

CHAPTER XI

REVENUE ADMINISTRATION

HISTORY OF REVENUE ADMINISTRATION

In the ancient times, land revenue appears to have been normally charged on individual holding, but collective assessment on whole village or whole area is not known. The main source of land revenue appears to have been in the customary royal share of the agricultural produce sometimes known as *bhaga*. As the designation of a specific tax on land the word *bhaga* first occurs in *Arthashastra* by *Kautilya*. The terms like *dhanya*, *udranga*, *bali*, *halikakara* etc. also appears to have denoted the royal share in the form of general land tax during the later centuries of ancient era¹.

During the medieval period, there were many definitions regarding different concepts of land revenue viz. *khiraj*, *zabti*, *ghalla bakshi*, *muqtai*, *batai* etc. Sher Shah Suri was one who saw clearly that his Empire's first need was a solvent treasury and that in the end it must stand or fall by a peasantry to whom life was not intolerable and to whom cultivation offered some reward. He directed his Revenue Officers for proper survey of every individual holding before assessment by means of standardized unit – the *sikandari gaz* of 32 digits. He also introduced two types of method for assessment of revenue; first was *ghalla bakshi* or crop-sharing and second was *muqtai* or compounding. The assessment was made after categorizing the land into good, middle and bad; the standard yield per *bigha* was added up and averaged, and one-third of average was fixed as the State demand payable in kind or cash in market rates. The major change was brought in Akbar's regime who, with the assistance of his minister Raja Todar Mal, laid the foundation of a system which furnished the basis of land revenue policy for generations. Under this system, land was measured by the uniform standard, and the produce of a *bigha* of the land was ascertained. The land Revenue system introduced by the Akbar continued throughout the Mughal period without any significant change, till the British period.

During the 18th century, the whole district was no-man's land, seized sometimes by the Sikhs and sometimes by the Marathas and their adherents. "Revenue Administration there was none; the cultivator followed the plough with a sword in his hand; the collector came at the head of a regiment; and if

he fared well, another soon followed him to pick up the crumbs.²” The revenue system consisted in squeezing the weak and getting as much as they could out of the strong. When more settled conditions were obtained in the early 19th century, the people who had taken shelter in the larger villages, returned to their fields and hamlets, and those who had left the villages, altogether gradually come back; but the habits which nearly a century of anarchy and confusion had endangered were not easily eradicated. The oppressive manner in which the British conducted the Revenue Administration merely delayed the process. For the first few years, revenue matters were practically in the hands of people who had been assigned different parts of the district. But soon after, the British began to assess summarily annual revenue to be paid by each village. By 1824, the process of summary settlement of the then Panipat district, except that of tract assigned to Mandal family, was more or less complete. These summary settlements were extremely oppressive in well developed villages. Half the gross of the produce was assessed besides tax on grazing and cattle³.

Settlements of Panipat Tehsil.— According to the Karnal District Gazetteer 1883-84, the early Revenue Administration was crude, not to say arbitrary. For collection of revenue, strong pressure was to bear on the subordinates beginning with the Tehsildar, who was personally held responsible for the arrears. The pressure was passed to the *zamindar* in the shape of quartering *sawars* (horsemen) on the villages till the revenue was paid. In the circumstances, complaints were made about the cultivators’ *en-masse* deserting the villages during or at the end of short lease; in order to give relief, the assessments were reduced from time to time according to land classifications.

Summary Settlements.—The early revenue arrangements seemed to have been made as far as possible on the basis of the ten existing arrangements without considering whether these arrangements were just or not or whether the changed circumstances demanded any modifications in the rates of assessments. In the early days, the assessment was more or less continuous and was indeed apparent to last for a few years or until it broke down. Panipat tehsil witnessed for its 66 villages of *khadar* tract three summary settlement, namely First Settlement, 1817-21; Second Settlement, 1826-1833; and Third Settlement, 1835-37; and for its 64 villages of *bangar* tract four summary settlement, namely First Settlement, 1817; Second Settlement, 1821-1823; Third Settlement, 1826-30 and Fourth Settlement, 1834-36, before the Regular Settlement of 1842.

Despite these settlements there were several cases of the breakdown of the settlements and the years were noted as *tahsil-kham*. The villages were, therefore, framed out for collection of land revenue. These settlements were bound to be empirical, because there were no regular records and the initial assessments were made on the basis of sums recovered from farmers. Further, the assessments were pitched to high for collection and there was no machinery for ensuring elasticity in collection. The summary assessments were equally harsh; the measures taken for realization were equally oppressive and unsuccessful. In fourth decade of the 19th century the tehsil was so badly in debt to the treasury that the Government adopted the common remedy of repudiating its own exactions by striking of the large balances which were practically irrecoverable. The following paragraph wrote by the Commissioner in 1825 contains an interesting reference about settlements made in those days⁴ :-

“At a very early period after the conclusion of last Settlement, the error in the assessments was discovered, larger balances occurred annually, till eventually the whole of Panipat Khadar was taken under direct management, and the impoverished people, without the means to pay half or even a third of their original assessment, were once more content to remain on their soil.” In 1836, four-and-a-half lakh of balances, dating from as far back as 1814, were still outstanding. The system of Settlement was no less oppressive than that of assessment. Large portions of villages were made over to neighbouring communities to hold and cultivate; and some of them so hold and cultivate them to this day. The village headmen, who were inordinately numerous, were spoken of and treated as the proprietors; the other members of the community as “rayats.” The Settlement was made with the headmen alone, and no record existed of rights which had become a burden rather than a source of profit. There were no village accounts, no village accountants; and the collection of the revenue from individual cultivators was entirely unchecked so long as the amount was forthcoming. When a Settlement was made, the headmen were imprisoned till they agreed to the terms offered (in one case for ten, in another for seven months); and, having accepted them, till they furnished security for payment. One village refused to agree to the assessment, no farmer could be found, and the Commissioner directed the Assistant to “confine the people

and their cattle to their houses and the immediate site of the village, and sequester all land, orchards, & c. and enough of cattle and goods to cover the balances.”

Regular Settlements.—Regular Revenue Settlements were taken up in the Panipat tehsil on different dates. A detailed account of the first regular settlement and the first revised settlement is given in Sir Denzil Ibbetson’s settlement report of the Panipat Tehsil and Karnal *Parganah*, 1883.

The last regular settlement in the district sanctioned for 30 years was carried out by A. M. Stow between the years 1904-09 and came into force from kharif 1909.

The tehsil Panipat was divided into three assessment circles namely Panipat, *Khadar* and *Bangar* which are roughly corresponding to their physical configuration shown as under:-

Territory	First Regular settlement as sanctioned		First Revised settlement as sanctioned		Second Revised settlement as sanctioned	
	From	To	From	To	From	To
Panipat	1842	} 1872	Kharif	Rabi	Kharif	Rabi
Mandal Tract	1865		1879	1909	1909	1909

Each assessment circle was further sub-divided according to qualities of soil and facilities available for irrigation.

During Ibbetson’s settlement conducted in 1872-80, the village map of Panipat tehsil was prepared by means of the plain-table. The unit of measurement employed was the *gatha* of 99 inches and areas was recorded in the *pucca* or *shahjahani bigha*, which is three times the size of ordinary *kachcha bigha*, and which was used by the farmers in most part of the tehsil. Thus, the *kachcha bigha* was adopted as the unit of area for the whole district.

The standard of assessment was fixed by the Government at half of the rental or net assets calculated on the basis of the rents either in cash or produce paid by tenants at will to their land lords. Suitable assessment of the whole circle was made and rates for each class of soil were also proposed. At the same time, to assist the distribution of revenue over villages, crops rates were divided on the basis of the rates given by the produce estimate. For the

assessment of canal lands, the government ordered that the sanctioned *nehri* (irrigated from canal) rates should be applied only to the area recorded as *nehri* in the record of rights and not to any irrigated area.

The following table shows the total results of the assessment. The demand actually announced is compared with the demand of the last year of the terminative settlement:-

Tehsil	Circle	Old fixed demand	Final new demand	Increase in percent of column 4 on column 3.
	Panipat Town	25,605	32,805	28
Panipat	Khadar	1,20,034	1,49,974	25
	Bangar	1,62,912	1,96,000	20
	Total	3,08,551	3,78,779	23

In the villages of Panipat tehsil, where the increase in assessment was large, the whole demand not imposed immediately and was deferred. An amount of ₹ 7,796 was deferred for five and of ₹ 3,225 was deferred for next five years also. No amount was waived on account of *muafis* but reductions were extended for protective leases for wells amounting to ₹ 1,374 and for road side trees amounting to ₹ 30.

The working of the Settlement 1909.—The settlement worked well for some time. The assessment made in the settlement operations in 1909 was made due for re-assessment after 30 years but it could not be undertaken on account of the forecast report of 1936 in which the district was found in the grip of water depression and stagnancy and also due to the World War-II (1939-45) followed by the partition of the country and its independence in 1947. The land revenue, therefore, continued to be same which was fixed during the last settlement. The charges of land revenue fixed early in the first decade of the twentieth century had lost their contact with the income accruing from land.

With the expansion of government establishments and the introduction of various development plans, the government expenditure had also increased vastly. The State Government, therefore, tapped different sources of revenue to meet the ever growing demand. As regards land revenue, in addition to the assessed demand of land revenue of 1909, additional revenue was levied in accordance with the Punjab Commercial

Crops Cess Act, 1973 and the Haryana Land Revenue (Additional Surcharge) Act, 1969. With the repealing of Haryana Land Holding Tax Act, 1973, the land revenue was abolished in Haryana in October, 1986.

COLLECTION OF LAND REVENUE

Before the British, the revenue collection was the responsibility of the Lambardar and there used to be one headman for each *panna* who had enormous authority. The distribution of revenue was wholly in the hands of *thapa* and village council of which he was the head. His office was hereditary, though fitness was the only essential requisite, and the next heir would be passed over, if capable in favour of another member of the same family. When the British acquired the tract the same arrangement was per force continued for many years, as no records of individual rights of liabilities existed. But the hereditary nature of the office, and the authority attached to it, were lost sight of. All the leading men of the village were admitted to sign the engagement for the revenue, and all who signed it were called headmen. The allowance given to these men took the form of a deduction from the last instalment of revenue if paid punctually, and was divided by all the engagers. In fact, it is even said that “all the owners shared it proportionally, and that it practically took the form of a mere abatement of revenue in which the whole community had a common interest”.⁵

The mode of collection was as vexatious and extortionate as the assessment was oppressive. The collections were made in February and September long before the harvest and the cultivator was thus ‘forced to part with his grain at a ruinous sacrifice’. Guards were appointed to watch the crops in the interest of Government, but at the cost of the owner; and directly the revenue was overdue, horse and foot were quartered in the village at its own expense.

In 1830, a field-to-field record was introduced and an attempt was made to limit the number of headmen, it being ruled that people were to elect new headmen every year, who alone were to enjoy the allowances. The plan was not carried out in its entirety. At the Settlement of 1842, the number of headmen was still inordinately excessive and the Settlement Officer was directed to reduce the numbers largely, taking a general standard, one headman for every ₹1000 of revenue. At least one headman was given to each subdivision of a village. During the settlement of 1909, it was noticed that in some villages with multiple headmen collection of revenue was much below ₹1000.

Efforts were made for reducing the number of Lambardars where the amount of *pachotra* was not sufficient to induce them to carry out their duties. In other villages where owing to the extension of canal, irrigation, the *pachotra* of a Lambardar became generally sufficient for the justification of that number of headmen, the number was allowed to remain as such.

The *zaildari* system was introduced by Ibbetson at the time of settlement of the Panipat tehsil in 1872-1880. In 1904, there were seven Zaildars in Panipat Tehsil. Their remuneration was very uneven ranging between ₹60 to ₹ 700 per annum. During the Settlement of 1909, Zaildars were appointed throughout the district and were divided into three categories each receiving ₹300, ₹250 and ₹200 annually. The boundaries of *zails* through primarily based on tribal distinctions were slightly altered in order to make them correspond as far as possible with the boundaries of *thanas*. Ibbetson during the settlement of 1879 appointed Ala Lambardars in the Panipat Tehsil. Barring a few exceptions, these Ala Lambardars did not show themselves deserving of the remuneration of 1 percent of the land Revenue, which they deducted from the revenue of their village. This system was, therefore, abolished in 1909. *Zaildars*, however, continued to supervise and assist in the collection of land revenue till the abolition of the system in 1948. The system was revived in 1950 and finally abolished in 1952.

Now only Lambardars are responsible for the revenue collection on payment of *pachotra*. A cess is charged at the rate of 5 per cent of the land revenue, but the land holding tax was abolished in 1986⁶. Since they are collecting arrears of land holdings tax and were paid *pachotra* at the rate of 3 per cent. Besides they are responsible for collecting *abiana* (water rate) and are paid 3 percent of collections so made. As on March 31, 2011, there are 758 Lambardars and *abiana* amounting to ₹61.61 lakh has been collected.

REVENUE ADMINISTRATION AND LAND RECORDS

The unit of revenue administration is called an estate, and it is usually identical with the village. Each estate, with a separate record-of-rights and register of fiscal and agricultural statistics, is separately assessed to land revenue. All its proprietors are, by law, jointly responsible in their dealings with Government and for the payment of land revenue. They are represented by one or more Lambardars. Estates are grouped into patwar circles each of which is under the charge of a Patwari. About 2-4 patwar circles are grouped together to form a Kanungo circle in which the work of Patwaris is supervised

by a Kanungo. Kanungo circles group together to make tehsils. The following tehsils, kanungo circles, patwar circles and revenue estates are in existence in the district during the year 2010-11:-

Tehsil	Kanungo circles	Patwar circles	Revenue estates
Panipat	Panipat	14	52
	Madlauda-I	11	23
	Madlauda-II	07	13
Samalkha	Samalkha-I	7	17
	Samalkha-II	7	16
	Bapoli	14	49
Israna	Israna-I	7	14
	Israna-II	7	14

The tehsil-wise detail of the staff strength attending to revenue work as on March 31, 2011 is as follows:-

Tehsil/ Sub-Tehsil	No. of Tehsildars	No. of Naib-Tehsildars	No. of office Kanungos	No. of Kanungos	No. of patwaris
Panipat	1	3	1	2	12
Samalakha	1	2	1	3	7
Israna	1	1	1	3	4
Bapauli	-	1	-	1	6
Madlauda	-	1	-	2	5
Total	3	8	3	11	34

The Deputy Commissioner as Collector is the head of the revenue administration of the district. He is a steward of the State and is bound to respect and preserve from encroachment every private right in the soil which has been created or confirmed by the State. Where the revenue has been fixed for a term only, he is not only to collect it but also to look forward to a time when it will be revised and hence he is to record, in a systematic manner, statistical information which will facilitate its equitable re-assessment. He must ensure and assist in the measures to prevent the damage to crops from causes which are in any degree controllable by man. He must encourage and assist in every effort made by a right holder for the development of his estate. As a measure of decentralizing the revenue work, the powers of Collector have

been delegated to the Sub-Divisional Officers (Civil) for their respective Sub-Divisions.

The Tehsildar is an important functionary and is in charge of the tehsil for revenue work including revenue judicial work. He has to control the Patwar and Kanungo agency, to collect revenue punctually, to point out promptly to the Collector any failure of crops or seasonal calamity which renders suspension and remission necessary and to carry out within his own sphere other duties concerned with land revenue administration. He is a touring officer and thus provides opportunities on the spot with all revenue administration cases like partition cases, matters connected with appointment of Lambardars, lapses of land revenue assignments etc.

The patwari is an inheritance from the village system of old days⁷. He is appointed for a circle consisting of one or more villages. Besides the proper maintenance of records, the patwari is required to report to the Tehsildar about any calamity affecting land, crops, cattle or the agricultural classes and to bring to the notice of the Tehsildar encroachments on Government lands, alluvial and diluvial action of river, the death of revenue assignees and pensioners, the emigrations or immigration of cultivators etc for the appropriate action. He undertakes surveys, field inspections and aids in other Government activities like distribution of relief funds and prepares the papers showing the demand due from each land owner. When the work of revenue collection is in progress, he must furnish all information that may be required to facilitate the collections.

The Patwari is under the immediate supervision of a circle supervisor known as Kanungo who has been functioning since medieval time. Kanungo is responsible for the conduct and work of Patwari, and he constantly moves about his circle, supervising their work, except in the month of September when he stays at tehsil headquarters to check *jamabandis* received from Patwaris.

The Office-Kanungo is Tehsildar's revenue clerk. His main work is to maintain the statistical revenue records. He is also the Incharge of stationery which is required by the Patwaris. He keeps the account of mutation fees, records of rainfall and maintains the register of assignees of land revenue and other miscellaneous revenue registers. He is the custodian of all records received from the Patwaris and a well managed Kanungo's Office is an important factor in the revenue management of a tehsil.

At district head quarters, there is a District or Sadar Kanungo. The Sadar Kanungo is responsible for the efficiency of other Kanungos and should be in camp for inspecting their work for at least 15 days in every month from October to April. He is the keeper of all records received from Kanungos and Patwaris. He maintains it with the help of his assistants. The responsibility of Tehsildar and Naib-Tehsildar for the inspection and correctness of the work of Kanungos and Patwaris is however not affected by the duties of the Sadar Kanungo.

Land Reforms.—Prior to British occupation, the nature of the peasants tenure cannot be described accurately in precise legal terms. The tenancy system was the outcome of insecure days when life was disturbed and armies traversed through a track of “no man’s land” from one corner to another. This happened during the decay of the Mughal Empire and early British rule when there was a struggle for power among various chieftains and tribal chiefs. As a result of insecure conditions of life and one or the other of the numerous famines, the area was desolated and people fled leaving behind deserted villages and fields. To encourage habitation, the British leased out patches of waste land and deserted villages to influential and powerful persons of other villages who further sublet these waste lands to landless people. Thus, the two classes i.e. the landlords and the tenants, came into existence. The tenants worked under the fear of insecurity and ejection by such landlords. The Nawabs of Mandal family were the biggest landlords in the region and had a strong influence in khadar tract of Panipat tehsil with their residence in Panipat, Karnal and Kunjpura. The sole aim of the landlords was to squeeze as much out of the estate as possible. They were neither considerate nor did they grant any concession in a season of scarcity. Poverty ruled over the life and work of the cultivators.

Taking into consideration the deteriorating state of agriculture and the cultivator, the Punjab Tenancy Act, 1887 was enacted which provided for the right of occupancy but the right was restricted to a small number of tenants. Under the provisions of the Act, to qualify for the right of occupancy on any land a tenant must have occupied it at revenue rates for 30 years, or be the third generation of a family which occupied it at revenue rates for 20 years, or be an ex-proprietor or heir of an ex-proprietor with proprietary rights and tenant-at-revenue rates status of 20 years standing on it. Evidently, only a few could qualify and the other tenants who had no right of

occupancy could be ejected at the end of any agricultural year. This position continued throughout the British regime.

Immediately after Independence, the Government felt that there is a requirement of introduction of some suitable land reforms. The state initiated a policy to extend security of tenures to tenants and coincide ownership with the actual cultivation. To eliminate intermediaries and provide adequate security against ejection and enhancement of rents, the Government enacted the following laws:-

- (i) The East Punjab Utilization of Lands Act, 1949.
- (ii) The Punjab Abolition of *Ala Malkiyat* and *Talukdari Rights* Act, 1952.
- (iii) The Punjab Occupancy Tenants (Vesting of Proprietary Rights) Act, 1955.
- (iv) The Punjab Security of Land Tenures Act, 1953.
- (v) The Punjab *Bhudan Yajna* Act, 1955.
- (vi) The Punjab Resumption of *Jagir* Act, 1957
- (vii) The Punjab Village Common Lands (Regulation) Act, 1961,
- (viii) The Haryana Ceilings of Land Holdings Act, 1972.
- (ix) The Haryana *Dholdar*, *Butimar*, *Bhonedar* and *Muqararidar* (Vesting of Proprietary Rights) Act, 2010.

Under the East Punjab Utilization of Land Act, 1949, the Government enforced the utilization of every inch of available cultivable land for growing more food crops and other essential crops. Under this Act, a notice to take over the land is served on every land owner who allows his land to remain uncultivated for six or more consecutive harvests and the land thus taken over is leased out to others for a term ranging from 7 to 20 years, priority being given to members of scheduled castes.

Under the Punjab Abolition of *Ala Malkiyat* and *Talukdari Rights* Act, 1952 all rights, title and interest of an *ala malik* in the land held under him by an *adna malik* were extinguished and the *adna malik* was required to pay compensation. The Punjab Occupancy Tenants (Vesting of Proprietary Rights) Act, 1952, declared all occupancy tenants as the owners of that land.

The Punjab Security of Land Tenures Act, 1953, not only reduced the average which could be reserved but also specifically prohibited ejectment of tenants from all unreserved areas, except in the case of default in payment of rent or improper cultivation. Section 9-A, enacted vide Act XI of 1955, provided that no tenant liable to ejectment would be dispossessed of his tenancy unless he was accommodated on a surplus area or otherwise on some other land by the State Government. Rent was limited to one third of the crop or its value of the customary rent if that was lower. However, payment for services provided by the land lord was excluded from the commutation of rent. The Act further extended the opportunities for tenants to become owners. A tenant of four years standing acquired a right of presumption at sales or foreclosure; but more important than that, tenants of 6 years standing were allowed to buy unreserved area from their land lords of three quarters of the 10 years average of prices of similar land.

The Government was further empowered to utilize the surplus area of both land-owners and tenants for the re-settlement of ejected tenants, landless labourers and small land owners. All areas owned by a local owner above 30 standard acres and by a displaced person above 50 standard acres were considered as surplus area. A small owner who has up to 30 standard acres cannot eject a tenant under the Act from 5 standard acres unless the tenant has been settled by government on surplus area.

The work of assessment of surplus area under the Act made considerable progress. By March, 2011, as many as 208 cases of surplus land have been decided and 2943 acres of land has been declared surplus in the district. The land owner cases of surplus land of 154 acres are pending in various courts as on March 31, 2011. The re-settlement of eligible tenants was also started all over the district and about 990 tenants were re-settled and proprietary rights were given to 1079 tenants in the area of approximately 2789 acres. The State Government gives financial assistance to those tenants and landless agricultural workers who are being re-settled on the surplus area for reclamation purpose and also advances loans for building houses and sinking wells.

In 1972, on the recommendation of the Central Land Reforms Committee, the Haryana Ceiling on Land Holdings Act, 1972 was enacted. This Act repealed the provisions of the two earlier Acts i.e. The Punjab

Security of Land Tenures Act, 1953 and the Pepsu Tenancy and Agricultural Lands Act, 1955, insofar as they relate to the ceiling of land holdings and utilization of surplus area. The new Act provided for the assessment of permissible area in relation to a family instead of an individual and reduced the permissible area limit to 7.25 hectares of land under assured irrigation capable of growing at least two crops in a year, 10.9 hectares of land under assured irrigation capable of growing at least one crop in a year or 21.8 hectares in respect of any other land including *banjar* and land under orchards. In cases the family comprises more than three minor children, an additional area, at the rate of one-fifth of the permissible area of the primary unit, is permitted for each additional individual member provided that the total area does not exceed twice the permissible area of the primary unit. The head of a primary unit has also been given a right to select for each of his major sons (or widow and minor children of a predeceased son) area equivalent to the permissible limit of primary unit. Further, unlike the Punjab Security of Land Tenures Act, 1953, the new Act provided for vesting the rights of surplus area in the Government, and for its utilization for settlement of tenants and other weaker sections of the society, especially scheduled castes, backward classes, landless workers, agricultural labourers and others. For utilization of surplus areas, the Haryana Utilization of Surplus and Other Areas Scheme, 1976 was notified on May 28, 1976. By March, 2011 the total surplus land has been allotted to 1079 eligible allottees out of which 541 allottees belonged to scheduled castes.

CONSOLIDATION OF HOLDINGS

Fragmented and scattered holdings are a wasteful method of land utilization, and many improved agricultural practices cannot be adopted on such land. The process of bringing together small and fragmented pieces of land into compact blocks for better and intensive cultivation is known as consolidation of holdings. It saves the tiller to a great extent from wasteful supervision, irrigation of scattered holdings and enables him to avail the facility of modern agriculture techniques in consolidated holdings. Consolidation of land holdings was carried out in Punjab by the Cooperation Department in 1930. But in the absence of compulsion, it did not make much headway. The Punjab Government, therefore, passed the Consolidation of Holdings Act, 1936 which made consolidation compulsory if two-third of land

owners agreed to it. After the independence, the urgency of consolidation was realized and the East Punjab Holdings (Consolidation and Prevention of Fragmentation) Act, 1948 was passed which made consolidation of holdings compulsory.

The work of consolidation of holdings in the area of Panipat district was started in 1951. Apart from consolidating the holdings of farmers, the scheme provided an opportunity for re-planning the countryside, which included the planning of location for schools, hospitals and roads. Land was also reserved for community buildings such as community centres, places of worship, playgrounds etc. As on March 31, 2011, consolidation work has been completed in 182 villages of the district.

OTHER SOURCES OF REVENUE (STATE AND CENTRE)

STATE REVENUE SOURCES

After the abolition of land revenue, the State has become largely dependent on other sources of revenue which include stamp duty, registration fee, general sales tax, excise, central sales tax, value added tax, profession tax and income tax etc.

Stamp duty and Registration Fees

This duty is collected under the Court fees Act, 1870 and the Indian Stamp Act, 1899. The former was enforced in April, 1970, and the latter on July 1, 1899. Both the Acts require the Collector (Deputy Commissioner), District and Sessions Judge and all the Sub-Judges to ensure that the applications for all suits and other relevant documents are properly stamped according to schedules annexed to the Acts. Both the Acts have been amended a number of times. The Court Fee Act, 1870 was last amended by the Court Fee (Haryana Amendment) Act, 2009 while the latest amendment in the Stamp Act, 1899 was carried out by the Haryana Act No. 32 of 2008.

The Deputy Commissioner is the Registrar in the district under the provisions of the Registration Act, 1908. Tehsildars and Naib-Tehsildars are Sub-Registrars and Joint Sub-Registrars, respectively. They carry out the registration work after charging registration fee as prescribed under the Act. The Inspector General of Registration, Haryana exercises general superintend-

dence over all the registration offices in the State and has power to make rules consistent with the Registration Act, 1908.

The table below shows the details of Stamp Duty and Registration Fees received from the district during 2003-04 to 2010-11:-

(₹ in crores)			
Year	Stamp Duty	Registration Fee	Total
2003-04	19.15	0.43	19.58
2004-05	27.03	0.82	27.85
2005-06	51.89	0.78	52.67
2006-07	54.54	2.26	56.80
2007-08	43.89	4.42	48.31
2008-09	32.05	3.87	35.92
2009-10	26.68	3.59	30.27
2010-11	54.69	5.76	60.45

Excise and Taxation

The Excise and Taxation Department has a major role in the collection of tax revenues. At present, in the Panipat district the work of collection of tax is divided into two parts. The administration of taxation and excise statutes is supervised by the Deputy Excise and Taxation Commissioner (Sale Tax) and the Deputy Excise and Taxation Commissioner (Excise), Panipat, respectively, who work under the overall control of the Excise and Taxation Commissioner, Haryana, Chandigarh.

(A) Taxation Administration.—For the tax administration, the Deputy Excise and Taxation Commissioner (Sales Tax), Panipat is assisted by 4 Excise and Taxation Officers, 4 Assistant Excise and Taxation officers and 27 taxation Inspectors besides other supporting staff. He functions under the supervision of the Joint Excise and Taxation Commissioner (Range), Rohtak. The appellate authority in respect of taxation statutes for this district is the Joint Excise and Taxation Commissioner (Appeals), Rohtak.

The Deputy Excise and Taxation Commissioner (Excise) is assisted by 2 Assistant Excise and Taxation Officer, 6 Excise Inspectors and other supporting staff. He functions under the supervision of the Joint Excise and Taxation Commissioner (HQ), Haryana.

The State and Central Acts pertaining to taxation administered by the department in the district are as under:-

- (i) The Haryana Value Added Tax Act, 2003.
- (ii) The Central Sales Tax Act, 1956.
- (iii) The Haryana Local Area Development Tax Act, 2000.
- (iv) The Punjab Passengers and Goods Taxation Act, 1952.
- (v) The Punjab Entertainment Duty Act, 1955.

Value Added Tax (VAT) And Central Sales Tax.—Haryana earned the distinction of being the first State in India to introduce Value Added Tax (VAT) system on 1st April, 2003. The Haryana Value Added Tax Act, 2003 was introduced in place of the Haryana General Sales Tax Act, 1973. Like sales tax, VAT is a tax on sale or purchase of moveable goods. As a part of reforms in the field of domestic trade taxes in the country all the States have agreed to introduce value added tax. VAT is a simple, transparent and efficient system of sales tax collection that has been introduced. The commodities which are generally consumed by the poor sections of society have been exempted while luxury goods have been taxed at higher rates. The goods sold to Indian Red Cross Society and many other Welfare Organizations are also exempted.

Under VAT, there are three basic rates of tax i.e. 5 percent, 12.5 percent and 20 percent. Apart from these rates, there is a list of exempted goods in Schedule B under clause (p) of sub-section(1) of section 2 of the Act of 2003. Besides, bullion and jewellery attract tax @ 1 percent and liquor, petrol and aviation turbine fuel @ 20 percent. The assessment system under VAT has been totally streamlined and all cases are deemed to have been assessed unless taken up for scrutiny by the Department.

The Central Sales Tax, on sales made in the course of inter-state trade and commerce, is levied under the provisions of the Central Sales Tax Act, 1956 that authorise the states to administer this Act on behalf of the Government of India. The entire collection of this tax is appropriated by the states. This central fiscal enactment has provided to the states a major source of revenue. Under Section 8(5) of the Central Sale Tax Act, 1956, the State Governments have been empowered to reduce the rates of tax on certain class of goods, or class of dealers or traders if it is expedient to do so in the interest of the state. Amendments are carried out by the Government of India under this Act which becomes applicable on the interstate sales from the State and

not on the sales with the State. The Government of India brought down the rate of central Sales Tax from 4 percent to 3 percent against form C with effect from 1st April, 2007 and further reduced it from 3 percent to 2 percent with effect from 1st June, 2008.

The collections of the value added tax and central sales tax in the district during 2001-02 to 2010-11 are given in the table :-

Year	Amount (₹ in lakh)
2001-02	49399.61
2002-03	55287.55
2003-04	74386.96
2004-05	89819.09
2005-06	108545.31
2006-07	128370.78
2007-08	158215.36
2008-09	165026.20
2009-10	160181.30
2010-11	200791.12

Local Area Development Tax.—The Haryana Local Area Development Tax Act, 2000 came into force in the State with effect from 5th May, 2000. The Act provides for levy of tax on entry into a local area of all goods except those specified in Schedule-A for consumption or use in the local area. The rate of tax was initially 4 percent of the value of goods which has been reduced to 2 percent with effect from 1st January, 2003 on goods except petroleum products under the local sales tax law of the state or under the Central Sales Tax Act, 1956. The collections made under this Act in the district during 2001-02 to 2010-11 are as under:-

Year	Amount (₹ in lakh)
2001-02	10478.77
2002-03	11795.74
2003-04	12959.72
2004-05	17036.99
2005-06	23709.61
2006-07	21659.00
2007-08	1846.83
2008-09	736.11
2009-10	791.77
2010-11	879.55

Passenger and Goods Tax (PGT).— The Punjab Passenger and Goods Taxation Act, 1952 came into force on August 1, 1952. The Act provides for a tax on all fares and freights in respect of passengers carried and goods transported in transport vehicles in the State. The rate of tax, which was 25 percent of the fare or freight, was enhanced to 35 percent on July 21, 1967 and 40 percent of the fare and freight. However, in some cases, the levy is charged in lump sum. The Administration of the PGT Act was transferred to the Transport Department in July, 2003. The collections made under the Act in the district during 2003-04 to 2010-11 are as under:-

(₹ in lakh)	
Year	Amount
2003-04	920.82
2004-05	860.84
2005-06	847.76
2006-07	867.87
2007-08	637.77
2008-09	736.11
2009-10	791.77
2010-11	879.55

Entertainment Duty and Tax.— The entertainment duty and tax are levied under the provisions of the Punjab Entertainments Duty Act, 1955 and the Punjab Entertainment Tax (Cinematograph Shows) Act, 1954 (Punjab Act No.8 of 1954), respectively. The rates of duty have been changing over the years. The rates of duty on admission to a show, which had been 50 percent in 1967-68 touched an all time high rate of 125 percent in September 1977. With effect from 1st July, 2001, the entertainments duty has been reduced, on public cinematograph exhibitions to 50 percent for admission, and on all other entertainments to 25 percent for admission. *Swangs, Nautankis, Nataks* and Fish Aquariums were exempted from payment of this duty in June, 2001. Cinema houses were exempted from operation of all provisions of the Punjab Entertainment Tax (Cinematograph Shows) Act, 1954 with effect from 1st July 2001, vide notification dated June 29, 2001. The detail of revenue collected on account of entertainment duty during

2001-02 to 2010-11 is as follows:-

(₹ in lakh)	
Year	Amount
2001-02	66.79
2002-03	53.47
2003-04	46.57
2004-05	39.62
2005-06	30.38
2006-07	34.49
2007-08	119.66
2008-09	136.27
2009-10	122.18
2010-11	140.96

(B) Excise Administration.— Duties of excise, as mentioned in Entry 51 of the List II of the Constitution of India, have been levied on the excisable articles like alcoholic liquor or intoxicating drugs manufactured or produced in the State and countervailing duties at the same or lower rates on similar goods manufactured or produced elsewhere in India. To consolidate and amend the law in relating to import, export, transport, manufacture, sale and possession of intoxicating liquor and of intoxicating drugs, the Punjab Excise Act was enacted in 1914. The other state and central enactments of excise administration enforcement by the Excise and Taxation Department, Haryana are as follows:

- (i) The East Punjab Local Option Act, 1925.
- (ii) The East Punjab Molasses (Control) Act, 1948.
- (iii) The Opium Act, 1878.
- (iv) The Dangerous Drugs Act, 1939.
- (v) The Indian Power Alcohol Act, 1948.
- (vi) The Medicinal and Toilet Preparation (Excise Duties) Act, 1955.
- (vii) The Narcotic Drugs and Psychotropic Substances Act, 1985.

The Dangerous Drugs Act, 1939 has been repealed and replaced by the Narcotic Drugs and Psychotropic Substances Act, 1985 and the Indian Power Alcohol Act, 1948 stands repealed. The Medicinal and Toilet Preparation (Excise Duties) Act, 1955 and the Narcotic Drugs and

Psychotropic Substances Act, 1985 have been enacted by the Government of India. The State Government grants licenses under above enactments and charge levies in accordance with law. The excise revenue collected in the district during 2003-04 to 2010-11 is given as under:-

(₹ in lakh)	
Year	Amount
2003-04	5073.50
2004-05	5389.25
2005-06	5590.85
2006-07	5163.61
2007-08	5607.62
2008-09	6025.77
2009-10	8059.25
2010-11	8960.80

During 2011-12, as many as 166 liquor vends were auctioned in district which fetched revenue to the tune of ₹ 8728.20 lakh.

CENTRAL REVENUE SOURCES

Central Excise Duties.—The central excise is administered by the Central Board of Customs, Central Excise and Service Zone Department of Revenue, Ministry of Finance, Government of India. Panipat range falls in the Rohtak division for central excise duties. The work in the district is looked after by an Assistant Commissioner, who functions under the general control of Commissioner (Central Excise), Rohtak. The main items yielding central excise revenue in the district are handloom, pickles, sugar, molasses, paper, paper board products, petroleum products and vegetable products. The collection of central excise duties during 2004-05 to 2011-12 is given as under:-

(₹ in crores)	
Year	Revenue
2004-05	2143.60
2005-06	3196.02
2006-07	4118.25
2007-08	5370.46
2008-09	4950.79
2009-10	5051.85
2010-11	6373.25
2011-12	6248.05

Income Tax.—The Indian Income Tax Act, 1922 has been replaced by the Income Tax Act, 1961 in April, 1962. The Income tax is levied on a slab of income as approved by law. The rate of income tax varies from year to year in accordance with the Finance Act passed by the Parliament every year.

Wealth Tax.—The Wealth Tax Act, 1957, came into force from the assessment year 1957-58. It is chargeable on the net wealth of an individual and Hindu Undivided Family, if such net wealth exceeds the limit of ₹ 10.00 lakh and ₹ 15.00 lakh respectively.

These taxes are collected by the Central Government through the designated banks directly. The collection from central sources of revenue in the district during the period 2001-2002 to 2010-2011 is given in the table below:-

Year	Amount (₹ in crores)	
	Income Tax	Wealth Tax
2004-05	81.52	--
2005-06	111.74	--
2006-07	118.81	0.91
2007-08	95.39	0.46
2008-09	38.01	0.29
2009-10	29.53	0.32
2010-11	17.87	0.27

Notes and References

¹ Ram Sharan Sharma, *Land revenue in India : Historical Studies*, Delhi, 1971, pp.1, 6

² Settlement report of the Karnal District, 1909 by A. M. Stow, p.8

³ Karnal District Gazetteer, 1976 , p.281

⁴ Karnal District Gazetteers 1883-84, p.221

⁵ Karnal District Gazetteer, 1976, p.290

⁶ The Land Revenue(Land Holdings) Tax was abolished in Haryana on 16th October, 1986

⁷ Under section 3 of the Punjab Land Revenue Act. 1887, a patwari was 'village officer' and was paid from the village officers' cess but in 1906 (vide Punjab Government, Department of Revenue and Agriculture/ Revenue notification Nos. 268 and 269, dated November 22,1906) the liability of the land owners for the payment to patwar staff was abolished.