

Chapter-VII

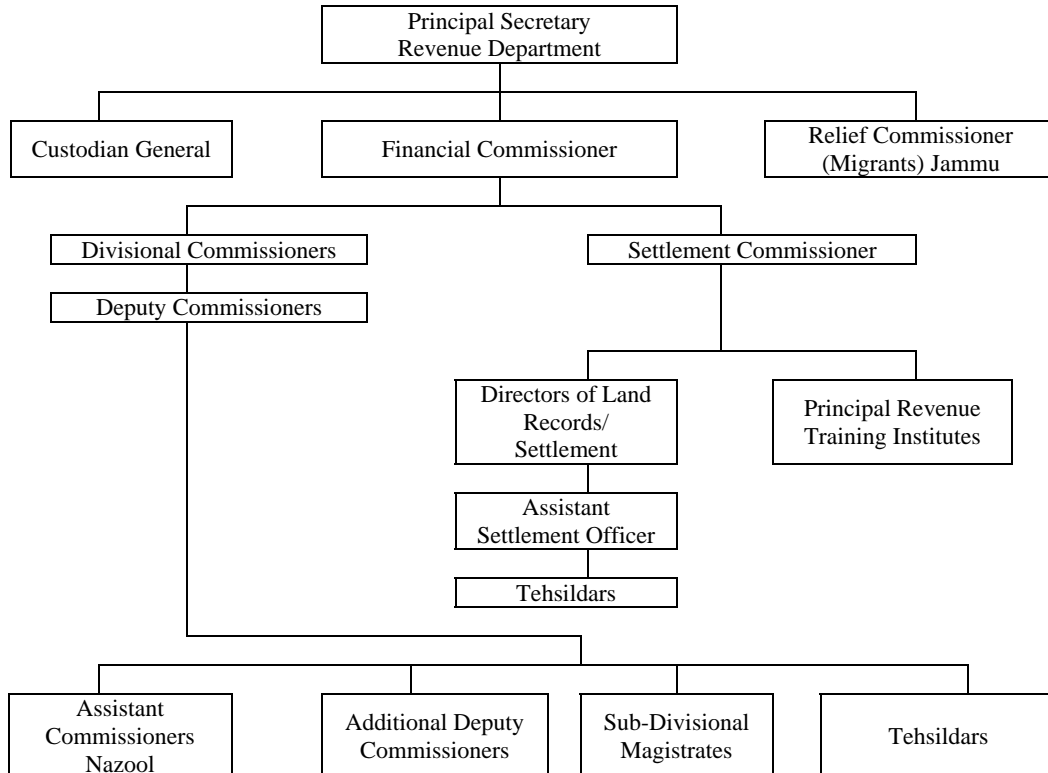
Revenue Department

7.1 Introduction

The Revenue Department forms the backbone of the civil administration through which it reaches the remotest corner of the State. Land being the most important and the material possession of citizens, proper maintenance of its records is of paramount public importance. The performance of the Revenue Department assumes significance as it secures social and economic welfare of the people. Besides maintenance of land records, the department is responsible for land reforms, settlement operations and preparation of records of rights. Recovery of arrears of land revenue, acquisition of land for development projects, administration of *nazool*[#] land, conducting census operations, identification of beneficiaries for grant of assistance and providing relief and rehabilitation measures constitute other important functions of the department. The department is also concerned with maintenance of law and order and disaster management.

7.2 Organisational structure

The organisational structure of the department is as follows:



[#] Government land

7.3 Manpower Management

On 31 March 2005, the sanctioned strength in all the cadres was put at 8,283. The department had no mechanism for monitoring the cadre-wise position of sanctioned and effective staff strength.

7.4 Allocation and expenditure

The details indicating allocation of funds and expenditure incurred thereagainst during 2003-04 and 2004-05 was as follows:

Table 7.1

(Rupees in crore)

Particulars	2003-04			2004-05		
	Allocation	Expenditure	Saving	Allocation	Expenditure	Saving
Revenue account						
Plan	9.07	8.92	0.15	11.40	10.07	1.33
Non-Plan	188.99	136.93	52.06	180.96	159.50	21.46
Capital Account						
Plan	1.50	0.60	0.90	1.90	1.26	0.64
Non-Plan	-	-	-	-	-	-
Centrally sponsored schemes	0.84	0.56	0.28	-	-	-
Total	200.40	147.01	53.39	194.26	170.83	23.43
Break-up of the expenditure						
Administrative expenditure including salaries	83.91	71.89	12.02 (14)	81.77	74.58	7.19 (9)
Machinery and equipment	0.60	0.20	0.40 (67)	1.00	0.58	0.42 (42)
Other activities	115.89	74.92	40.97 (35)	111.49	95.67	15.82 (14)
Total	200.40	147.01	53.39 (27)	194.26	170.83	23.43 (12)

(Source: Departmental records)

(Percentage in brackets)

As is evident from above savings ranged between 9 per cent and 67 per cent during the period 2003-04 to 2004-05. It was revealed in audit that in a single case of construction of one room tenements, the entire provision of Rs. 10 crore remained unutilised during 2003-04. Non-utilisation of funds and high savings indicated poor financial management of the Department.

7.5 Revenue receipts

With the abolition of land revenue in the State, the receipts side of the department was confined to recovery of arrears of land revenue and other cesses. Against the target of Rs. 1.73 crore fixed for realisation of arrears on account of land revenue, surcharge, cesses, *chowkidari* and *kah charai*^ψ etc. during the year

^ψ Levy of grazing or browsing dues

2004-05, the department was able to recover Rs. 28.94 lakh (17 *per cent*) only. On being pointed out in Audit (February 2005), the authorities expressed concern and stated (July 2005) that recovery agencies would be directed to take immediate steps for achieving full targets for year 2005-06.

7.6 Audit coverage

The activities of the Revenue Department were reviewed in Audit by test check of 70 Drawing and Disbursing Officers (Jammu: 57; Kashmir: 13) out of 126 Drawing and Disbursing Officers (Jammu: 67; Kashmir: 59) during 2004-05 covering 26 *per cent* (Rs. 67.59 crore) of the total expenditure of Rs. 256.52 crore incurred between April 1991 and February 2005.

7.7 Operational performance

7.7.1 Settlement operations

The department took up settlement operations in the State in 1991. Since the traditional method of measurement of land by using chains was tedious, time consuming and labour-oriented, the progress of work was slow. Audit observed that only three hundred villages were covered upto 1998. With a view to accelerate the pace of operations, the department decided to dispense with the chain method and introduced Electronic Total Station instruments in 1999. Although records of rights of only 607 villages (nine *per cent*) out of 7000 villages in the State were deposited with the authorities (March 2005), the department does not have a contingency plan in place and at the pace at which the department is moving i.e about 50 villages in a year, it will take about 100 years to complete the work in entire state. The reasons for slow pace of work were attributed (March 2005) by the department to a host of problems like non-existence of a separate Settlement Organisation, lack of control of Settlement authorities over territorial staff, non-availability of Supervisory officers with revenue back ground, non-cooperation of landholders, fragmentation of holdings caused due to introduction of radical reforms like Agrarian Reforms Act, 1976 and non availability of adequate functional survey equipment. No concrete steps were taken by the department to surmount the problems except floating a proposal for creation of a separate Settlement Organisation. Thus laxity of the department stood in the way of achieving the objective.

7.7.2 Encroachment of State land

One of the primary activities of the department is to keep a vigil on State land and ensure against any sort of encroachment or damage. The performance of the department in this behalf was dismal. Out of 88.17 lakh *kanals* of such land, 15.32 lakh *kanals* (17 *per cent*) were encroached upon and the department could evict encroachers from 1.88 lakh *kanals* only, (December 2004). Thus due to lack

of proper control, 13.44 lakh *kanals* of land continued to remain under illegal encroachment.

7.7.3 Recovery of arrears of Land Revenue

Cases of loanees who turned defaulters in payment of dues to Banks, Government departments and other financial institutions are referred to department for effecting recovery as arrears of land revenue. The department has not performed well even on this account. Out of Rs. 2.79 crore referred for recovery through seven test-checked offices of Jammu Division, Rs. 38.51 lakh (14 *per cent*) only were recovered. Poor performance of the department was a matter of concern in view of the fact that the work load relating to recovery of revenue by the department was considerably reduced after abolition of land revenue.

7.7.4 Land Reforms

With the introduction of Big Landed Estates Abolition Act Svt. 2007 (AD 1951) followed by Agrarian Reforms Act of 1976, tenancy was abolished with land to tillers beyond ceiling limit. Levy at prescribed rates was to be deposited by the tiller with the department for payment to the owner of the land for conferment of ownership rights. Against the amount of Rs. 13.40 crore deposited by the tillers, an amount of Rs. 8.36 crore was disbursed to ex-owners (October 2004) leaving an undisbursed amount of Rs. 5.04 crore. No effective steps for identification of land owners and payment of levy to them were taken by the department.

Audit of Transactions

Detailed audit findings of some important illustrative cases noticed during test-check of the departmental records are discussed in the succeeding paragraphs:

7.8 Unfruitful expenditure on computerisation of land records

The Central Government released Rs. 2.86 crore during March 1990 to June 1999 to the State Government under *per cent* centrally Sponsored Scheme, "Computerisation of Land Records". The records relating to purchase of computers by the Financial Commissioner (Revenue) were seized by the State Vigilance Organisation in September 2000 and were released in December 2004 without producing any report/findings thereof. Audit scrutiny of the records of Director, Land Records, Kashmir in April 2002 and Financial Commissioner (Revenue) in January 2005 revealed as follows:

The Financial Commissioner decided (December 1996/August 1997) to implement the scheme in first phase in two tehsils (Budgam and Udhampur) and

negotiated with a local firm^φ for supply of software/hardware etc. at a cost of Rs. 13.72 lakh (March 1997 to January 1998). Further expenditure of Rs. 9.38 lakh was incurred (between March 1998 and November 1999) on software development and supply of servers from two other firms^ψ for these two tehsils. Without ensuring successful computerisation of the records in these two tehsils, the Financial Commissioner took up computerisation of records in other 18 tehsils and two Revenue Training Institutes in the second phase of implementation of the scheme and incurred (between March 1998 and August 1998) an expenditure of Rs. 44.49 lakh on supply/installation of hardware/software from two firms^ε. Further, the Financial Commissioner purchased (between March 1999 and July 1999) computer hardware^ζ valuing Rs. 1.02 crore for other 39 tehsils and two Directorates of Land Records at Srinagar and Jammu in the third phase of implementation of the scheme which were not according to the specifications of the supply order placed with the firm[♦]. The department also procured (between August 1998 and March 1999) 405 constant voltage transformers and 98 uninterrupted power supply systems for Rs. 19.32 lakh and incurred (between March 1999 and March 2000) an expenditure of Rs. 7.20 lakh on training of staff through Centre for Electronics, Design and Technology (Government of India), Jammu.

The department was to develop suitable sites for computer centres at the tehsil offices before installation of computers and other necessary equipment. However, the Financial Commissioner released Rs. 69.22 lakh (between February 1998 and October 1999) for construction of computer rooms etc. at tehsil offices. Out of 59 tehsils, computer centres were constructed in 28 tehsils by the department. The computer systems procured could not, however, be made operational due to incomplete computer sites, non-loading of software, incomplete networking, inadequate training and improper functioning of the system. It was thus evident that the department had not implemented the scheme in a proper and planned manner and instead resorted to indiscriminate purchases as a result of which the computerisation of land records in the State could not take off in any of the tehsils rendering expenditure of Rs. 2.66 crore unfruitful.

The matter was referred to Government in May 2005; reply had not been received (September 2005).

^φ M/S Byte Computers Srinagar

^ψ M/S Integrated P.C. Solution New Delhi: Rs. 1.90 lakh and M/S IIS Infotech Limited, Noida: Rs.7.48 lakh

^ε M/S Byte Computers, Srinagar: Rs. 5.20 lakh, M/S Computech Business Centre, Srinagar: Rs. 39.29 lakh

^ζ Servers: 60; Nodes: 352; Printers: 62; Data cartridges: 40 and Hubs: 40

[♦] M/S Computech Business Centre, Srinagar

7.9 Avoidable expenditure due to poor follow-up

On the basis of indent placed (December 1978) by Executive Engineer, 500 Bed Hospital Division Srinagar[♦], the Collector, Land Acquisition, Srinagar issued (February 1982) an award for acquisition of 178 *kanals* of land for Sher-I-Kashmir Institute of Medical Sciences (SKIMS), Srinagar for Rs. 65.18^φ lakh. Audit scrutiny (January 2005) of the records of Deputy Commissioner, Srinagar revealed that one of the parties owning 89 *kanals* of land accepted the compensation under protest and made a reference (February 1982) under Section 18 of State Land Acquisition Act to the Collector for settlement of case by the District Court Srinagar. The possession of land was taken over by the indenting department in July 1982. The court ordered (April 1992) payment of enhanced compensation alongwith interest aggregating Rs.44 lakh[↑] to the parties concerned by the Collector. The Collector filed (July 1992) an appeal against the court judgement before the High Court of Jammu and Kashmir, but failed to pursue the appeal which resulted in its dismissal (December 1998) for non-prosecution. The Collector neither informed higher authorities to enable the State Government to avail the remedy available under law nor took any timely action to deposit the amount of enhanced compensation. The aggrieved parties sought (September 2000) execution of the court judgement and the District court again directed (October 2002 and May 2003) the Collector to deposit the decretal amount in the court. As the collector again failed to deposit the amount, the court finally ordered (September 2003) attachment of deposit account of the Collector and directed Treasury Officer, Additional Treasury Tankipora, Srinagar to withdraw the amount from it and deposit the same in the Court. Then the Collector deposited (November 2003) Rs. 58.70[€] lakh which included interest of Rs. 14.70 lakh from April 1992 (date of court judgement) to October 2003 with the District court Srinagar. Thus failure to pursue the case properly and delay in implementation of Court judgement by the Collector resulted in avoidable payment of interest of Rs. 14.70 lakh. On this being pointed out in audit, the Collector did not furnish any reason for delay in implementation of Court judgement.

The matter was referred to Government/department in April 2005; reply had not been received (September 2005).

♦ Division abolished in July 2000 and records handed over to Executive Engineer, R&B Division Ist, Srinagar

φ Compensation for 176 *kanals* 7 *marlas* at the rate of Rs. 31000 per *kanal*: Rs. 54.67 lakh; Compensation for State land measuring 1 *kanal* 13 *marlas*: Rs. 0.17 lakh; compensation for structures: Rs. 1.84 lakh; *Jabrana* at the rate of 15 *per cent*: Rs. 8.50 lakh

↑ Additional compensation at the rate of Rs.31000 *per kanal*: Rs. 27.59 lakh; *Jabrana* at the rate of 15 *per cent*: Rs. 4.14 lakh and interest at the rate of 4 *per cent* from August 1982 to March 1992: Rs.12.27 lakh

€ Compensation: Rs. 27.59 lakh; *Jabrana*: Rs. 4.14 lakh; interest: Rs. 26.97 lakh.

7.10 Avoidable expenditure on payment of interest

The amounts received from indenting organisations, by District Collectors, to meet the cost of land compensation are required to be kept in deposit with the treasuries. After the award of land, payment of land compensation is to be made to the concerned by debit to such deposits.

Test check (October 2004/March 2005) of the records of Deputy Commissioner (District Collector), Jammu revealed that an amount of Rs. 2.40 crore received (30 March 2000) from Director General, CRPF, New Delhi for acquisition of 150 acres of land at Behera Mode near Burn village, Jammu was initially kept in current account with J & K Bank up to 30 April 2004 and subsequently in term deposit with HDFC Bank upto 28 March 2005. It was again deposited in current account with J&K Bank alongwith interest of Rs. 10.68 lakh earned on term deposit. Since the State Government obtains overdraft from the Jammu and Kashmir Bank for meeting its ways and means requirements, interest burden of Rs. 1.45 crore on the overdraft of Rs.2.40 crore during the period from April 2000 to March 2005 could have been avoided, if the District Collector had deposited the amount in the treasury.

Thus, the irregular action of Deputy Commissioner (District Collector), Jammu in depositing the amount of land compensation in Current Account/Term Deposit with banks instead of in the treasury resulted in avoidable expenditure of Rs. 1.34 crore (after accounting for interest of Rs.10.68 lakh on term deposit) on payment of interest on the overdraft of Rs.2.40 crore.

The matter was referred to the Government/department in May 2005; reply had not been received (September 2005).

7.11 Locking up of funds

The State Revenue Department functions as a nodal agency for acquisition of land by Government departments. The indenting departments place funds with the Collectors concerned, enabling them to meet the expenditure on payment of compensation to the land owners.

The Director General of Police proposed (June 2000) to the Principal Secretary, Home Department for acquisition of 883 *kanals* and 3 *marlas* of land at Police Technical Training Institute (PTTI), Vijaypur. The land was required by the Police Department for development of infrastructure at the training institute including construction of residential quarters for staff and barrack accommodation for trainees. Since a large area of the proposed land involved evacuees property, the Revenue Authorities, after consultation with the Police Department, decided to provide in the first phase, an alternate piece of land measuring 113 *kanals* and 12 *marlas* adjacent to the PTTI, Vijaypur. The identified land was certified (January 2003) by the Tehsildar, Vijaypur as free

from all encumbrances. Accordingly, the Collector, Land Acquisition, Jammu issued (March 2003) necessary notification under relevant Section of the State Land Acquisition Act, and asked (March 2003) the Police Department to place funds at his disposal. The Police Department, after being prompted by the Collector, released Rs. 45.44 lakh (worked out at Rs. 40 thousand per *kanal*) to the Collector Land Acquisition, Jammu in March 2003 to avoid their lapsing.

Audit scrutiny (June 2005) of records of Principal, PTTI, Vijaypur and Collector, Land Acquisition, Jammu revealed that, despite lapse of more than two years, the possession of the land had not been handed over to the Police Department. According to the Revenue Authorities, the identified land belonged to the Custodian, Evacuees Properties, who was reluctant to part with it.

Thus, it was observed in audit that non-finalisation of the acquisition proceedings owing to incorrect identification of land by the Revenue Authorities resulted in objectives of the Police Department not being fulfilled.

Moreover, according to the Government instructions, funds received by the Collectors on account of land compensation are required to be deposited in the treasuries, until their disposal. Contrary to these instructions, the amount of Rs. 45.44 lakh received by the Collector from the Police Department, was kept in the current account, leading to locking up of funds, costing Rs. 10.53 lakh[▼] (calculated at borrowing rate of Government for the relevant period) to the State exchequer.

The matter was referred to Government/department in July 2005; reply had not been received (September 2005).

7.12 Non-recovery of cash assistance

According to Government order (July 1990 and September 1990) migrant employees who retired on superannuation after January 1990 were entitled to receive cash assistance till finalisation of their pension cases. Cash assistance was also payable to families of those pensioners who died during migration period but whose family pension cases were not settled. The cash assistance paid was to be adjusted against the pensionery benefits as and when disbursed.

Test check of records of the Relief Commissioner (Migrants) Jammu revealed that cash assistance of Rs. 64.72 lakh paid to 43 retired officials was not recovered from them.

Non-devising of proper mechanism to effect recovery led to non-recovery of cash assistance. The Chief Accounts Officer Relief Organisation stated

▼ At the rate of 12 *per cent* from April 2003 to 23 August 2003; 10.5 *per cent* from 24 August 2003 to 31 August 2004 and 9.25 *per cent* from 1 September 2004 to 30 June 2005.

(July 2004) that recovery cell headed by Tehsildar has been set up to monitor the recoveries and organisation was contemplating to obtain powers of Collector Recoveries so that speedy recoveries could be effected.

7.13 Drawal of funds in anticipation of requirement

Financial Rules prohibit the drawal of funds in anticipation of their requirement. Test check of the records of Tehsildar Akhnoor revealed that without immediate requirement an amount of Rs. 10.27 crore was drawn on account of relief to Border Migrants and deposited (March 2004) in the Bank where Rs. 5.70 crore were already lying at the credit of the Department. After disbursing Rs. 4.16 crore in March 2004, there was still balance of Rs. 11.81 crore. This indicated that the department had drawn the funds in March 2004 without any immediate requirement in disregard of financial rules.

7.14 Loss due to damage of tents

Test check of records of Tehsildar Hiranagar, revealed that out of 300 tents received (2002) from Deputy Commissioner Kathua, 250 tents were issued to displaced persons. These tents were returned by them in October 2003. Due to improper storage, the tents got damaged resulting in loss of Rs. 30 lakh. On being pointed out (November 2004), the department stated (November 2004) that steps would be taken to obtain the sanction of competent authority to write off the loss.

7.15 Unauthorised utilisation of departmental receipts

Test check of records of Deputy Commissioner Rajouri (February 2005) revealed that rent received by the Department from the Army for releasing payment to the landowners, whose land was hired by the Army, was irregularly deposited in a bank account. Interest of Rs. 6.89 lakh earned on these receipts, was spent on purchase of photocopier and defraying day to day office expenses etc., instead of crediting it to the Government account.

On this being pointed out in Audit, the Deputy Commissioner stated (March 2005) that the interest amount was utilised as the allotted funds were insufficient to meet the contingent expenditure. The reply was, however, not tenable as codal provisions strictly prohibit appropriation of departmental receipts and incurring of expenditure beyond the funds allotted.

7.16 Non-submission of detailed accounts

Test check of records of eight offices^z revealed that detailed accounts for Rs. 125.03 crore were awaited from the sub-disbursers. Non-submission of the

^z Deputy Commissioners Poonch, Udhampur, Jammu, Rajouri; Collector Railways; Tehsildars Nowshera, Hira Nagar (Territorial and Settlement)

detailed accounts by sub-disbursers was fraught with risk of misuse of Government money.

7.17 Internal control mechanism

A review of the internal controls revealed that following areas need immediate attention.

7.17.1 Administrative Inspections

Administrative Inspection is one of the powerful tools of internal control in the hands of controlling officers. They are required to conduct the inspection of offices under their administrative control annually to monitor the compliance of rules/instructions and pace of progress to achieve the annual targets of the department. It was found in audit that out of 70 offices test checked, their controlling officers only inspected 41 offices during 2004-05.

7.17.2 Physical verification of stores/stocks

Physical verification of stores/stocks is required to be done at regular intervals generally at the end of financial year to minimise the chances of its pilferage/shortages etc. Out of 70 units audited, physical verification of stores/stocks was conducted in 30 units during 2004-05.

7.18 Position of Action Taken Notes

Suo-moto Action Taken Notes were not furnished by the Department in any of the nine* audit paragraphs appearing in the Audit Reports between the period 1991-92 and 2003-04.

7.19 Outstanding Inspection Reports

The position of Audit Inspection Reports (AIRs)/Audit paragraphs outstanding as on 31 March 2004, number of AIRs and Paras issued during 2004-05, number of AIRs and Paras settled and number of AIRs and Paras outstanding as on 31 March 2005 was as under:

Table 7.2

Outstanding at the beginning of year		Issued during the year 2004-05		Settled on the basis of replies received		Outstanding as on 31 March 2005	
A [♦]	P [♥]	A	P	A	P	A	P
156	554	70	305	53	310	173	549

* 1991-92 (one Para), 1993-94 (one para), 1995-96 (two paras), 1997-98 (one para), 1999-2000 (two paras), 2000-01 (one para) and 2002-03 (one Para)

♦ Audit Inspection Reports.

♥ Audit paragraphs.

7.20 Conclusion

No time bound programme was drawn for completion of settlement work. Even after introduction of state of art technology, the pace of settlement was tardy. Performance of the department relating to eviction of encroached land, recovery of arrears of land revenue and land acquisition etc. was not satisfactory. Computerisation of land records suffered due to improper planning, incomplete computer sites/networking, non-loading of software system and inadequate training. Poor revenue realisation, incurring of expenditure without budget provision, drawal of funds without requirement and underutilisation of funds revealed poor financial management.

7.21 Recommendations

- Effective steps need to be taken to utilise the field staff for completion of settlement work within a time bound programme. More functional survey equipment should be placed at the disposal of the field staff. Suitable administrative measures may be taken to ensure co-ordination between territorial staff and personnel deployed on settlement operation.
- Effective steps need to be taken for eviction of encroachers of State land.
- The recovery on account of arrears of land revenue needs to be geared up.
- A proper system needs to be evolved for utilisation of available infrastructure created for computerisation of land records.
- Timely implementation of court judgments need to be ensured.
- Internal controls need to be strengthened for proper functioning of the Department.
- Drawal of funds in anticipation of requirement and without budget allotment should be avoided.