

CHAPTER XI

REVENUE ADMINISTRATION

History of Revenue Administration

From time immemorial, the land revenue has formed major source of income to the Government. For centuries, it has remained a necessary concomitant to an organised administration. The welfare and prosperity of agricultural classes was closely connected with the settlements of land revenue. On account of its paramount importance, the procedure of its levy, recovery and administrative control over the land gradually underwent numerous changes. The oldest system of collection of land revenue consisted in the taking of a share of the crops which was collected at the harvest time on the thrashing floor and it was one-twelfth to one-sixth of the gross produce in normal times and at times of war or natural calamity, it was raised to one-fourth of the gross produce.

The revenue administration of Kurukshetra district can be traced to the reign of Harsha in 7th century A.D. During his times, land revenue formed the major source of State's income. According to Hiuen Tsang, one-sixth of the land produce was the State's share. It was called *bhaga-kara* or *udranga*.¹ The tenants were required to pay one-sixth of the produce to the king or the person to whom the land was donated. Light duties were also imposed upon the tradesmen.²

Passing of reigns of administration in the hands of Muslim rulers during medieval period did not change the importance of land revenue as the main source of State's income. During this period, Akbar brought about reforms of far reaching importance in the system of revenue administration with the help of Raja Todar Mal. The main features of Akbar's revenue administration evolved during his regime in these circles were measurement of all arable and productive land in terms of standard *bigha*, an estimate of gross produce per *bigha* based on the elaborate classification of soils according to their productiveness and other advantages and the conversion of State's

¹ D. Devahuti, Harsha, A Political Study, 1983, p. 233.

² Ibid, p. 237.

share of the gross produce to money rates calculated on the basis of ten years prices.

The district under Akbar formed part of Delhi *subah* and was included in *sarkar* Sirhind. Thanesar was a *mahal* under *sarkar* Sirhind with an area of 2,28,998 *bighas*. Its annual revenue was 78,50,803 *dames* (a copper coin weighing 315 to 325 grains).

During 18th century, due to uncertain political conditions, the revenue system evolved during Akbar's regime was put to great strains in the district. The area was deprived of settled rule for a long period. In fact, the district became a no man's land, seized some times by the Sikhs and some times by the Marathas. The following observation in Karnal District Gazetteer 1918 speaks itself about the collapse of the revenue system in the district during 18th century:-

“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”.

Gradually, the district was parceled out between a number of Sikh Chieftains. Their revenue system consisted in squeezing the weak and getting as much as they could out of the strong. They took a share of the total produce 1/4th, 1/3rd 2/5th and even 1/2, by appraisalment for some crops. For others, such as paddy, tobacco, cotton, cane and *chari*, cash *bigha* rates were charged. In addition to the share of the produce, numerous cesses were levied. The strong chiefs were able to exact a heavier demand, while the leading men of each village were given an allowance of 3.5 or 10 percent on the revenue collection, the highest rate being given to the strongest villages. In a few exceptional cases, a much larger share of the demand was remitted to powerful communities. The leading zamindars were treated with a greater show of liberality. They were fed at the Chief's expense when they visited him and presents were given on the occasion of marriage in the families of their Chief. There was no check on the exactions of the Chiefs. If the villagers were too pressed for, they abandoned their land and the revenue disappeared with them¹

¹ J.M. Douie, Settlement Report of Karnal- Ambala, 1891, p.10.

The area came under British protection by the Proclamation of May 3rd, 1809. Pipli and Indri were held by the Ladwa and Thanesar Chiefs, while Pehowa *Paragana* was held by the Kaithal Chiefs. These Sikh territories lapsed to British rule at different times, when they were summarily settled. The year of lapse and summary settlements is given below:-¹

State	Date/year of Lapse	No. of Villages		Summary Settlements
		Pipli	Indri	
Thanesar (Bhag Singh's Share)	1832	26	17	Three settlements, First by Capt. Murray and last by Mr. Vansittart.
Kaithal (Most villages transferred to Kaithal tehsil in 1889) (includes Pehowa <i>paragana</i>)	1843	86	10½	Two settlements, by Major Hanry Lawrence and Capt. Abbott.
Ladwa	1846	117	20	Settled by Capt. Abbott
(Bhag Singh's share)	1850	16	29½	Settled by Capt. Larkins

The Summary settlements were with the exception of Captain Larkin's assessment of Thanesar, most oppressive, Captain Murrey's system was to fix revenue by deducting *Pachotra* (5 percent allowance) from the average collection of the preceding years. In Ladwa, Captain Abbotto had for most villages returns of the Raja's realization for previous five years. He struck off the extra cesses,

¹ J.M. Douie, Settlement Report of Karnal- Ambala, 1891, p.10.

which he calculated at 16½ percent and took a cash assessment merely equal to the balance. As the *batai* rate was 1/3rd in some villages and 1/4th in others, Captain Abbott's Assessment of Government took the whole of what we now call the owner's assets. Captain Larkins followed the same process and the result was an excessive assessment.¹

Regular Settlements

First Regular Settlement of Thanesar, 1848-1856.- The lapsed villages of Kaithal State,² afterwards included in Pipli, were assessed by Captain Larkins, Deputy Commissioner of Thanesar when he made the Regular Settlement of Kaithal. The rest of Pipli was included in Thanesar Settlement begun by Mr. Wynyard in 1848 and finished by Captain Larkins in 1856.³ The majority of the villages had been assessed before Mr. Wynyard left the district in 1852. Mr. Wynyard ascertained as nearly as possible the true rental and then left one-third of it as the Zamindar's profit, leaving the remaining two-third as the Government demand. He wanted to make a lenient assessment, which can be easily paid and made heavy remissions from the old demand. He found the summary settlements too severe.

Nevertheless Mr. Wynyard's own settlement, except in the Bet of the Markanda, which was the lost tract, broke down utterly and had to be revised by four different officers in the first ten years of its currency. The cause of this over assessment of wasteland and high rates imposed on dry cultivation.⁴ The unfinished work of Mr. Wynard's settlement was made over for completion of Captain Larkins, the new Deputy Commissioner of Thanesar, in the end of 1852. It was soon found that in very many instances, the villages already settled could not pay the revenue assessed. Captain Larkins was asked to revise all the settled areas and give relief wherever required. He finished the work in 1856. In the next six years after Wynard left the district, three other revisions followed and ten years

¹ J.M. Douie, Settlement Report of Karnal-Ambala, 1891, p. 13-14.

² The present Kurukshetra District included the then Thanesar district and Naili Circle (Pehowa) of Kaithal Tehsil. Though the area of Naili (Pehowa) Circle is not exactly the same as is present Pehowa Tehsil.

³ J.M. Douie, Settlement Report of Karnal –Ambala, 1891, pp. 14.

⁴ Ibid, p. 14

after Wynard left the district, there were few estates settled by him outside the Markanda Bet in which the original assessment stood the test of experience.

The result of different revisions is shown below:-¹

Tract	Regular Settlement by whom made	No. of Estates	Demand of Regular Settlement
Pipli	Wynard	376	Rs 2,48,424
(5 circles)	Larkins	61	Rs. 22,509
	Total :	437	Rs.2,70,933

Captain Larkins in 1856 had reduced the demand to Rs. 2,50,839 but Captain Bush was again asked to revised the assessment and further relief was given in 1859 when he reduced the demand to Rs. 2,36,082. But distress in Thanesar appeared to be chronic and the revenue continued to be realized with the greatest difficulty. Coercive measures were constantly adopted and transfer of farms and even villages were frequent. Revision was again undertaken by Captain Elphinstone in 1860. But before relief could be given, the famine of 1860-61 occurred. A revision was again carried out by Captain Davies in 1861-62, reducing the demand to Rs. 2,23,526. The result of the four revisions was reduction in original demand by 17 percent.

The present Pehowa tehsil was then a part of Kaithal tehsil of Karnal district and the area was more or less covered by the Naili circle of Pehowa. Kaithal lapsed in 1843 and was summarily settled in 1843 for three years by Lawrence. The first Regular Settlement was made in 1847 by Captain Abbott² and revised by Regular Settlement of 1853-56 Captain Larkins. He reduced the original demand by about one fifth. The naili circle was assessed severely. Some trifling reductions were given by Captain Elphinstone and Captain Davies when they revised the Thanesar Settlement.

¹ J.M. Douie, Settlement Report of Karnal – Ambala, 1891, p. 16.

² Ibid, p.16.

Upto 1862, Pipli and Indri were parts of Thanesar district, while Kaithal for some time after annexation was treated as separate charge and settled separately as described earlier. When the Thanesar district was broken up in 1862, Indri *paragana*, Kaithal and Guhla tehsils were annexed to Karnal district while Thanesar (Pipli thesil) was added to Ambala district. Guhla tehsil included the Pehowa *paragana*. This tehsil was broken in 1866, Chika and Kularan going to Kaithal and Pehowa to Pipli. The 89 Pipli villages were transferred to Kaithal in 1889 after settlement¹.

In 1880, it was considered by Mr. Ibbetson that the financial prospects of resettlement were good. Another Regular Settlement was commenced in May, 1882 and concluded in April, 1889. Mr. Thompson was first placed incharge, but Mr. Douie relieved him in Decemper 1882 and conducted the operations till their conclusion. The settlement comprised both reassessment of revenue and revision of the record of rights. The new assessment became operative in Pipli from Kharif 1887 for 20 years. The details of the assessment of the then Pipli tehsil² (present Kurukshetra district) including Naili Circle of Pehowa and Bangar Pehowa, is given in the following table:-

Pipli Tehsil Circles	Old Demand (Rs.)	New Demand (Rs.)
Bet Markanda	84,302	95,120
Khadir	25,784	27,960
Bangar	38,323	41,570
Northern Chachra	46,401	51,110
Southern Chachra	32,800	28,390
Naili Pehowa	21,233	21,510
Bangar Pehowa	11,413	14,230
Total:	2,61,256	2,79,850

¹ J.M. Douie, Settlement Report of Karnal – Ambala, 1891, p. 11-56.

² Ibid, pp. 28-30.

The standard of assessment was fixed by the Government at half the rental or net assess calculated on the basis of rents either in cash or produce paid by tenants-at-will to their landlords. Suitable assessment for the whole circle was made and the rates for each class of soil were also proposed. At the same time, to assist the distribution of revenue over villages, crop rates were revised on the basis of the rates given by the produce estimate. For the assessment of canal lands, the government ordered that the *nehri* (irrigated from canal rates sanctioned should be applied not to any average irrigated areas but to the area recorded as *nehri* in the record of rights.

Regular Settlement, 1904-1909.- The last Regular settlement was conducted from October 1904 to 1909. It came into effect from Kharif 1909 and was sanctioned for 30 years. The settlement for the whole Karnal district (comprising Panipat, Karnal, Thanesar and Kathal tehsils) completed in 1909 but was finally concluded in September 1910. It was started by A.M. Stow, R.Humphreys and concluded by F.W. Kennaway. It resulted in large increase in revenue. The old demand and new demand is given in the following table:-¹

Tehsil	Circle	Old Demand	New Sanctioned demand	Final New Demand	Increase in percent
Thanesar	Khadar	27,400	31,142	31,035	13
	Bangar	41,068	42,746	42,674	4
	Bet Markanda	94,464	1,20,471	1,19,960	27
	North Chachra	51,070	65,112	64,114	27
	South Chachra	26,492	35,251	35,145	33
Kaithal	Naili	61,465	61,500	62,675	2

¹ Karnal District Gazetteer, 1918, pp. 160-161.

The information for Pehowa includes the Naili circle of Kaithal Tehsil. The Demand of Naili Pehowa was Rs. 21,510 which was marginally increased in the 1904-1909 settlement.

In village where the increase was large, the whole demand was not imposed immediately. Part of the assessment was deferred for five and, in some cases, for ten years. The amount of assessment thus deferred, reduction on account of *muafis* (exemptions from land revenue) and protective leases for wells and roadside trees are shown below:-

(Amount in Rs.)

Tehsil	Deferred assessment		Total	Reduction on account of			Total
	1 st Five Year	2 nd Five Year		Muafis	Protective Lease for Wells	Road side Tree	
Thanesar	6,010	1,275	7,285	697	1,529	--	9,511

The settlement worked well for some time. In the thirties the district came into the grip of water depression because of the drop in water table by 7 to 8 feet in a part of Naili circle (Pehowa and Kaithal). In 1936, the forecast report found the district in the grip of water depression and stagnancy, and thus the then Deputy Commissioner anticipated a reduction of about 25 percent in the overall demand as compared with the demand fixed at the time of settlement of 1909.

The circumstances changed thereafter. The land revenue fixed at the last settlement had lost its relationship with income from land, as the price began to rise in 1941 and rent exorbitantly increased. There was a lot of increase in irrigated acreage and other factors combined to bring prosperity to land owners.

In order to avail a share of enhanced income from land, the Government levied surcharge in 1954 under the Punjab Land Revenue (Surcharge) Act, 1954. Under this Act, every land owner who paid revenue in excess of Rs. 10/- was liable to pay a surcharge thereon to

the extent of one quarter of land revenue if the amount payable by him as land revenue did not exceed Rs. 30/- and two-fifth of the land revenue if it exceeded Rs. 30/-.

The special charge was levied under The Punjab Land Revenue (Special Charges) Act, 1958 from the *rabi* harvest of agricultural year 1957-58. The rate of special charge was based on the income tax pattern with different slabs for different categories of land owners. The slab rates were such that the incidence of special charge mainly fell on those who could afford to pay. While the land holders paying revenue (land revenue plus surcharge) upto Rs. 50 had been exempted from the provisions of the Act, those paying more than Rs.1,000/- were subjected to 300 percent increase in land revenue.

A cess on commercial crops, namely, cotton, sugarcane, and chilly at the rate of Rs. 4/- per acre in the case of land which was irrigated by canal water and Rs. 2/- per acre in case of other land had been levied from *Kharif* 1963 under The Punjab Commercial Crops Cess Act, 1963. Areas under commercial crops, sown solely for domestic use upto one *Kanal* in case of chilly and 2 *kanals* in case of sugarcane or cotton, were exempted from this levy.

An additional surcharge on the land revenue at the rate of 50 percent was levied for the development of Kurukshetra University/ town in 1967. Initially, this had been levied for *Kharif* 1967 and *Rabi* 1968, but it was extended for *Kharif* and *Rabi* harvests of the agricultural year 1968-69, under The Haryana Land Revenue (Additional Surcharge) Act, 1969. The levy of additional surcharge was further extended upto 1973-74 but it could only be collected upto 1972-73 on account of enforcement of the Haryana Land Holdings Tax Act, 1973.

The State Government took the view that the collection of these levies had become cumbersome not only for the revenue agency but also for the cultivators. To meet the situation, The Haryana Land Holdings Tax Act, 1973 repealed The Punjab Land Revenue (Surcharge) Act, 1954, The Punjab Land Revenue (Special Charges) Act, 1958; The Punjab Commercial Crops Cess Act, 1973 and The Haryana Land Revenue (Additional Surcharge) Act, 1969 and consolidated these levies into a single tax known as the land holdings tax. Under this Act, the tax was collected on graded system depending upon the quality of soil.

With the repealing of Haryana Land Holdings Tax Act, 1973 and in December 26, 1986, the land holdings tax was abolished altogether.

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*. He 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 an essential requisite (and the next heir would be passed over, if incapable, 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 on record of individual rights or 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 installment of revenue, if paid punctually, and was divided by all the engagers. In fact, it is even said “all the owners shared it proportionally, and that it practically took the form of a mere abetment of revenue in which the whole community had a common interest”.¹

The mode of collection was 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.

In 1830, a field-to field record was introduced and an attempt was made to limit the number of Headmen. It was being ruled that people were to elect new Headmen every year who alone were to enjoy the allowances. This plan was not carried out in its entirety. At the settlement of 1842, the number of Headmen was still excessive and the Settlement Officer was directed to reduce their large number taking as a general standard, one Headman for every Rs. 1,000 of revenue. He found that among the crowd of so-called Headmen, there were generally some who had enjoyed the office for a considerable period either personally or through their ancestors. These he selected

¹ Dengil Charles Jelf Ibbetson Report on the Revision of Settlement of the Panipat Tehsil and Karnal *Parganah* of the Karnal District 1872, p3.

and, as far as possible, gave one Headman atleast to each sub division of a village.

During the settlement of 1909, the arrangements were far from satisfactory particularly in Thanesar Tehsil and the northern portion of Kaithal Tehsil where it was not uncommon to find 3 or 4 Headmen in a village, the total revenue of which was less than Rs.300. Efforts were, however, made for reducing the number of *Lambardars* where the amount of *pachotra* was insufficient 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 in 1872-1880. In Thanesar Tehsil no *Zaildar* was appointed. However, the *Inamdars* were appointed who took their place practically corresponding to *Zaildars* in every respect except for their remuneration. In 1904, there were 14 *Inamdars* in Thanesar Tehsil. During the settlement of 1909, *Zaildars* were appointed throughout the district. The boundaries of Zails though primarily based on tribal distinctions, were slightly altered in order to make them correspond, as far as a possible, with the boundaries of Thanas.

Ibbetson during the settlement of 1879 appointed *Ala Lambardars* but *Ala Lambardars* did not prove to be useful hence this system was abolished in 1909. In the settlement of 1891 *Sufedposhi Inams* with the *Zaildari* system were created.

Till 1948, *Zaildars* and *Sufadoposhes* continues to supervise and assist in the collection of land revenue. They were paid from a portion, usually 1 percent of the land revenue kept aside for the purpose. The institutions of *Zaildari* and *Sufedposhi* were abolished in 1948, revived in 1950 and finally abolished in 1952.

Earlier, *Lambardars* are responsible for the revenue collection on payment of *pachotra*, a cess charged at the rate of 5 percent of the land revenue. But with the abolition of Land Holdings Tax in December, 1986, *Lambardars* are collecting arrears of land holdings tax and are paid *pachotra* at the rate of 3 percent. Besides they are responsible for collecting *Abiana* (water rate) and are paid 3 percent of the collections made.

Revenue Administration and Land Records

The unit of Revenue Administration is an estate which is usually identical with the village. Each of them is separately assessed to land revenue and has a separate record of rights and register of fiscal and agricultural statistics. All its proprietors are, by law, jointly responsible for the payment of land revenue and in their dealings with the Government 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 10 to 15 of these circles form the charge of a Kanungo, whose duty is to supervise the work of Patwaris.

The district has been sub-divided into Tehsils, Kanungo circles, Patwar circles and revenue estates as follows:-

Name of Sub-Division	Tehsil/Sub Tehsil	Name of Kanungo Circles	No. of Patwar Circles on each Kanungo Circle	No. of Revenue Estates in each Kanungo Circle
Thanesar	Tehsil Thanesar	Thanesar-I	13	65
		Thanesar-II	11	39
		Dhurala	12	43
	Sub Tehsil Babain	Babain	8	45
		Sub Tehsil Ladwa	Ladwa	10
	Tehsil Shahabad	Shahabad	13	63
Pehowa	Tehsil Pehowa	Pehowa	14	39
		Murtzapur	15	42
	Sub Tehsil Ismailabad	Ismailabad	9	30
		Total	105	419

The following staff in the Tehsils attends to Revenue work.

Tehsil	No. of Tehsildar	No. of Naib Tehsildar	No. of Office Kanungo	No. of Kanungo	No. of Patwari
Thanesar	1	3	1	5	54
Shahabad	1	1	-	1	13
Pehowa	1	2	1	3	38
Total	3	6	2	9	105

The Head of the Revenue Administration is the Collector (Deputy Commissioner). He is State's steward and is bound to respect and preserve from encroachment every private right in the land 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 damage to crops from causes which are, in any manner, controllable by him. He must encourage and assist in every effort made by a right-holder for development of his estate. As a measure of decentralizing the revenue work, the powers of Collector have been delegated to the Sub Divisional Officers for their respective sub-divisions.

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

The Patwari is an inheritance from the village system of old days.¹ He is appointed for a circle consisting of one or more villages. Besides proper maintenance of records, the Patwari is required to report to the Tehsildar any calamity affecting land, crops, cattle or the agricultural classes, and to bring to his notice alluvial and diluvial action of rivers, encroachments on government lands, the death of revenue assignees and pensioners progress of works made under the agricultural loans and similar laws, and the emigration or immigration of cultivators. He undertakes surveys and field inspections, assists in other Govt., activities like distribution of relief, prepares the *bachh* (distribution of revenue over holdings) papers showing the demand due from each land owner to the village *jama* (land revenue demands). When revenue collections are in progress, he must furnish all information which may be required to facilitate the collections. He himself is not permitted to take any part in the collection of revenue except when any Lambardar refuses to accept the *dhal bachh* (total demand from each land-owner) and no immediate alternative arrangement can be made.

The Patwari is under the immediate supervision of a Circle Supervisor known as kanungo who has been functioning since medieval times. The Kanungo is responsible for the conduct and work of Patwaris. He constantly moves in his circle supervising the work of Patwaris, (except in the month of September when he stays at Tehsil headquarters to check *Jamabandis* received from Patwaris).

The office Kanungo is the Tehsildar's Revenue Clerk. His chief work is the maintenance of statistical revenue records. He has also the charge of the forms and stationery required by Patwaris, keeps the account of mutation fees, records the rainfall and maintains records received from the Patwaris –A well ordered Kanungo's office is important in the efficient revenue management of a Tehsil.

At district headquarters, there is a District or Sadar Kanungo assisted by a Naib Sadar Kanungo. The Sadar Kanungo is responsible

¹ Under Section 3 of the Punjab Land Revenue Act 1887, he 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. 265 and 269, dated Nov., 22, 1906), the liability of the land owners for payment to Patwaris was abolished.

for the efficiency of Kanungos and should be in camp 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 copies of the prescribed statistical registers for each assessment circle, Tehsil and the district.

Land Reforms

Prior to the British occupation, the nature of the peasants' tenure cannot be described accurately in precise legal terms. The tenancy system was the outcome of the time, when life was disturbed and armies traversed through a tract of "no-man's land" from one corner to the other. This happened during the fall 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 famines, the area was desolate; the people fled leaving behind deserted villages and fields. To encourage habitation, the British leased out patches of wasteland and deserted villages to influential and powerful persons of other villages who further sublet these wastelands to landless people. Thus came into existence the two classes - the landlords and the tenants. The tenants worked under the fear of insecurity and ejection by the landlords.

The landlords mainly consisted of *Bhais* or the Sikhs. The landlords were neither considerate nor did they grant any concession in a season of scarcity. On the contrary, the sole aim was to squeeze as much out of the estate as possible.

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, a tenant to qualify for the right of occupancy, must have held the land at revenue rates for 30 years or the third generation of a family which had held the land at revenue rates for 30 years or the third generation of a family which had held the land at revenue rates for 20 years or be an ex-proprietor or heir of an ex-proprietor with proprietary and tenant-at-revenue rates status of 20 years standing. Evidently, only a few could qualify. The other tenants who had no right of occupancy and did not hold for a fixed term could be ejected at the end of any

agricultural year. This position continued throughout the British regime. Thus the security of tenure assured to a tenant before independence was nominal. After independence, the Government decided to introduce land reforms especially to carry out its policy of land to the tillers in order to improve the conditions of tenants and increase agricultural production. To eliminate intermediaries and provide adequate security against eviction and enhancement of rents, the Government enacted the following laws:-

1. The East Punjab Utilisation of Lands Act, 1949.
2. The Punjab Abolition of Ala Malikiyat and Talukdari Rights Act, 1952.
3. The Punjab Occupancy Tenants (Vesting of Proprietary Rights) Act, 1952.
4. The Punjab Bhudan Yagna Act, 1955.
5. The Punjab Resumption of Jagirs Act, 1957.
6. The Punjab Village Common Lands (Regulation) Act, 1961.
7. The Haryana Ceiling on Land Holdings Act, 1972.

Under the East Punjab Utilisation of Lands Act, 1949, the Government enforced the utilization of every inch of available culturable land for growing more food and other essential crops. Under this Act, a notice to take over the land is served on every landowner who allows his land to remain uncultivated for 6 consecutive harvests or more and the land thus taken over is leased out to others for a term ranging from 7 to 20 years, priority being given to Scheduled Castes.

Under the Punjab Abolition of Ala Malikiyat and Talukdari Rights Act, 1952, all rights, titles and interests of an *ala malik*. In the land held under him by an *adna malik* were abolished and the *adna malik* was required to pay compensation for proprietary rights. The Punjab Occupancy Tenant (Vesting of Proprietary Rights) Act, 1952, declared all the occupancy tenants as the owners of the land.

The Punjab Security of Land Tenures Act, 1953 (as amended upto date) not only reduced the acreage which could be reserved but also specifically prohibited ejection of tenants from all unreserved areas except in case of default in payment of rent or improper cultivation. Section 9-A enacted vide Act No. XI of 1955, provided that no tenant liable to ejection 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 or to the customary rent, if it was lower. However, payment for services provided by the landlord was excluded from the computation of rent. The Act further extended the opportunities for tenants to become owners. A tenant of 4 years standing acquired a right of pre-emption at sales or foreclosures but more important than that, tenants of 6 year's standing were allowed to buy un-reserved area from their landlords at three quarters of the 10 years average of prices of similar land.

Government was further empowered to utilize the surplus area of both land owners and tenants for the resettlement or ejected tenants, landless labourers and small landowners. 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 upto 30 standard acres, cannot eject a tenants under the Act from 5 standard acres of land unless the tenant has been settled by the Government on surplus area.

The work of assessment of area under the Act made considerable headway By March, 2004, 779 cases of surplus land were decided and 2200 acres of land was declared surplus in the district. The 42 cases of surplus land of 721 acres were pending in various courts.

The State Government gives financial assistance to those tenants and landless agricultural workers who are being resettled on the surplus area for reclamation purposes and advances loans for building houses and sinking wells.

In 1972, on the recommendations 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 related 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 atleast two crops in a year, 10.9 hectares of land under assured irrigation capable of growing atleast 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 $1/5^{\text{th}}$ of the permissible area of the primary unit is permitted for each additional individual member, provided that the total 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 like Scheduled Castes, Backward Classes, landless workers, agricultural labourers and others. For utilization of surplus area, the Haryana Utilisation of Surplus and other Areas Scheme, 1976 was notified on May 28, 1976. By March, 2004, the total surplus land has been allotted to 662 eligible allottees out of which 375 allottees were Scheduled Caste.

The Punjab Bhudan Yagna Act, 1955, was passed to promote Bhudan Movement, with the object of resettling landless cultivators on land received through voluntary donations.

Under the Punjab Resumption of Jagirs Act, 1957, all *Jagirs*, *Muafis* and *Jagir* pensions, excepting military *jagirs* or grants made to religious or charitable institutions granted on or before August 4, 1914 were resumed.

Consolidation of Holdings

A characteristic feature of peasant land tenure and cultivation over a length of time has fragmented holding which usually consisted of small, and often, many strips of land, lying between the fields of other peasants. This applied to both tenants and peasants. The tiller found it difficult and wasteful looking after crops scattered at different

places, and it was also cumbersome to maintain long channels and watercourses. Systematic and large scale development was not possible when the holdings were small and fields lay scattered.

The process of bringing together small and fragmented pieces of land into a compact block for better and intensive cultivation is known as the consolidation of holdings. Consolidation assists in using modern agricultural implements and particularly tractor cultivation. It also helps in reclaiming virgin land, if any, is available in a particular village. Provision is also made to find areas for utilities as much as circular and approach roads and for institutions like, *Panchayat ghars* and schools. Consolidation brings about a revolution in economic structure of land tilling.

Consolidation of land holdings was being carried out in Punjab by the Co-operation Department since 1930 but in the absence of compulsion, it did not make much headway. To make up deficiency, the State Government enacted the East Punjab Holdings (Consolidation and Prevention of Fragmentation) Act, 1948 and created a separate Consolidation Department in 1949. By March 31, 2004, consolidation work had been completed in all the villages of Thanesar and Pehowa tehsils (except Lohar Majra and Phalsanda Jattan villages) in Thanesar Tehsil where consolidation work had been taken up.

Other Sources of State and Central Revenue

With the passage of time, the importance of other sources of revenue such as stamp duty, registration fee, sales tax, central excise duties and income tax, etc., gradually increased and that of land revenue declined. With the abolition of land holdings tax in December, 1986 in Haryana, the land revenue as a source of State's income lost its historic importance. Now the Government depends upon other sources of revenue both State and Central.

State Sources of Revenue

The State Government derives its revenue from various other sources which are described briefly:-

Stamp Duty.- This duty is collected under the Court Fees Act, 1870 and the Indian Stamp Act, 1899. Both the Acts have been amended a

number of times. The Court Fees Act was amended by Court Fees (Haryana Amendment) Act, 1974, while the Indian Stamp Act was amended by the Haryana Act, No.7 of 1967. These Acts required the Collector (Deputy Commissioner), District Judge and Sub-Judges to ensure that the application for all suits and other relevant documents are properly stamped according to schedule.

Registration Fee.- The Deputy Commissioner is the Registrar in the district. The Tehsildars and Naib Tehsildars are Sub Registrars and Joint Sub Registrars respectively. Appeals from the orders of the Sub Registrars and Joint Sub Registrar are heard by the Registrar. The Inspector General of Registration, Haryana, Chandigarh exercises general superintendence over all the registration offices in the State and has power to make Rules consistent with the Indian Registration Act, 1908.

Administration of Excise and Taxation

The Excise and Taxation Department has a major role in the collection of tax revenue. At the district level, the work of tax collection is divided in two parts. The administration of Taxation Statutes is supervised by the Deputy Excise and Taxation Commissioner (Sales Tax), Kurukshetra and the Excise Statutes by the Deputy Excise and Taxation Commissioner (Excise).

For the tax administration, the Deputy Excise and Taxation Commissioner (Sales Tax), Kurukshetra is assisted by 7 Excise and Taxation Officers, (6 posted at Kurukshetra and one in sub-office at Shahabad) and 2 Assistant Excise and Taxation officers posted at Kurukshetra for sales tax work. Besides other supporting staff, 14 taxation Inspectors are posted in the district.

The Deputy Excise and Taxation Commissioner (Sales Tax), Kurukshetra functions under the supervision of the Joint Excise and Taxation Commissioner (Range), Ambala. However, the ultimate control and supervision lies with the Excise and Taxation Commissioner, Haryana, Chandigarh. The appellate authority in respect of taxation statutes for this district is the Joint Excise and Taxation Commissioner (Appeals), Ambala.

The Deputy Excise and Taxation Commissioner (Excise) is assisted by one Assistant Excise and Taxation Officer, 4 Excise

Inspectors and other supporting staff i.e. Assistants, Clerks and Peons etc. The Deputy Excise and Taxation Commissioner (Excise) functions under the supervision of the Joint Excise and Taxation Commissioner (HQ), Haryana, Chandigarh. However, the ultimate control and supervision is that of the Excise and Taxation Commissioner, Haryana, Chandigarh.

Tax Administration

The State and Central Acts 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 Passangers 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 from 1st April, 2003. The Haryana Value Added Tax Act, 2003 was introduced in place of the Haryana General Sales Tax Act, 1973. The VAT Act is also available on the website of the Department at www.haryana.tax.com.

Like sales tax, VAT is a tax on sale or purchase of moveable goods. It is a simple, transparent and efficient system of sales tax collection. It is a major fiscal statute. The policy of the State Government in charging this tax is to minimise the burden of tax on people who can ill-afford the burden and to pass on to those who can afford to bear the same. With this end in view, some of 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. 4 percent, 10 percent and 12 percent. Apart from these three rates, there is a list of exempted goods. Besides, bullion and jewellery attract tax @ 1 percent and liquor, petrol and aviation turbine fuel @ 20 percent. Details of tax rates for various categories are available on the website.

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. Unlike many other States, Haryana shall continue to have no barrier Policy at State borders.

The collections of the sales tax, VAT and Central Sales Tax in the district during 2000-01 to 2003-04 are given below:-

Year	Amount (Rs. in lakhs)
2000-01	3,272.37
2001-02	3,520.51
2002-03	3,959.18
2003-04	4,712.20

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 therefrom has been paid 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 2000-01 to 2003-04 are as under:-

Year	Amount (Rs. in lakhs)
2000-01	--
2001-02	0.01
2002-03	16.49
2003-04	12.75

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 lumpsum.

The collections made under the Act in the district during 2000-01 to 2003-04 are as under:-

Year	Amount (Rs. in lakhs)
2000-01	919.77
2001-02	987.81
2002-03	1,079.17
2003-04	983.93

The Administration of the PGT Act. was transferred to the Transport Department with effect from 1-7-2003.

Entertainment Tax.- With effect from 1-7-2001, the Entertainment Tax has been reduced from 125 percent to 50 percent on Public Cinematographs and 25 percent on other entertainments, whereas *Swangs, Nautankis, Nataks* and Fish Aquariums have been exempted. Show Tax has been totally abolished w.e.f. 1-7-2001.

The revenue collected from Entertainment Tax and Show Tax under the Punjab Entertainment Duty Act, 1955 and Punjab Cinematograph Shows Tax Act, 1954, for the period from 2000-01 to 2003-04 is as under:-

Year	Amount (Rs. in lakhs)
2000-01	26.60
2001-02	27.00
2002-03	15.74
2003-04	11.12

Excise Administration

The State and Central Acts enforced by the Excise and Taxation Department on the excise side are:-

1. The Punjab Excise Act, 1914.
2. The East Punjab Local Option Act, 1925.

3. The East Punjab Molasses (Control) Act, 1948.
4. The Opium Act, 1878.
5. The Dangerous Drugs Act, 1939.
6. The Indian Power Alcohol Act, 1948.
7. The Medicinal and Toilet Preparation (Excise Duties) Act, 1955.
8. The Narcotic Drugs and Psychotropic substances Act, 1985.

The Acts mentioned at Sr. No. 1 to 4 (Excise Administration) are administered by this department. The Acts at Sr. No. 5 & 6 stand repealed. So far Act at Sr. No. 7 & 8 is concerned, the enactment is made by the Government of India. The licenses have been granted in Haryana State, the levies prescribed are being charged by the State. The Act mentioned at serial No. 5 had been replaced by the Act mentioned at Sr. No. 8.

The Excise revenue collected in the district during 2000-01 to 2003-04 is given as under:-

Year	Amount (Rs. in lakhs)
2000-01	3,372.39
2001-02	3,375.80
2002-03	3,441.21
2003-04	3,540.08

During the 2003-04, 64 liquor vends were auctioned in Kurukshetra district but no liquor vend was allowed to be opened in the Municipal limits of Kurukshetra and Pehowa cities due to their holy sanctity.

Central Sources of Income

Central Excise Duties.- The central excise is administered by the Government of India. This department is represented in the district by the Superintendent, who functions under the control of Assistant Collector, Central Excise, Ambala.

The main items yielding central excise revenue in the district include sugar, molasses, paper, paper board products and vegetable products.

The collections of central excise duties in the district during 2000-01 to 2003-04 from various items were as under:-

Rs. in Lakhs.					
Sr. No.	Items	2000-01	2001-02	2002-03	2003-04
1.	Sugar	509.20	586.52	656.06	704.64
2.	Molasses	161.78	263.37	224.50	251.83
3.	Paper Board	356.34	421.27	437.40	340.67
4.	Vegetable products	0.02	-	1.02	65.74

Income Tax.- The Indian Income Tax Act, 1922 has been replaced by the Income Tax Act, 1961 with effect from April 1, 1962.

Estate Duty.- The Estate Duty Act, 1953 (34 of 1953) came into force on October 15, 1953. The duty was leviable on the estate of these dying after this date. Proceedings for this levy have to be initiated within 5 years of the death but no time has been fixed for the completion of assessment. The Estate duty was abolished in March, 1985.

Wealth Tax.- The wealth Tax Act, 1957, came into force from the assessment year 1957-58. In case of an individual the tax is leviable if the net wealth exceeds Rs. 10.00 lakhs and in case of Hindu Undivided Family if it exceeds Rs. 15.00 lakhs.

Gift Tax.- The Gift Tax Act, 1958, was enforced on April 1, 1958. It is leviable subject to certain exemptions on all gifts made after April 1, 1957 if the total value of the gift (moveable and immovable) exceeds Rs. 25,000/-.