

CHAPTER-IV
LAND REVENUE

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4.1 Tax administration

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

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, 242 Sub-Divisional Officers (SDOs) at the sub-division level and 244 *Tehsildars* at the *tehsil* level, in all matters relating to assessment and collection of land revenue. The BOR is also the State level implementing authority for computerisation of land records in Rajasthan.

4.2 Trend of revenue

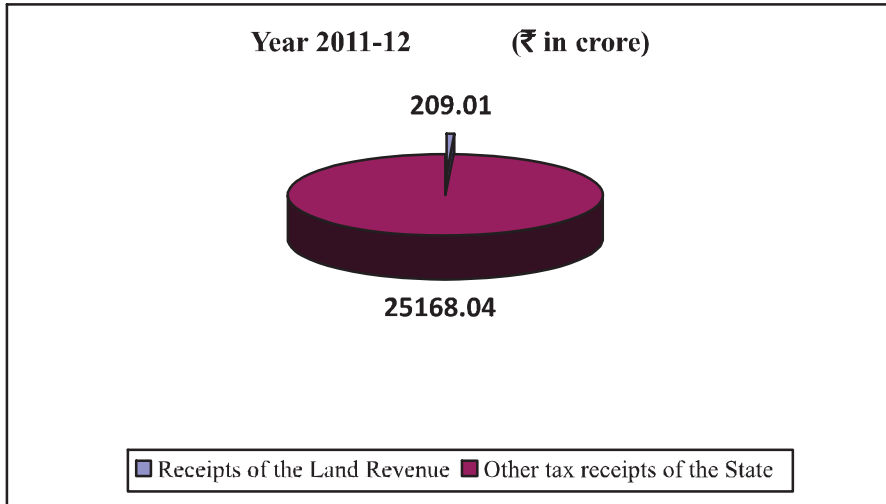
The budget estimates and actual revenue realised by the Department during the period 2007-08 to 2011-12 were as under:

(₹ in crore)

Year	Budget estimates	Actual receipts	Variation excess (+)/ shortfall (-)	Percentage of variation	Total tax receipts of the State	Percentage of actual receipts to total tax receipts
2007-08	122.06	155.29	(+) 33.23	(+) 27.22	13,274.73	1.70
2008-09	145.01	162.52	(+) 17.51	(+) 12.08	14,943.75	1.09
2009-10	160.16	147.66	(-) 12.50	(-) 7.80	16,414.27	0.90
2010-11	185.06	222.17	(+) 37.11	(+) 20.05	20,758.12	1.07
2011-12	196.05	209.01	(+) 12.96	(+) 6.61	25,377.05	0.82

The table above indicates that budget preparation activity was not undertaken with due diligence and estimates were not supported with realistic data. The variation between the BEs and actual collection ranged between (-) 7.80 *per cent* (2009-10) and (+) 27.22 *per cent* (2007-08). Fall of revenue during 2009-10 was mainly attributed to fewer receipts on account of conversion charges from the Urban Development Department (UDD) and sale of land. Audit noticed increase in revenue collection during 2010-11, which was due to receipts from sale of Government assets and waste land.

A pie chart showing share of actual land revenue receipts and other receipts in total tax receipts for the year 2011-12 is given below:



The receipts from Land Revenue consisted 0.82 *per cent* of the total tax receipts of the State during the year 2011-12, as against 1.07 *per cent* during 2010-11. Thus, there has been an erratic trend in collection of revenue under the Land Revenue though the total tax receipts of the State show continuously an increasing trend.

4.3 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2012 amounted to ₹ 54.54 crore, of which ₹ 13.44 crore constituting about 24.64 *per cent* are more than five years old. The following table depicts the position of arrears of revenue as on 31 March 2012.

(₹ in crore)

Year of arrear	Total arrears as on 1.4.2011	Recovery during the year 2011-12	Recoveries outstanding as on 31.3.2012
Upto 2006-07	52.05	38.61	13.44
2007-08	2.81	0.68	2.13
2008-09	8.40	3.10	5.30
2009-10	11.95	6.92	5.03
2010-11	36.03	7.39	28.64
Total	111.24	56.70	54.54

Chances of recovery of ₹ 13.44 crore which were outstanding for five or more years are bleak.

4.4 Impact of Audit Reports

During the last five years upto 2010-11, Audit through its reports in 13 paragraphs 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 ₹ 764.33 crore. Of these, the Department had accepted audit observations in 10 paragraphs involving ₹ 629.29 crore and had since recovered ₹ 88.11 crore (September 2012). The details are shown in the following table:

(₹ in crore)

Year of audit	Paragraphs included		Paragraphs accepted		Amount recovered	
	Number	Amount	Number	Amount	Number of paragraph	Amount
2006-07	1	22.14	1	22.14	-	-
2007-08	5	260.68	4	196.05	3	76.64
2008-09	1	1.13	1	1.13	1	1.13
2009-10	3	180.01	3	117.55	2	9.62
2010-11	3	300.37	1	292.42	1	0.72
Total	13	764.33	10	629.29	7	88.11

Thus the Department has recovered only 14 per cent of the amount in respect of the paragraphs already accepted by it. The Department may make efforts for recovery of the amount pointed out in the audit reports particularly in those cases where the amount have already been accepted by them.

4.5 Working of Internal Audit Wing

The Financial Adviser is the head of the Internal Audit Wing. There were 15 internal audit parties, each consisting of three members, which conducted audit of offices on annual basis. The position of number of units, number of units planned for audit, number of units actually audited and number of units remained unaudited during the period from 2007-08 to 2011-12 was as under:

Year	Pending units	Units due for audit during the year	Total units due for audit	Units audited during the year	Units remained unaudited	Shortfall in per cent
2007-08	81	567	648	583	65	10
2008-09	65	570	635	501	134	21
2009-10	134	570	704	532	172	24
2010-11	172	570	742	707	35	5
2011-12	35	624	659	589	70	11

The Department stated that the arrear in audit was due to addition of 54 new units in the list of auditable institutions, vacant posts, leave taken by audit party members *etc*.

It was noticed that 18,687 paragraphs for the year upto 2011-12 were outstanding at the end of 2011-12. Year-wise break up of outstanding paragraphs of internal audit wing is as under:

Year	Upto 2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Total
Paras	9,004	998	1,087	1,293	2,049	4,256	18,687

9,004 paragraphs of internal audit wing were outstanding upto 2006-07 and with passage of time chances of recovery in old cases become remote.

The Government needs to make more efforts for expeditious settlement of outstanding observations raised by Internal Audit Wing.

4.6 Results of Audit

During test check of the records of 29 units of Land Revenue Department conducted during the year 2011-12, Audit noticed non-recovery and loss of revenue etc. amounting to ₹ 1,314.69 crore in 4,784 cases which fall under the following categories:

(₹ in crore)

Sl. No.	Category	Number of cases	Amount
1.	Short/non-recovery of cost of land, premium and rent from Central/State Government Departments/Undertakings	450	1,017.52
2.	Short/non-recovery of conversion charges from 'Khatedars'	1,085	53.62
3.	Non-disposal of Nazul properties	1,571	117.63
4.	Non-disposal of recovery cases received from various Departments under Sections 256 and 257 of Land Revenue Act.	1,583	106.38
5.	Other irregularities	95	19.54
Total		4,784	1,314.69

The Department accepted audit observations of ₹ 1,032.78 crore in 3,878 cases, of which 1,261 cases involving ₹ 986.51 crore pertained to audit conducted during the year 2011-12 and the others related to earlier years. The Department recovered ₹ 10.29 crore in 544 cases during the year 2011-12, of which 156 cases involving ₹ 2.45 crore related to the year 2011-12 and the others related to the earlier years.

In one case the Department recovered entire amount of ₹ 1.99 crore after the draft paragraph issued by us to the Department and the Government.

A few illustrative cases involving ₹ 21.83 crore are mentioned in the following paragraphs.

4.7 Audit observations

During test-check of records of the Land Revenue Department, Audit observed non/short levy/recovery of revenue as mentioned in the succeeding paragraphs of this chapter. In particular, it was noticed that some Departments were in possession of Government land without recovery of cost of land from them as per Government directives. It was seen that the Government share at the rate of five per cent of its proceedings from sale of Government land was not timely remitted into Government account by the Urban Improvement Trusts (UIT) and there was no provision for charging interest on delayed deposit of Government share. It was also observed that charges for conversion of land use from agriculture to non-agricultural purposes were short/not levied from the applicants. These cases are illustrative only as are based on a test-check. There is a need for the Government to improve the internal control system including strengthening of internal audit in order to avoid recurrence of such cases.

4.8 Non-compliance of provisions of Rules/Circulars

The Rajasthan Land Revenue Act, 1956 and rules made thereunder/ notifications of the Government provide for land allotment/land use conversion under the provisions of:

1. *Rajasthan Land Revenue (Conversion of Agricultural Land for Non-agricultural purposes in Rural Areas) Rules, 2007;*
2. *Rajasthan Improvement Trust (Disposal of Urban Land) Rules, 1974 ;*
3. *Circular dated 2 March 1987 issued by Revenue Department, Government of Rajasthan;*
4. *Tourism Unit Policy, 2007; and*
5. *Rajasthan Industrial Areas Allotment Rules, 1959.*

*During test check of the records, it was noticed that Departmental authorities did not observe policies/rules *ibid* which resulted in non-realisation of revenue as mentioned in the succeeding paragraphs.*

4.9 Non/short recovery of cost of land

4.9.1 Non-observance of Rajasthan Tourism Unit Policy 2007 in allotment of Government land

The State Government approved (November 2007) the Rajasthan Tourism Unit Policy 2007 for all types of hotels, heritage hotels and other tourism units such as camping sites, holiday resorts and restaurants *etc.* The State Government was to allot available land as per procedure mentioned in para 1 (a) of the Policy (other than star category hotels) at special reserve price *i.e.* 50 per cent of the commercial reserve price of the land. The special reserve price was the base price for disposal of identified and reserve lands through a process of competitive bidding.

The Policy further provides that the concerned Local Body/Panchayat/ District Collector should take regular action for the disposal of available land through public advertisement and competitive bidding. It was also provided in the

Policy that the concerned Department would accordingly amend respective rules, sub rules and notifications at the Department level so that further approval of cabinet would not be required for establishment and development of all types of units, including hotels. The Urban Development Department (UDD) accordingly amended (December 2007) its rules.

The UDD amended (24.12.2007) its rules in accordance with the Tourism Unit Policy 2007. As per the new rules, the land rate for tourism units in the villages situated on the periphery of the Municipality was chargeable at 50 per cent of commercial DLC rates.

(i) During test check of records of the Collector, Rajsamand (January 2012) it was noticed that the Tourism Department requested for allotment of Government land to M/s Green Touch Developers Pvt. Ltd, Ghaziabad and M/s Noida Health Care Training

and Placement Pvt. Ltd, Vasant Vihar, New Delhi for establishment of tourism units. Government land measuring 7,39,432 square feet at villages Upali Odan and Nichali Odan was identified by the Collector for establishment of tourism units and was allotted (January 2011) to these applicants at agricultural DLC rates as per Rule 3 A of the Rajasthan Land Revenue (Industrial Areas Allotment) Rules, 1959 for ₹ 56.42 lakh.

The decision of the Collector, Rajsamand to allot the Government land at agricultural DLC rates was incorrect as the land was located at periphery of the Municipality and therefore should have been allotted as per the amended Rules of 2007. The cost of the land was ₹ 5.05 crore instead of ₹ 0.56 crore. Therefore the incorrect decision to allot land as per rule 3 A of the Rajasthan Land Revenue (Industrial Areas Allotment) Rules, 1959 resulted in loss of ₹ 4.49 crore to the Government.

The matter was brought to the notice of the Department and the Government in May 2012, their reply has not been received (November 2012).

It was noticed that the Revenue Department had not amended Rajasthan Industrial Areas Allotment Rules, 1959 for allotment of land for tourism units though the Government had approved the Tourism Unit Policy in 2007 and had directed the concerned departments to amend their rules accordingly.

(ii) During test check of the records of Collector, Udaipur it was noticed that Government land measuring 3.71 hectare was allotted (August 2010) to Fairisal Developers International Private Limited, Bhuwana, District Udaipur for establishment of tourism unit at khasra no. 245, 166 and 827/246

at village Nagda, Tehsil Girva, District Udaipur. The cost of land was charged as per rule 3 A of the Rajasthan Industrial Areas Allotment Rules, 1959. Accordingly ₹ 18.89 lakh was paid by the applicant.

The Department did not amend its rules as per the Policy *ibid* nor did it follow the process based on competitive bidding at special price i.e. 50 per cent of the commercial reserve price of the land. Thus, not amending the rules resulted in loss of revenue of ₹ 1.13 crore¹.

¹ (₹ 1.32 crore – ₹ 0.19 crore)

The matter was brought to the notice of the Department (February 2012) and reported to the Government (June 2012); their replies were awaited (November 2012).

The Department may amend its rules in line with the Tourism Unit Policy, 2007 to ensure competitive bidding and more revenue to the state exchequer.

4.9.2 Non-recovery of cost of land

(i) During test check of records in the office of the Collector, Jaisalmer, it was noticed that Wing Commander Air Force Station, Jaisalmer intimated the Collector in September 2006 that during physical survey² conducted in 2003, land admeasuring 349.32 *bighas* was found in their fencing area in excess of allotted land. He requested for its regularisation. The Collector ordered the concerned Tehsildar in December 2006 for submission of a complete report within one week and follow the prescribed check list, furnish the survey report in the prescribe proforma and the necessary certificates. However, no survey was conducted till it was pointed out by audit in September 2010.

After this was pointed out, the Department completed the survey in January 2012 and found excess Government land of 1358.40 *bighas* in the possession of the Air Force as detailed in the following table:

(₹ in crore)			
Name of the village	As reported by the Air Force in 2003	As per survey report of 2012	Cost of the land
Jaisalmer	204.12	1198.00	485.90
Moolsagar	64.07	73.75	0.31
Jiyai	81.13	86.65	0.24
Total	349.32	1358.40	486.45

The reason for the difference between the two surveys was not found on record. The Wing Commander, Air Force Station, Jaisalmer repeatedly requested for regularisation of the land found in excess but it was done after a lapse of six years. This resulted in non realisation of the value of the land ₹ 486.45 crore³.

After this was pointed out (September 2010 and May 2012), the *Tehsildar* stated that action was being taken for allotment of the land and recovery will be effected.

The matter was brought to the notice of the Government (June 2012); its reply was awaited (November 2012).

(ii) Test check of the records of Collector, Udaipur revealed (January 2012) that the Government land admeasuring 1.10 *bighas* (*khasra* No. 409 and 410 at village Bhamrasia, Tehsil Vallabhanagar, District Udaipur) was in possession

² Conducted by his office and the collectors office.

³ 1198 *bigha* land situated in municipal peripheral belt nearby Mayajlar road and Jainarayan Vyas Colony @ residential rate = ₹ 485.90 crore.
73.75 and 86.65 *bigha* land at village Moolsagar and Jiyai @ agricultural rate = ₹ 0.55 crore.

of the Airport Authority of India⁴. Additional District Collector, Udaipur, on the basis of a request received from the Airport Authority of India, directed (December 2010) the Sub Divisional Officer, Vallabh Nagar to submit a proposal for allotment of land to the Government alongwith his recommendations, furnish the check list and the relevant details to the Government. The proposal was sent and approved by the Government in July 2011. Though the land is being used by the Authority, its cost of ₹ 1.13 crore has not been recovered by the Department.

After being pointed out the Department replied (January 2012) that letter has been written to AAI to deposit the cost of land and that allotment letter has not been issued.

The matter is brought to the notice of the Government (February 2012); their reply has not been received (November 2012).

As per rule 3 A of Rajasthan Land Revenue (Industrial Areas Allotment) Rules, 1959, allotment of Government land in industrial area to the offices of the Central Government will be charged according to prevailing market price.

(iii) During test check of records of the Collectors, Jodhpur and Kota, it was noticed that Government land admeasuring 225 *bighas* in Village Rampura Bhatiyani and Nimana was allotted to the Spices Board, Ministry of

Commerce and Industries in June 2009 and August 2010 to set up two Spice Parks. However, the cost of ₹ 3.19 crore though recoverable was not recovered.

After this was pointed out (March and July 2011) the Department intimated (October 2012) that recovery of ₹ 1.31 crore in case of Collector, Kota was under progress. In case of Collector, Jodhpur, reply was awaited (November 2012).

The matter was reported to the Government (July 2012); its reply was awaited (November 2012).

4.9.3 Short recovery of cost of land

As per rule 3 A of Rajasthan Land Revenue (Industrial Areas Allotment) Rules, 1959, allotment of Government land in industrial area will be charged according to prevailing market price of the same class of agriculture land in the nearby area. DLC provided special rate for the category of land located in villages situated on National Highway, as per footnote of the statement of DLC rates which were effective from 25.08.2009.

During test check of records of Collector, Kota it was noticed that Government land measuring 6 *bigha* (Plot No- 20 B) at village Bhimpura, District Kota was allotted to M/s Jagdamba Phosphate, Kota (firm) for

establishment of an industry. On scrutiny of DLC rates of Kota, it was noticed that the village Bhimpura was situated on National Highway. As per the DLC

⁴ The date of actual possession was not made available/ found on record.

rates, the land was to be valued at special rate of ₹ 6.25 lakh per *bigha*. However, Collector, Kota charged the cost of land @ ₹ 5.20 lakh per *bigha* in 2010 considering DLC rate of village Bhimpura. This resulted in short recovery of cost of land amounting to ₹ 6.30 lakh.

After this was pointed out (July 2011), the Additional Collector, Kota informed (August 2011) that notice has been issued to M/s Jagdamba Phosphate, Kota for depositing the balance amount of ₹ 6.30 lakh. A report on the recovery made has not been received (November 2012).

The matter was reported to the Government (May 2012); reply was awaited (November 2012).

4.9.4 Non-recovery of cost of land allotted to Rajasthan Cooperative Dairy Federation Ltd.

The Government notified (13.10.2005) that land allotted to specified Department/ Corporation/Institutions will be charged at the premium equivalent to the prevailing market price of the same class of agricultural land in the neighborhood as decided by the Collector in the DLC.

During test check of records of Collector Jodhpur, it was noticed that the Government land measuring 250 *bigha* at *khasra* No. 1/1 village Narva Khichenya, District Jodhpur was allotted (April 2006) to Animal Husbandry Department (AHD) for

establishment of Germ Plasma Centre. The Principal Secretary, AHD ordered (May 2008) that the Rajasthan Cooperative Dairy Federation Ltd (RCDF) will operate the Germ Plasma Centre, hence the land allotted to AHD may be transferred to RCDF. The Collector, Jodhpur transferred (July 2008) the land to the RCDF without charging cost of land. Since exemption was not granted to RCDF, the cost of land amounting to ₹ 45 lakh though recoverable as per the notification dated 13 October 2005, was not recovered by the Collector. This resulted in non-recovery of cost of land amounting to ₹ 45 lakh.

The matter was brought to the notice of the Department (March 2012) and reported to the Government (May 2012); their replies were awaited (November 2012).

4.10 Short recovery of conversion charges

As per rule 7(vii) of Rajasthan Land Revenue (Conversion of Agricultural Land for non-agricultural purposes in Rural Areas) Rules 2007, premium for conversion of agricultural land for institutional purpose is to be charged at ₹ 5 per square metre or 10 *per cent* of District Level Committee (DLC) rate of agricultural land, whichever is higher.

(i) During test check of records of the Collector, Ajmer (Collector) it was found that the 121 *bigha* and 12 *biswansi* agricultural land (*Khasara* No. 537 and 538/1) at village Bandar Sindri, District Ajmer was

purchased (February 2008) by the Birla Education Trust, Kolkata (Trust) for the purpose of residential educational institute. The Trust paid land cost amounting to ₹ 7.87 crore at the rate of ₹ 6.50 lakh per *bigha*. The Trust

applied for conversion of land for institutional purpose to the Collector, at 10 per cent of DLC rate (DLC rate of ₹ 3.5 lakh per *bigha* was fixed on 18.11.2006). The Collector forwarded the case to the Government which was sanctioned vide order dated 18.06.2009. The Collector, however, referred (July 2009) the matter back to the Government for direction regarding conversion charges as the land was purchased at a rate higher than the agricultural DLC rate of ₹ 3.50 lakh. Meanwhile the Trust furnished an undertaking (July 2009) to deposit the difference between the DLC rate (₹ 3.50 lakh) and the purchase rate (₹ 6.50 lakh).

It was noticed that the Collector without waiting for Government clarification/direction on the matter issued (July 2009) conversion order and charged 10 per cent premium of applicable agricultural DLC rate at ₹ 0.35 lakh per *bigha*. Subsequently, the Government directed (August 2009) the Collector to determine conversion charges. But, the collector did not redetermine the rate, although its market value had already increased to ₹ 6.50 lakh per *bigha* even in February 2008. This resulted in short recovery of conversion charges of ₹ 37.02 lakh⁵.

The matter was brought to the notice of the Department (May and August 2011) and reported to the Government (March 2012); their replies were awaited (November 2012).

(ii) During test check of the records of Collector, Sikar it was found that Sanwar Mal Singhania Memorial Trust (Trust), Kishangarh had purchased 22.38 hectare of agricultural land at village Palsana. The Collector, Sikar issued two separate orders on 20.08.2009 and 28.01.2010 for conversion of agricultural land for institutional purpose. It was noticed that 4.38 hectare land was converted as per rates of land on National Highway (NH 11) at ₹ 19.61 per square metre and remaining 18 hectare at rates away from NH 11 at ₹ 5 and ₹ 5.69 per square metre.

On scrutiny of site plan of the trust as well as report of *Naib Tehsildar* (Palsana), it was found that the campus of the Trust was located on NH 11, therefore, decision of the Collector, Sikar to consider two separate DLC rates for a single piece of land located on NH was incorrect. This resulted in short levy of conversion charges of 18 hectares of land amounting to ₹ 23.36 lakh⁶.

The matter was brought to the notice of the Department (December 2011) and reported to the Government (January and May 2012). The Government stated (October 2012) that demand has been raised and recovery was under progress. Further progress was awaited (November 2012).

⁵ ₹ 65,000 (10 per cent of ₹ 6.50 lakh) X 121 *bigha* = ₹ 78,65,000 (+) ₹ 65,000 divided by 20 for *biswa* = ₹ 3,250 and ₹ 3,250 divided by 20 for *biswansi* = ₹ 162.50 X 12 *biswansi* = ₹ 1,950 (+) penalty ₹ 1,19,340 (-) recovery 42,84,245.

⁶ Land measuring 15.35 hectare (153500 sqm X ₹ 17.82 per sqm (rate as on 20.08.2009)) = ₹ 27.35 lakh and 2.65 hectare (26500 sqm X ₹ 19.60 sqm (rate as on 28.01.2010))= ₹ 5.19 lakh. This resulted in loss of ₹ 0.23 crore (₹ 32.54 lakh - ₹ 9.18 lakh= 23.36 lakh).

4.11 Non-deposit of conversion charges and interest

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

During test check of the Demand, Collection and Balance (DCB) statements of Collector, Kota, it was noticed that a demand of ₹ 47.19 lakh (40 per cent share) was pending against the Urban Improvement Trust (UIT), Kota.

It was noticed that no action was taken by the District Revenue Accountant (DRA) for deposit of Government share in the Government account. This resulted in non-deposit of Government share of ₹ 47.19 lakh by UIT, Kota besides, interest of ₹ 2.12 lakh was payable.

The matter was brought to the notice of the Department (July 2011 and January 2012) and reported to the Government (February and May 2012); their replies were awaited (November 2012).

4.12 Conversion charges and penalties on mobile towers

As per Rule 7 of Rajasthan Land Revenue (RLR) (Conversion of Agricultural Land for Non-agricultural purposes in Rural Areas) Rules, 2007, premium for conversion of agricultural land for non-agricultural at the rates notified by the Government from time to time are leviable. Further, as per rule 13 of the said Rules and Government Circular issued on 20.10.2008, penalty at the rate of four times of the conversion amount is also chargeable if land is used for a non-agricultural purpose without conversion of the land.

During test check (June 2011 to January 2012) of the reports of *Patwaris*⁷ submitted to *Tehsildars* of five Collectorates, it was found that the *Patwaris* had reported about use of *khatedari* land for non-agricultural purposes without conversion to the concerned *Tehsildars*.

It was noticed that no action was taken by the concerned *Tehsildars* and the Collectors for recovery of premium for conversion of

khatedari land for non-agricultural purposes and penalty on unauthorised construction. Thus, inaction of the concerned *Tehsildars* and Collectors

⁷ *Patwari* is a land record officer at *Tehsil* level. As the lowest State functionary in the Revenue collection system of the Land Revenue Department, his job encompasses visiting agricultural lands and maintaining record of ownership and tilling (*girdawari*).

resulted in non-recovery of premium for conversion of land and penalty amounting to ₹ 1.28 crore as detailed below:

(₹ in lakh)

Sl. No.	Name of District	No. of cases	Land use	Conversion charges leviable	Penalty Leviable	Total
1	Rajsamand	180	Mobile phone Towers	10.70	42.81	53.51
2	Udaipur	212	Mobile phone Towers	5.12	20.47	25.59
3	Churu	89	Mobile phone Towers	2.71	10.84	13.55
4	Ajmer	75	Shops, Hotels & Restaurant etc.	8.39	14.30	22.69
5	Jaipur	4	Residential, Residential projects, Industrial and Institutional projects	2.68	9.90	12.58
Total		560		29.60	98.32	127.92

The issue regarding use of *Khatedari* land for mobile phone towers without conversion was also raised by the Audit with the Principal Secretary, Revenue Department in November 2011. However, no action was taken by the Department for recovery of conversion charges and regularisation of land use.

The matter was brought to the notice of the Department (June 2011 to January 2012) and reported to the Government (October 2011, February and May 2012); their replies were awaited (November 2012).

4.13 Non/short recovery/deposit of lease money and interest

4.13.1 Non-recovery of arrears

As per Rule 7 (4) of the Rajasthan Improvement Trust (Disposal of Urban Land) Rules, 1974 the ground rent (urban assessment) shall be deposited with the UIT by the 31st of March each year to be credited to the consolidated fund of the State Government.

Further Rule 7 (6) of the said Rules stipulates that the arrear of ground rent (lease money) with interest shall be recovered under the provision of the Rajasthan Public Demand Recovery (RPDR) Act, 1952. Further, State Government issued (October 2002) instructions to recover the amount of lease money on priority basis.

During test check of the DCB statements of the Collectors, Udaipur and Ajmer, it was found that in 10 cases, ground rent aggregating to ₹ 42 lakh was not recovered from the lease holders, by the UIT, Udaipur and Ajmer despite a lapse of 4 to 31 years. No action for recovery of dues under RPDR Act was taken by the concerned Collectorates/UITs. Thus Government revenue ₹ 72 lakh including interest ₹ 30 lakh remained unrealised.

After this was pointed out in January 2012, the UIT, Udaipur replied (July 2012) that in four cases ₹ 29.30 lakh had been recovered and notices had been issued in the remaining three cases. The UIT, Ajmer replied (July 2012) that

in two cases reference had been registered under RPDR Act and in one case action for recovery was being taken.

The matter was reported to the Government in May 2012; its reply was awaited (November 2012).

4.13.2 Short recovery of lease money

Under Rule 5 of the Rajasthan Land Revenue (Industrial Area Allotment) Rules, 1959 lease rent shall be leviable on the land allotted for industrial purposes. As per Rule 6, the lease rent has to be revised after 30 years of allotment of the land. However, the increase in lease rent cannot be more than 25 per cent of the existing rent. The Government by issue of notification dated 13 August 2009 revised the rates of lease rent for villages, towns and cities. The rates were fixed in accordance with the population of the places.

During test check of records of Collectors, Udaipur and Rajsamand, it was noticed that land was allotted to M/s Metal Corporation of India Ltd, Kolkata in 1962, M/s J.K. Industries Ltd, Kolkata in 1975 and M/s Hindustan Zinc Ltd, Dariba Mines in 1995 on 99 years lease for industrial purposes.

On scrutiny of allotment and lease rent files, it was found that the concerned Collectors had not revised

the lease rent after expiry of 30 years. As a result, these lessees were charged at the amount of rent fixed in the year of allotment even though more than 30 years had elapsed. The lease rent and the revised rates are shown in the table below:

(₹ in lakh)				
Name of Collectorate	Name of lessee	Revised lease rent to be charged	Lease rent charged	Short charge
Udaipur	M/s Metal Corporation of India Ltd. Kolkata	18.61	1.19	17.42
Rajsamand	M/s J.K. Industries Ltd. Kolkata	23.61	1.95	21.66
Rajsamand	M/s Hindustan Zinc Ltd. Dariba Mines	6.76	0.25	6.51
	Total	48.98	3.39	45.59

As seen from the above table, non-revision of lease rent resulted in loss amounting to ₹ 45.59 lakh.

The Government stated (September 2012) that demand had been raised in cases pertaining to two lessees in Rajsamand. The reply was silent regarding Udaipur.

4.13.3 Non-remittance of ground rent in the Government account

Under Rule 7 (4) of the Rajasthan Improvement Trust (Disposal of Urban Land) Rules, 1974, urban assessment or ground rent is to be deposited with the trust by the 31st March of each year. Further, 40 *per cent* of the collected amount may be retained by the trust as a service charge for the collection and 60 *per cent* amount shall be deposited with the Government as Government receipts to the consolidated fund of the Government.

During test check of the DCB statements of Collector, Kota and allotment files of lessees and registers maintained by the UIT, Kota, it was noticed that the UIT had collected ground rent (urban assessment) amounting to ₹ 8.37 crore, during the year 2010-11. However, the

Government's share amounting to ₹ 5.02 crore (60 *per cent* of collected amount) had not been deposited in the Government account. Cross check of data from UIT, Kota revealed that the UIT had also charged interest for delayed deposit of ground rent from the lessees but the interest so collected had been short deposited to the extent of ₹ 0.41 crore to the Government account.

It was noticed that the DRA had failed to monitor the timely deposit of Government share and the interest charged by the UIT in the Government account. This resulted in non-realisation of Government share amounting to ₹ 5.44 crore.

The matter was brought to the notice of the Department (July 2011) and reported to the Government (May 2012). In reply, the Government stated (September 2012) that ₹ 4.76 crore has been deposited in Government account. The reply was silent about short deposit of interest amount.

4.14 Absence of provision for charging interest on delayed remittance of Government share resulted in potential loss

As per Notifications dated 8.03.2006 and 2.01.2007, the UITs were directed to deposit 10 *per cent* of the total amount received from sale of land in the Government account. There was no provision for levy of interest on delayed remittances of amounts due by the UITs.

(i) On cross verification of records of the Collector and the UIT, Ajmer it was noticed that the Government share out of the proceeds from sale of Government land amounting to ₹ 3.53 crore

during the years 2005-06 to 2009-10 was deposited on 26.03.2010 after delays ranging from one to four years.

In absence of the provision of interest, interest amounting to ₹ 61.38 lakh at the rate of 12 *per cent* could not be levied.

(ii) On cross verification of records of the Collectors, Ajmer and Kota with the records of corresponding UITs, it was noticed that the UITs had collected lease money for various years from lease holders, but the Government's 60 *per cent* share out of lease money collected under Rule 7 (4) of the Rajasthan Improvement Trust (UIT) (Disposal of Urban Land) Rules, 1974

was deposited with a delay ranging from one to four years. Further, the UITs had charged interest from the lessees at the rate of 12 *per cent* for belated deposit of lease money. However, no amount of interest was deposited by the UITs in the Government account in absence of any provision for charging of interest on belated deposit by the UITs in the Government account.

In absence of the provision of interest, interest amounting to ₹ 4.70 crore at the rate of 12 *per cent* could not be levied.

As per decision taken in a meeting held under the chairmanship of the Principal Secretary (Finance and Planning Department), the Jaipur Development Authority (JDA) was authorised (30.01.2004) to dispose nazul property P-92 measuring 419.13 sqm situated at Shri ji ki mory, Chowkri Sarhad, Jaipur through open bid as residential plot. As per the condition of the order dated 24 January 2005, the amount realised from the auction by the JDA was to be deposited immediately in the Government account.

(iii) During test check of records of the Director Estate, Jaipur it was noticed (November 2011) that the JDA auctioned (December 2010) land measuring 419.13 sqm for ₹ 1.76 crore as commercial plot. The auctioned amount was deposited by the bidder on 04.02.2011. After deduction of administrative and service tax charges an amount of ₹ 1.58 crore was deposited (17.08.2011) by the JDA after more than six months.

In absence of the provision of interest, interest amounting to ₹ 10 lakh at the rate of 12 *per cent* could not be levied.

The matter was brought to the notice of the Department (July 2011) and reported to the Government (May 2012). The Government stated (September 2012) that proposal for making provision of interest for delayed deposit of Government share of lease money was under progress.

4.15 Breach of conditions mentioned in the allotments

Conditions No. 2(iii) and (vii) appended to the Rules specify that the land shall be used strictly for the purpose for which it had been allotted and in the event of any breach of the aforesaid conditions the land should be reverted to the Government along with the construction thereon without any claim for compensation.

The State Government had regularised (03.05.1997) Government land measuring 555.80 *bighas* to Bhawani Niketan Educational and Charitable Trust (Trust) for construction of high school, boarding house and staff quarters under the rules *ibid*. The land was already in

possession of the Trust and was allotted for educational purposes only.

However, during test check of records of the Collector, Jaipur, it was found that the Trust was using about five *bigha* land (*khasra* no. 15) for commercial purpose by renting out the land in the form of three marriage gardens. On cross check of this information with Jaipur Municipal Corporation it was

found that the Trust had registered three marriage gardens with it and had deposited the requisite licence fee of ₹ 75,000 for the year 2010-11.

It was noticed that the matter was referred by the Collector, Jaipur to the Government in August 2011. However, no action was taken (June 2012) under the conditions No. 2(iii) and (vii) for reversion of this land specified for use of educational purposes, though the Trust had been using this prime land for commercial purposes which was in the knowledge of the Collector and the Department.

The matter was brought to the notice of the Department (July 2011) and reported to the Government (June 2012); their replies were awaited (November 2012).