sl. No.	Allotting authority and date of allotment	Area allotted (In bigha)	Government share (40 per cent of DLC rate)	Amount recovered	Amount not demanded /not recovered	Further remarks
1.	Collector, Barmer 6.7.2006	131.80	28.10	19.00	9.10	No reply received.
2.	Collector, Barmer 2.8.2006	100	2.31	1.73	0.58	No reply received.
Total					9.68	

4.5.12 Short deposit of conversion charges

In pursuance of Government instructions issued on 30 August 2001, 40 per cent of conversion charges as Government's share was to be remitted to Government account immediately after realisation by local body. Subsequently, the Government instructed (December 2004) that its share should be deposited by individuals directly in the Government account.

We noticed that though the full Government share of 40 per cent of conversion charges was not deposited by the individuals in the Government account, yet, orders for conversion were issued by the UIT, Jodhpur. Similarly, in Municipality, Barmer and in JDA, Government share of

conversion charges was unauthorisedly collected and not deposited in the Government account. Details are as under:

(₹ in lakh)

Sl. no.	Name of local body	Period	Leviable Government share (40 per cent)	Amount deposited	Amount less deposited
1.	UIT, Jodhpur (now Jodhpur Development Authority)	2006-09	1,175.82	906.87	268.95
Remark: ₹ 1763.74 lakh (60 per cent) was deposited by local body in its accounts. On this basis ₹ 1,175.82 lakh were to be deposited in Government account.					
2.	Municipality, Barmer	2007-09	42.30	-	42.30
3.	JDA, Jaipur	2008-09	17.39	-	17.39
Remark: Municipality, Barmer and JDA collected conversion charges amounting to ₹ 105.76 lakh and ₹ 43.48 lakh respectively but Government share was not deposited.					
Total					328.64

Lack of effective control mechanism resulted in non/short deposit of ₹ 3.29 crore in the Government account.

On being pointed out, Municipality, Barmer replied (April 2010) that Government share of conversion charges would be deposited in the Government account. Department also intimated (October 2010) that action for recovery will be taken soon.

Government may consider evolving an effective system to ensure levy and collection of conversion charges as per rules and their deposit to Government account.

4.5.13 Non-levy of interest on belated deposits of conversion charges

As per Government order (March 2007), interest at the rate of 12 per cent per annum was leviable on local body for late deposit of Government share (40 per cent) of conversion charges.

Despite Government orders for direct deposit of conversion charges by individuals in Government account and for levy of interest in cases of belated deposits, we found that ULBs continued to default on

prompt payment of conversion charges to Government. In three offices, Government's share of conversion charges was deposited late by the concerned local body, but Department failed to levy interest amounting to ₹ 14.43 lakh as shown below:

(₹ in lakh)

Sl. no.	Name of local body	Period	Government share of conversion charges	Range of delay (in months)	Recoverable amount of interest
1.	UIT, Bhilwara	April 2004 to September 2008	90.00	1 - 8	3.62
2.	Municipality, Barmer	April 2006 to March 2009	48.13	12 - 24	9.18
3.	UIT, Kota	April 2004 to March 2005 and February 2009 to March 2009	133.04	1 - 20	1.63
Total					14.43

Department intimated (October 2010) that action is being taken for recovery of interest in case of Municipality, Barmer.

Government may evolve a system to ensure recovery of interest in cases of late deposit of conversion charges by ULBs.

Compliance deficiency

4.5.14 Non/short recovery of cost of land from Central Government departments

As per circular dated 2 March 1987, cost of Government land, allotted to Central Government department and organisation in urban area and its periphery is to be charged as per residential rates prescribed for urban area. If allotment is made for commercial purpose, cost is to be charged at commercial rates. Further, if it is allotted in rural areas, cost of land prescribed for agricultural land and its capitalised value is to be charged. Conversion charges are also leviable at commercial rate in case of commercial utilisation.

In three collectorates⁴, we noticed that Government land measuring 3,258.20 *bigha* was allotted to four Central Government departments⁵, during May 2005 to February 2008 but cost of land and conversion charges were either not recovered as mentioned in the circular dated 2 March 1987 or recovered short due to application of incorrect rates resulting in non/short recovery of ₹ 62.11 crore as detailed below:

(₹ in crore)

Sl. No.	Allotting authority	Area allotted (In bigha)	Department /Purpose	Recoverable amount	Amount recovered	Amount not recovered/ short recovered	Further remarks
1.	Collector, Jodhpur	5.30	Railways Department/ Commercial	5.08	0.49	4.59	Reply not received.
2.	Collector, Jodhpur	692.50	Boarder Security Force/ Field firing range	10.39	0.00	10.39	Reply not received.
3.	Collector, Kota	107.10	Power Grid Corporation of India/ Residential & Commercial	54.83 (including conversion charges of 3.37 crore)	13.25	41.58	Reply not received.
4.	Collector, Barmer	2453.30	Defence Department	5.55	0.00	5.55	Department intimated that allotment of land will be cancelled, if amount is not deposited.

⁴ Barmer, Jodhpur and Kota.

⁵ Railway, Border Security Force, Power Grid Corporation of India and Defence.

4.5.15 Recovery of cost of land and development charges from industries

As per rules 3 and 3A of RLR (Industrial Areas Allotment) Rules, 1959, price of land equivalent to prevailing market price of the same class of agriculture land in vicinity and development charges at the rate of ₹ 100 per acre in town having population of 10,000 and less are to be charged in case of allotment of Government land for industrial purposes.

In two collectorates⁶, we noticed that Government land measuring 3,457.80 *bigha* was allotted for industrial purpose but cost of land and development charges were either not recovered or recovered short due to application of incorrect rates. This resulted in non/short

recovery of ₹ 1.98 crore. Department intimated (October 2010) that demand in the matter related to Rajsamand will be raised after verification.

Government may consider putting in place a monitoring mechanism to ensure that cost of land is recovered as per rules.

4.5.16 Non/Short recovery of premium from non-government institutions

As per clause 3(ii) (a), (b) and (c) of Condition for (Allotment of Unoccupied Government Agricultural Lands for the Construction of Schools, Colleges, Dispensaries, Dharmshalas and Other Buildings of Public Utility), 1963, (Condition, 1963) allotment of Government land up to prescribed limit to non-government institutions in a municipal boundary of a town or city and in rural area is to be made on premium equivalent to 75 *per cent* and 50 *per cent* respectively of market price of agricultural land to be determined according to the index price fixed for registration purposes. If land is allotted in excess of prescribed limit, premium for excess area is to be charged as per market price.

In seven cases pertaining to four collectorates⁷, we noticed that Government land measuring 312.62 *bigha* was allotted for various purposes under Condition, 1963 but premium was not recovered at prescribed rates resulting in non/short recovery of ₹ 4.95 crore. Department intimated (October 2010) that in one case

of Alwar and two cases

of Tonk, land was allotted as per sanctions issued (June 2005, January 2007 and July 2008) by the Government. In one case of Rajsamand and remaining one case of Tonk, amount objected had been recovered and in case of Jaipur, action for recovery is being taken. Department's reply on one case of Alwar and two cases of Tonk is not acceptable as the rates applied in these cases were not as per Condition, 1963.

Government may initiate effective steps to ensure that premium from non-government institutions is recovered at prescribed rates.

⁶ Jodhpur and Rajsamand.

⁷ Alwar, Jaipur, Rajsamand and Tonk.

4.5.17 Non-recovery/short recovery of conversion charges

4.5.17.1 Non-transfer of land to Tonk, Nagar Parisad

As per section 90 B of RLR Act read with section 80 A of the Rajasthan Municipalities Act, 1959, all lands placed at disposal of a Municipality after surrendering of rights and interest on land by the land holders shall be available for regularisation (conversion). Further, Government order (August 2001) provides that 40 per cent amount of conversion charges will be deposited as Government share by the concerned local body.

During April 2004 to August 2008, in 74 cases *khatedari* rights in agricultural land were surrendered to SDO, Tonk for conversion of land to non-agricultural purposes, but these cases were not transferred to Nagar Parisad, Tonk for conversion.

4.5.17.2 Assessment of conversion charges at incorrect rates

As per instructions issued (January 2000) by Urban Development Department (UDD), if land in approved plan of residential scheme is found in excess of land of *khatedar*, such excess land which had been included in approved plan will be treated as Government land. Regularisation charges per square yard will be levied by dividing the amount of cost of Government land plus regularisation charges of *khatedari* land with total area in square yard in the approved plan. These regularisation charges are also to be shared with Government.

During scrutiny of records of Jodhpur Development Authority, we found that *Khatedar* Bhanwar Lal and Ranjeet Singh, holders of the *khatedari* rights on land admeasuring 16.90 *bigha* and having unauthorised possession on Government land admeasuring 1.95 *bigha*, got the plan of residential scheme approved (February 2008) for 18.85 *bigha* in Mandore (Jodhpur) from Deputy Town Planner, Jodhpur. Individual lease deeds were also issued to

allottees by the UIT after depositing conversion charges at the rate of ₹ 45 per square yard instead of ₹ 356.10 per square yard arrived at as per above instructions, resulting in loss of conversion charges amounting to ₹ 62.43 lakh. The omission led to loss of ₹ 24.97 lakh in terms of Government share.

4.5.17.3 Short deposit of Government dues.

In pursuance of circular issued in September 2000 by UDD, charges of regularisation for change in land use from agriculture to residential purpose in peripheral belt area of the town were recoverable by concerned local body at the rate of ₹ 10 per square vard.

We observed (April 2010) that in tehsil Pachpadra of district Barmer, the Tehsildar irregularly converted (April 2007) agriculture land measuring

1,64,429 square yard in peripheral belt⁸ area of Municipality, Balotra in village Jasol for residential purposes in 94 cases under RLR (Conversion of Agricultural land for Non-Agricultural Purposes in Rural Areas) Rules, 1992. Regularisation charges amounting to ₹ 16.44 lakh in peripheral belt were recoverable in above cases involving Government share (40 per cent) ₹ 6.58 lakh, of which only ₹ 2.75 lakh had been deposited to Government. This resulted to short deposit of ₹ 3.83 lakh in terms of Government share. Department intimated (October 2010) that action will be taken soon.

4.5.17.4 Short recovery of conversion charges in rural areas

As per rule 7 of RLR (Conversion of agricultural land for non-agricultural purposes in rural areas) Rules, 2007, premium for conversion of agricultural land for non-agricultural purpose was to be charged as under:

Sl. no.	Purpose	Rate of premium per square metre
1.	Residential unit	₹ 5 per square metre or 5 per cent of DLC rate of agricultural land, whichever is higher.
2.	Residential colony/project	₹ 7.50 per square metre or 7.5 per cent of DLC rate of agricultural land, whichever is higher.
3.	Commercial	₹ 10 per square metre or 10 per cent of DLC rate of agricultural land, whichever is higher.
4.	Institutional	₹ 5 per square metre or 10 per cent of DLC rate of agricultural land, whichever is higher.

During scrutiny of records of six collectorates,⁹ we found that in 151 cases, orders were issued between April 2007 and June 2009 for conversion of agricultural land for non-agricultural purposes, but premium for conversion was charged short by ₹ 53.79 lakh. Department intimated (October 2010) that action for recovery will be taken soon.

4.5.18 Non-regularisation of unauthorised occupancy of land

According to Rule 13 A of RLR (Industrial Areas Allotment) Rules, 1959, any Government agricultural land which was used for industrial purpose without proper allotment up to 15 July 1994 was to be regularised on the payment of prevalent highest market price of land in the neighbourhood with an additional penalty equal to five times of the prevailing market price of land.

4.5.18.1 On scrutiny of information made available by District Industries Centre, Bhilwara, we found that 16 industries in village Pur of district Bhilwara, established during 1984 to 1993, were having unauthorised possession on land measuring 15,131 square metre. Government had not taken

⁸ Peripheral belt means the peripheral belt as indicated in the Master Plan or Master Development Plan of a city or a town.

⁹ Alwar, Barmer, Bikaner, Jaipur, Jodhpur and Sriganganagar.

action to either remove the encroachments or to regularise the unauthorised occupation despite passage of so many years

On being pointed out, the Department replied (February 2010 and October 2010) that action for regularisation is under consideration.

Rule 13 of RLR (Conversion of agricultural land for non- agricultural purpose in rural areas) Rules, 2007, provides that use of agricultural land for non- agricultural purpose without permission of prescribed authority may be regularised after depositing of penalty (four times of conversion charges) in addition to conversion charges payable under Rule 7 of rules *ibid*, by the person concerned.

4.5.18.2 As per information supplied by Tehsildar Chaksu, 24 *khatedars* had used agricultural land for industrial and residential purposes without obtaining permission of competent authority. No action was taken by the Department for regularisation of land. Department intimated (October 2010) that details are being received from Tehsildar.

Government may establish a system for periodical survey of unauthorised use of land and take appropriate action.

4.5.19 Short deposit of sale proceeds of land

Department of Industries, Government of Rajasthan declared (April 2000) 90 acre land of Instrumentation Limited, Kota (a Government company) as surplus and accorded sanction (August 2000) to transfer it to UIT, Kota for sale for residential and commercial purposes. As per letter (April 2009) of Patwari, Ramchandrapura, 32.65 hectare land was transferred to UIT Kota. The Government decided (October 2003) that sale proceed of land, after deducting administrative, municipal and development expenses was initially to be deposited in the Government revenue head and thereafter to be provided to Instrumentation Limited through budget provision for its revival.

We noticed that UIT, Kota had received ₹ 111.34 crore from sale of above land during 2003-04 to 2008-09, of which ₹ 69.55 crore had been deposited (December 2007) in Government account and ₹ 6.20 crore incurred on administrative and development works. Balance amount of ₹ 35.59 crore had not been deposited in (October 2010) Government account. The action taken to pursue the balance amount due was not available.

4.5.20 Non-verification of usage of land

Under the provisions of the RLR (Allotment of Waste Land for Bio-fuel Plantation and Bio-fuel based Industrial and Processing Unit) Rules, 2007, wasteland for bio-fuel plantation and bio-fuel based industries shall be allotted on *gair khatedari* and lease hold basis for a period of 20 years. If the 50 per cent land is not utilised for plantation within two years from the date of taking over possession by allottee and balance within next one year, the allotment shall be deemed to have been cancelled automatically.

Collector, Rajsamand allotted Government land measuring 2,806.50 hectare for bio-fuel plantation to 281 Self Help Groups between August and September 2007 for a period of 20 years. During audit, we could not confirm from the records of Collector that said land had been utilised

by Self Help Groups. Non-utilisation of land within specified period rendered the allotment liable for cancellation. Department intimated (October 2010) that survey in respect of allotted land is being conducted. Since there was no system of control mechanism to watch such cases, utilisation of land remained undetected for a period of more than two years.

4.5.21 Computerisation of land records

The Government of India (GOI) introduced a Centrally Sponsored Scheme “Computerisation of Land Records” (CLR) for effective land administration, planning and empowering the people with the right to information. The CLR project was initially started in Rajasthan in 1994-95 in Jaipur and Barmer districts, through a client server model application (*Apna Khata*) developed by NIC, Jaipur. Later on, the CLR was extended to all the 33 districts covering 244 tehsils and six additional tehsils¹⁰ of the State in 1996-97. All the tehsils were fully operationalised by end of March 2003 and the additional tehsils by end of June 2005.

4.5.21.1 Objectives of the scheme

The main objectives of the scheme are:

- to capture entire land records maintenance with a provision to store, retrieve and process land records data containing ownership, tenancy rights, crop details, land revenue, source of irrigation, mutation, its updation and dispute resolution;
- to distribute computerised copies of record of rights (ROR) called *jamabandi* on demand to the land owner with a provision of on-line mutation module for ownership changes, seasonal crop, updation *etc*; and
- to extend the scheme at sub-division, sub-tehsil/revenue circle level for easy accessibility for getting the computerised copies of ROR.

¹⁰ Additional tehsil is a subordinate office of the concerned tehsil.

Audit findings

4.5.21.2 Non-installation of physical access controls

The GOI guidelines provided for biometric devices for advance level of security instead of providing access control through passwords alone. We found that out of 14 tehsils test-checked, 13 tehsils were not using biometric devices except Jaisalmer. Biometric devices supplied during the year 2005 were lying idle. Non-using of biometric devices may result in misutilisation of land related data. Department intimated (October 2010) that Collectors of all districts had been directed to ensure the use of biometric devices.

Government may consider a periodical inspection to ensure proper and regular use of biometric devices.

4.5.21.3 Misuse of logical access controls

Segregation of duties of users helps in limiting the scope of authority of an individual and also reduces the risk of fraud as well as ensures accountability of the users.

In *Apna khata* system, the access to the system was controlled through three different levels of authority. We found in test-checked 14 tehsils that RPs (*Patwari*) were using the passwords of higher officials (Tehsildars) to modify and authorise the changes. Hence, there was a risk of manipulation of the

data by unauthorised officials/purpose. Department intimated (October 2010) that passwords of higher officials are used as per directions of Tehsildar when he remained on tour.

4.5.21.4 Deficiency in processing controls

There is no provision in the system to record the date of receipt of application for issue of ROR so as to compute the actual time taken in issue of ROR through computerised system. Further, while feeding the mutation and rotational *jamabandi*¹¹ search facility was not available in the system for searching the requisite record. Department intimated (October 2010) that *Apna khata* version 5.00 has been adopted and necessary provisions have been made.

4.5.21.5 Deficiency in input controls

We noticed that the rates of land revenue were not entered in 59,65,434 cases (99 per cent) out of 60,06,332 cases. In 50,115 (16 per cent) out of 3,04,056 accounts, mutation numbers were allowed to be entered wrongly in the column meant for names of persons relating to such mutations. Department intimated (October 2010) that provisions for the rates of land revenue has been made in *Apna khata* version 5.00.

4.5.21.6 Difference between manual and computerised record

On comparison of manual data and reports generated from the system, we noticed discrepancies with respect to total areas of tehsils. In all the tehsils test checked, the area as per data base was not matching with the total area as per

¹¹ Rotational *jamabandi* means a new *jamabandi* was to be prepared at the end of every fourth year and was to be finalised by succeeding 30 September.

manual records. The difference ranged from 326.40 to 4393.83 hectare. Department intimated (October 2010) that difference was due to non-receipt of records from Settlement Department. On comparison of manual *Jamabandies* (*Parat-Patwar*) with computerised *jamabandies* made on sample basis in 3 tehsils¹² we noticed discrepancies of incorrect and incomplete feeding of mutation data.

4.5.21.7 Backup of data

During test-check, we observed that in violation of guidelines prescribed by BOR, daily and fortnightly backups were not taken in compact disc. In respect of 18 villages of Nasirabad tehsil monthly data backups were not being sent to NIC since inception; and in Nasirabad tehsil, *jamabandi* of 2 villages (Ashapura and Lavera) were not fed completely (May 2010).

Government may consider to put in place a mechanism for off site backup of data to ensure that data is not lost and independently tested periodically for retrievability.

4.5.21.8 Lack of uninterrupted power supply

Despite frequent electricity block outs for several hours at tehsil levels, generator were not supplied by the BOR for continued operation of the system. Department intimated (October 2010) that inverters have been made available to all tehsils. Reply of department is not tenable as continuous supply of electricity could not be provided through inverters.

4.5.21.9 Security of IT Assets

Rule 12(1) of General Financial and Accounts Rules Volume 1 (Part-II) provides that annual physical verification of IT assets should be carried out to avoid the risk of pilferage and their misuse.

We observed that annual physical verification of IT assets in eleven tehsils¹³ was not done since beginning and in three tehsils¹⁴ the same was not conducted for the last four years. Department intimated (October 2010) that instructions have been issued to carry out the physical verification of the IT assets.

Government may ensure periodical physical verification of IT assets.

4.5.21.10 Non-achievement of intended objectives

Computerisation of land records at sub-tehsil levels, data entry of mutation on-line and issue of computerised ROR were among the main objectives of the scheme.

Audit observed that the scheme was not extended at sub-tehsil/revenue circle level; on-line mutation module for effective ownership changes, seasonal crop and updation work was yet to be developed; and manual RORs continued to be issued. As a result, intended objectives of the scheme

were yet to be achieved.

¹² Chaksu, Chittorgarh and Nasirabad.

¹³ Alwar, Bayana, Bhilwara, Chittorgarh, Churu, Dausa, Jaisalmer, Jodhpur, Nasirabad, Ramganjmandi and Tonk.

¹⁴ Chaksu, Jaipur and Kishangarh.

4.5.21.11 Delays in preparation of *jamabandies* and updating mutations

As per rule 154 of RLR (Land Records) Rules 1957, new *jamabandies* were to be prepared at the end of every fourth year and were to be finalised by succeeding 30th September.

Our scrutiny of records of 14 test-checked tehsils revealed that *jamabandies* of 39 villages of eight tehsils¹⁵ were not completed in the stipulated time. All the sanctioned mutation orders were to be fed

fortnightly. Scrutiny of records of the test checked tehsils indicated that 7,801 cases of mutation orders issued were fed in the computer system with substantial delay up to 56 months.

Government may consider to implement a system to avoid delay in preparation of *jamabandi* with accuracy and online updation of mutation orders so that computersied copies of records of rights may be distributed on demand to land holders.

4.5.21.12 Scanning and Digitization of *Khasra* Maps

We noticed that ₹ 40.50 lakh were paid to National Informatics Centre Services Inc., New Delhi (NICS) in 2007 as 90 *per cent* advance for scanning and digitisation of *khasra* maps of 1,624 villages, which were refunded by NICS in June 2008 as the detailed work specification was not finalised. It resulted in non-utilisation of entire amount of ₹ 5.31 crore provided by the Central Government for this purpose due to lack of planning. Department intimated (October 2010) that a plan for digitisation of *khasra* maps has now been made and under progress in Tonk district.

4.5.21.13 Diversion of fund

During audit we noticed that 51 laptops (five for Revenue Group, 32 for District Collectors and 14 for officers of BOR) and other computer hardware were procured by BOR in the years 2005-06 and 2006-07 incurring ₹ 97.45 lakh, which was not provided in the scheme.

4.5.21.14 Customers satisfaction

BOR has not taken up any impact assessment and feed back about the actual implementation of the scheme as required in GOI guidelines. Periodical monitoring and evaluation mechanism was not in place in respect of services delivered to assess the customers' satisfaction. Separate help desk to cater to the needs of general public was also not available in six¹⁶ out of the 14 Tehsils test-checked.

Government may put in place a system to obtain feedback from the customers periodically.

4.5.22 Internal control

At end of March 2009, 5,755 Internal Audit Reports having 17,449 paras were outstanding in absence of proper supportive environment for internal audit in

¹⁵ Bayana, Dausa, Jaipur, Jaisalmer, Kishangarh, Nasirabad, Ramganjmandi and Tonk.

¹⁶ Alwar, Bayana, Bhilwara, Jaipur, Nasirabad and Tonk.

the department. Department intimated (October 2010) that a special campaign will be launched to settle the outstanding paras.

4.5.23 Conclusion

Resumption of Government land was not affected where such land was not used for allotted purpose by the allottees. Non-undertaking of settlement operations resulted in non-mapping of land and revision of rent. Non-monitoring disposal of land transferred to ULBs for *abadi* purpose resulted in non realisation of State Government revenue in terms of Government's share of cost of land and sale proceeds. Effective action for recovery of conversion charges was not been taken. Internal control system was not adequate for ensuring better financial management by the department. Lack of effective control mechanism resulted in short/belated deposit of Government's share of conversion charges to Government account.

The computerisation of land records work had started in 1994-95 was still not completed. A reliable system of maintenance of land records and generation of records is not available even after incurring expenditure of ₹ 30.49 crore up to March 2008. The scheme is yet to reach a functional stage where the intended benefits of computerisation could be made available to the public at large or even to the Department. Thus, due to the delays in updation and absence of online mutation module, objectives of the scheme to distribute updated RORs to the citizens could not be achieved.

4.5.24 Summary of recommendations

Government may consider implementation of the following recommendations:

- *creation of a separate Department of Land Resources to provide a focused approach to land related matters;*
- *prescribing periodical monitoring system in the Department to assess the position of arrears correctly and ensure its speedy recovery;*
- *establishing effective monitoring system for conducting settlement operations and for adopting a uniform jarib for measurement of land;*
- *prescribing a provision for timely resumption of Government land not being used for allotted purpose;*
- *allotment of land to ULBs only after ascertaining its potentiality to sell;*
- *developing a mechanism for monitoring sale of Government land and early deposit of Government share of sale proceeds in Government account;*
- *evolving a periodical inspection for verification of Government's share of conversion charges;*
- *strengthening the internal control system for better financial management in the department;*

- *to put in place a reliable system of maintenance of land records to avail of the benefits of computerisation. Periodical back up of data may be ensured; and*
- *to implement a system to avoid delay in preparation of jamabandi with accuracy and on line updation of mutation orders so that computerised copies of records of rights may be distributed on demand to the land holders.*

4.6 Short levy of cost of land

According to clause 3 (ii) (a) of Condition for Allotment of Unoccupied Government Agricultural Lands for the Construction of Schools, Colleges, Dispensaries, Dharamshalas and other Buildings of Public Utility 1963, the allotment of land to non-government institutions shall be made on a premium as prescribed. If allotted land is situated within a municipal boundary of a town or city, premium shall be equivalent to 75 per cent of the market price of agricultural land to be determined according to the index price as fixed for the registration purposes

During scrutiny of the records of Tehsil Girva (Udaipur district), we found that a piece of unoccupied agriculture land admeasuring 5.245 hectare (24.267 bigha) in the village Badgaon (Category-D)¹⁷ was allotted to Veer Shiromani Maharana Pratap Samiti, Udaipur for establishing Pratap Gaurav Kendra vide Collector, Udaipur order dated 16.07.2007 at the rate of ₹ 1.25 lakh per bigha. The allotment of land was further revised vide order dated 25.10.2007 allotting one acre (1.872 bigha) land at 75 per cent of DLC rate i.e.

₹ 0.94 lakh per bigha and the balance land at the DLC rate of ₹ 1.25 lakh per bigha recovering an amount of ₹ 29.75 lakh.

We further noticed (September 2009) that the prevalent DLC rate at the time of allotment of land was ₹ 2.25 lakh per bigha for the above village of category-D and accordingly the cost of ₹ 53.54 lakh was recoverable. Application of incorrect rate resulted in short levy of cost of land amounting to ₹ 23.79 lakh.

After we pointed out, the Government stated (October 2010) that demand has been raised.

¹⁷ There are four categories of land namely Badgaon 'A', 'B', 'C' and 'D'. The DLC rates are different for all the four categories.

4.7 Non-recovery of conversion charges and interest

Government of Rajasthan (Urban Development Department) issued instructions in August 2001 that the regularisation/transfer/ conversion charges received by the local bodies for regularisation of use of agricultural land for non agricultural purposes were to be credited initially in the personal deposit account of local bodies and thereafter 40 *per cent* thereto was to be remitted to Government account immediately. Further, Government decided (March 2007) that interest at the rate of 12 *per cent* per annum would be leviable for delayed payment, in case government's share to the extent of 40 *per cent* was not deposited in time.

During test-check of the records of Tehsildar, Jaitaran (District Pali) we observed (June 2009) that Executive Officer, Municipality, Jaitaran collected ₹ 100.89 lakh on account of regularisation of use of agricultural land for non-agriculture purposes for the period from 2000-01 to 2008-09. Out of it ₹ 40.36 lakh i.e. 40 *per cent* were to be deposited by the Municipality in the Government account immediately. However, the Municipality deposited only ₹ 7.76 lakh and the balance amount of ₹ 32.60 lakh was

unauthorisedly kept by the Municipality, Jaitaran (September 2009). It also attracted interest of ₹ 12.74 lakh for the period from 1.9.2001 to 31.3.2009 on the balance amount of Government which was not deposited into Government account.

After this was pointed out (July 2009), the Department stated (June 2010) that amount will be recovered as and when financial condition of Municipality improves. The reply is not acceptable as there are no such provisions in the departmental instructions of August 2001.

We reported the matter to Government (July 2009); their reply is awaited (October 2010).