

## CHAPTER-IV: LAND REVENUE

### 4.1 Tax administration

Allotment of land and assessment and collection of land revenue are governed by the provisions of Rajasthan Land Revenue Act, 1956 and rules framed thereunder. Land revenue mainly comprises rent on land, lease rent, premium<sup>1</sup>, conversion charges and receipts from sale of Government land.

The Revenue Department (Department) functions as the Administrative Department of the Government. The overall control of revenue related judicial matters, supervision and monitoring over revenue officers and maintenance of land record vested with the Board of Revenue (BOR), Ajmer. The BOR is assisted by 33 District Collectors (DCs) at district level. Further there are 289 Sub-Divisional Officers at the sub-division level and 331 *Tehsildars* at the *tehsil* level to assist the DCs.

### 4.2 Internal audit

The Financial Advisor, BOR is the head of the Internal Audit Wing. There are 18 internal audit parties. The status of internal audit conducted during the period from 2014-15 to 2018-19 is as under:

Year	Units pending for audit	Units due for audit during the year	Total units due for audit	Units audited during the year	Units not audited	Shortfall in per cent
2014-15	158	672	830	551	279	34
2015-16	279	809	1,088	883	205	19
2016-17	205	815	1,020	772	248	24
2017-18	248	815	1,063	739	324	30
2018-19	324	816	1,140	942	198	17

Source: Information provided by the BOR.

It was noticed that 23,071 paragraphs in the internal audit reports were outstanding as on 31 March 2019. Year-wise break up of outstanding paragraphs is as under:

Year	Upto 2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Paras	7,383	767	1,581	2,434	3,666	7,240	23,071

Source: Information provided by the BOR.

Out of 23,071 paragraphs, 7,383 paragraphs were outstanding for more than five years for want of compliance/corrective action.

The Department stated that the arrear in audit and slow pace of disposal of paragraphs was due to the shortage of manpower and deployment of staff in Assembly and Parliamentary elections during financial year 2018-19.

<sup>1</sup> Premium here means cost of land.

The Government may take steps to strengthen the internal audit wing and ensure expeditious compliance with the outstanding observations raised by the Internal Audit Wing.

### 4.3 Results of audit

There are 692 auditable units under the Land Revenue Department, out of these 105 Units (approximate 15.17 per cent) were selected for test check. Under these selected units, 9,122 cases of allotment, conversion/regularisation and lease of land etc. were executed, of which 5,154 cases (approximate 56.50 per cent) were selected for audit. During test check, audit found irregularities relating to conversion/regularisation, allotment, lease, etc. involving an amount of ₹ 37.29 crore in 460 cases (approximate 8.93 per cent of sampled cases). Audit also noticed irregularities relating to expenditure involving an amount of ₹ 0.62 crore in 283 Cases.

These cases are illustrative only as these are based on test check of records. Audit pointed out some of the similar omissions in earlier years, not only these irregularities persist but also remain undetected till next audit is conducted. Thus, there is a need for the Government to improve the internal control system including strengthening of internal audit so that recurrence of such cases can be avoided. Irregularities noticed broadly fall under the following categories:

Sl. No.	Category	₹ in crore)	
		Number of cases	Amount
1	Non-recovery/short recovery of premium and lease rent of allotted land	29	32.54
2	Non-recovery/short recovery of conversion/regularisation charges from <i>khatedars</i>	387	4.53
3	Non-reversion of land to Government	22	0.17
4	Other irregularities relating to:		
	(i) Revenue	22	0.05
	(ii) Expenditure	283	0.62
<b>Total</b>		<b>743</b>	<b>37.91</b>

During the year 2018-19, the Department accepted audit observations worth ₹ 23.60 crore pertaining to 737 cases, of which 81 cases involving ₹ 1.39 crore were pointed out during 2018-19 and the rest in the earlier years. The Department recovered ₹ 1.01 crore in 605 cases during the year 2018-19, of which 23 cases involving ₹ 0.11 crore related to the year 2018-19 and rest for the earlier years.

The State Government accepted and recovered the entire amount of ₹ 22.56 lakh in one case (pertaining to DC Sikar) of **Short levy of cost of land due to application of old DLC rates** after it was pointed out (May 2019) by the Audit. This paragraph has not been discussed in the Report.

Few illustrative cases involving ₹ 3.98 crore are discussed in the succeeding paragraphs.

#### 4.4 Non-compliance with provisions of Act/Rules

The LR Act and the various rules made thereunder along with notifications of the Government provide for allotment and conversion of land.

During test check of records at the offices of three District Collectors<sup>2</sup> (DC) audit observed short levy of cost of land and regularisation charges due to application of incorrect rates and un-authorised use of agriculture land for non-agriculture purposes. These cases are illustrative only as these are based on test check of records. There is a need for the Government to improve the existing internal control of the Department in order to avoid recurrence of such cases. A few cases involving ₹ 3.98 crore noticed during 2018-19 are mentioned below:

Sl. No.	Particulars	Reply of the Government
1	<p><b>Short levy of regularisation charges</b></p> <p>A company applied (June 2013) for conversion of 6.14 <i>bigha</i> (16,946.17 square metre) of agriculture land situated in village Gunki at <i>Tehsil</i> Newai (Tonk) for residential colony purpose. In this regard the Sub-Divisional Office, Newai reported (February 2014) that gravel road had been built on the land and demarcation for plotting was also done, therefore, the land was to be converted under Rule 13 <i>ibid</i>. Accordingly the competent authority levied and recovered regularisation charges ₹ 7.74 lakh<sup>3</sup> and issued (December 2015) conversion order. The competent authority while calculating the regularisation charges applied incorrect DLC rate (₹ 3.85 lakh per <i>bigha</i>). The regularisation charges were to be levied and recovered on the basis of prevalent DLC rate<sup>4</sup> applicable for the land <i>i.e.</i> ₹ 11 lakh per <i>bigha</i>. Therefore, regularisation charges of ₹ 22.11 lakh<sup>5</sup> was to be levied and recovered. Thus, application of incorrect DLC rate resulted in short levy and recovery of regularisation charges of ₹ 14.37 lakh<sup>6</sup>.</p>	<p>The Government replied (August 2019) that notice for recovery had been issued to the executant and the concerned officer had been instructed for compliance/recovery. Further progress of recovery is awaited (May 2020).</p>
2	<p><b>Short levy of cost of land due to application of incorrect rates</b></p> <p>Government land measuring 10 <i>bigha</i> (1,74,240 square feet) in village <i>Khirva, tehsil Bap</i> (Jodhpur) was allotted (March 2018) to the NHAI for construction of toll plaza. The allotting authority had requested (November 2017) the State Government for clarification about the cost of allocation of land. The State Government clarified (January 2018) that allotment of land was to be for free of cost only when it is not used for commercial activity. However, we observed that the allotting authority recovered an amount of ₹ 13.20 lakh<sup>7</sup> only as cost of the land according to the DLC rates for agricultural land.</p> <p>Since the land was allotted for commercial activity <i>i.e.</i> operation of toll plaza, therefore, cost of the land should have</p>	<p>The Department replied (January 2020) that allotment of Government land to NHAI at DLC rates (applicable for agriculture land) for construction of toll plaza is correct because the construction of NH(s) by NHAI is being done in public interest and not for the purpose of profit earning. Collection of toll fee at NHs is being done in lieu of services given which</p>

<sup>2</sup> Jaipur, Jodhpur and Tonk.

<sup>3</sup> ₹ 7.74 lakh: 16946.17 square metre X ₹ 11.4169 per square metre (at the rate 7.50 per cent amount of DLC rate (₹ 3.85 lakh per *bigha*) of agricultural land) X 4 times.

<sup>4</sup> The DLC, Tonk revised the rate of agriculture land situated at *tehsil* Newai with effect from 29 December 2014.

<sup>5</sup> ₹ 22.11 lakh: 16946.17 square metre X ₹ 32.6179 per square metre (at the rate 7.50 per cent amount of DLC rate (₹ 11 lakh per *bigha*) of agricultural land) X 4 times.

<sup>6</sup> ₹ 14.37 lakh: ₹ 22.11 lakh (-) ₹ 7.74 lakh.

<sup>7</sup> ₹ 13.20 lakh: 10 *bigha* X ₹ 1.32 lakh per *bigha*.

	<p>been recovered at prevailing DLC rates for commercial land <i>i.e.</i> ₹ 3.14 crore<sup>8</sup>. The action of the allotting authority in applying DLC rates for agriculture land despite the clarification by the State Government on the issue resulted in short levy and recovery of ₹ 3.01 crore<sup>9</sup>.</p>	<p>does not seem a commercial activity.</p> <p>Reply is not tenable as the NHAI is a company and as per Section 10 of The National Highways Authority of India Act, 1988, the Authority shall act on business principles and as per website of NHAI collection of toll fee is a commercial activity. Therefore, the cost of the allotted land for construction of toll plaza was to be recovered at commercial rates. Further progress and reply of the Government is awaited (May 2020).</p>
<p><b>3</b></p>	<p><b>Un-authorized use of agriculture land for non-agriculture purposes</b></p> <p>In four cases of DC Jaipur office, agriculture land was being used for non-agriculture purposes <i>i.e.</i> for residential without permission of competent authority. Scrutiny revealed that four developers applied for conversion of 2,68,221 sqm of agriculture land(s) for residential colony projects and deposited conversion charges of ₹ 13.35 lakh. Scrutiny of the records revealed that the competent authority rejected (between April 2017 and February 2018) the applications due to withdrawal of application by the developer (one case), unclear title of the land (one case) and non-compliance of required information by the applicants (two cases). According to the report(s) provided (between January 2019 and February 2019) by the concerned <i>Tehsildars</i>, residential colonies were developed on the agriculture land(s) in all the four cases. Out of these, in one case residential plots were being sold without conversion of the land. Though permission was not granted, the developers were using the land for non-agriculture purpose. However, the competent authority, neither recovered the regularisation charges nor initiated action to eject them from the land. This resulted in short levy of regularisation charges of ₹ 83.22 lakh.</p>	<p>The Government replied (December 2019) that in three cases, the concerned officers had been directed to take action against the <i>khatedars</i> as per provisions.</p> <p>In remaining one case it was stated that as per site visit there was no construction on the land/no use of non-agriculture. The reply is not tenable as plots were being sold as residential, therefore, it should be treated as residential <i>i.e.</i> the land has been put in use for non-agriculture purpose. Further progress is awaited (May 2020).</p>

<sup>8</sup> ₹ 3.14 crore: 1, 74,240 square feet X ₹180 per square feet.

<sup>9</sup> ₹ 3.01 crore: ₹ 3.14 crore (-) ₹ 13.20 lakh.