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Urban Land Policies and City Planning, Town Planning Schemes in India, etc.



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#### **Editorial**



Like most previous issues of this journal, planners are yet again engaged in resolving issues of spatial planning. The opening paper titled 'Land Acquisition and Assembly of Land: A Comparative Assessment of two Acts' by D. S. Meshram presents a comparative analysis of land acquisition acts. This paper compares major provisions of the former colonial Land Acquisition Act, 1894 and the more recent Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. It is found that the 2013 Act is comprehensive, includes more stakeholders, provides better compensation and allows use of double crop agriculture land only under extraordinary circumstances. Although it protects the interests of farmers and those dependent on agriculture for their livelihoods, it makes land acquisition a tedious process. This perhaps is the reason that very little land is acquired under the 2013 Act. A paper titled 'Town Planning as a Social Service or a Commercial Activity' is written by A. R. Patharkar. In this paper he explains how the function of town planning, which started as a social service got converted into a commercial activity by the use of tools such as transferable development rights, floor space index, and premium floor space index. Implementation of such tools continues unabated, limiting the capacity of city planning to create better urban form. The author suggests that there is a need to rethink about planning in our cities.

Land remains critical to development in a growing economy like that of India. Appropriately titled 'Land Appropriation for Planned Urban Development: A Case of Delhi's Land Pooling Policy, 2013', Ashok Kumar presents a critique of the land pooling policy of Delhi Development Authority. In this paper, the author examines a shift in favor of land assembly as a method of procuring land for city development in Delhi with the illustration of the Land Pooling Policy, 2013. He argues that if most severe housing shortage is felt by the lower income groups, then most of the residential FAR should have been used for housing the poor. Instead this policy treats EWS as people who would use extra FAR. Although the policy is based on the free market principles, even here it does not completely succeed because it has created such a cumbersome process of producing built environment that the private sector is likely to be less interested in this land policy. 'Urban Land Policies and City Planning' is the paper written by Rajesh S. Phadke. This paper focuses firstly on how to obtain land for public purposes including physical and social infrastructure. Its second focus is to use this land for inclusive development and third aspect is centered on how to raise finances through the process of land development. These three points are discussed with the help of illustrations of Navi Mumbai, Lavasa and the GIFT city. Lessons learnt from these illustrations are also described.

Kiran Shinde writes on 'Navi Mumbai CIDCO Projects and Land Acquisition'. It is explained that a part of un-acquired land went to the new airport project from CIDCO for the building of Navi Mumbai International Airport. In order to provide equivalent land to CIDCO, Government of Maharashtra decided the land acquisition route. This paper discusses the process of land acquisition under the new Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. The sixth paper is written by Pradeep Kapoor, and the paper is titled 'Development through Corridor



Development: Investment Opportunities in DMIC, Rajasthan'. This paper provides a brief discussion on the Delhi - Mumbai Industrial Corridor focused on creating the state of the art freight related infrastructure with the help of Foreign Direct Investment (FDI) among other sources of funding. Five nodes falling in the state of Rajasthan are discussed along with their strengths. It is found that in spite of the fact that relevant legislation has been enacted by the state government and also some of the development plans have been prepared, implementation of development plans is yet to start due to lack of political support, making the state lag behind other states which are part of the DMIC.

The next two papers are focused on land procurement for the development of state capital cities for the newly established states of Chhattisgarh and Andhra Pradesh. The paper by Rohit Khandelwal is titled 'Land Procurement Mechanism for Greenfield City: A Case Study of Naya Raipur'. In spite of the fact that Raipur remained the state capital of Chhattisgarh for several years, after bifurcating from the state of Madhya Pradesh, the newly created state of Chhattisgarh needed a new capital. That need was fulfilled with the construction of Naya Raipur, a city being built adjacent to Raipur. This paper describes the land procurement policy and associated processes followed by the state government in order to procure land for the city of Naya Raipur. The author argues that this has been a successful land procurement effort for building a city. P. Suresh Babu has written the paper titled 'Land Procurement Methods in the Amaravati Capital City of the State of Andhra Pradesh'. This paper describes land procurement processes adopted for assembling land for building the state capital of Andhra Pradesh. AP Land Pooling scheme was a voluntary land pooling scheme whereby conditions of compulsory acquisition did not exist. Andhra Pradesh Capital Region Development Authority provided guaranteed returns on the reconstituted land in the form of plots and payment of cash benefits to land owners for every acre of land procured. However, challenges about adequacy of compensation remain.

The last paper is written by N. K. Patel and the paper is titled 'Town Planning Schemes in India'. This paper begins by providing a comprehensive view of town planning schemes as they are implemented globally, in India and in the state of Gujarat. It is claimed that the TPS as a tool for city development has been very successful, particularly in Ahmedabad where 95 per cent of Ahmedabad urban area is developed through town planning schemes and the city has fairly well developed infrastructure. A number of town planning schemes are also discussed.

Land procurement versus bulk land acquisition are two controversial methods and processes of securing land for development. Striking balance between land as a commodity to be sold freely in the market place, and land as a social good to be used for egalitarian ends remain open ended. A great deal of thinking and evidence based critical research is required before a satisfactory answer is found. Ideologically driven quick fixes may not serve the public purpose of inclusive planning and development with equitable access to developed land.

Ashok Kumar, Ph.D. Editor



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**Town Planning Scheme in India** N. K. Patel



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D. S. Meshram



### A Comparative Analysis of LAA, 1894 and LARRA, 2013

D. S. Meshram, Ph.D.

#### **Abstract**

This paper compares major provisions of the former Land Acquisition Act, 1894; and the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act (LARRA), 2013. The author observes that the 2013 Act is comprehensive, includes more stakeholders, provides better compensation and allows use of double crop agriculture land, under extraordinary circumstances. Although it protects the interests of the farmers and those dependent on agriculture for their livelihoods, it makes land acquisition a tedious and cumbersome process. This perhaps is the reason that very little success is received in acquisition of land under the 2013 Act.

#### 1. INTRODUCTION

In terms of land cover India ranks seventh largest in the world having about 3.28 million square kilometer of land, while in terms of population it ranks the second highest having 846 million in 1991, 1,003 million in 2001, and 1,230 million in 2011. As the land resource is limited, the land man ratio in India has dropped rapidly from 1.28 hectare per capita in 1901 to 0.36 in 1991, while the corresponding figure for China is 0.81 (Fig. 1). Projection of land man ratio by 2051 of India has been estimated at 0.17 hectare per capita and that for China it will be 0.66 hectare. Thus, in terms of area, India has the most discouraging land man ratio, which becomes more acute as 10 percent of this available land is topographically unusable. This scenario clearly indicates that land in the context of India is a very finite and scarce resource, therefore, land is not only required to be used in a judicious manner but it also needs to be exploited to the fullest extent possible.

Rapid growth of population and urbanization has resulted in increasing demand for urban land, primarily for housing, educational, commercial, industrial, and recreational uses. Ever increasing growth in socio-economic activities in towns and cities are leading to more and more demand for urban land. However, as most of the land in India is owned by individuals or groups (families) there is no other alternative but to procure land as owners would not voluntarily part with their lands for urban development.

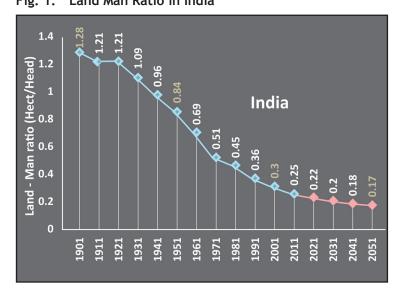
In India, the first such regulation for acquisition of land or property was introduced in colonial Bengal in the form of Regulation 1 of 1824, which provided rules to obtain land at fair valuations for public purposes. However, in the middle of

D. S. Meshram, Ph.D., President, Institute of Town Planners, India



ed for Fig. 1: Land Man Ratio in India

the 19th century, the need for legislation for acquiring lands was much more pronounced for the development of Railways, leading to the enactment of the Act XLII of 1850 declaring that railways are public works and enabled the provisions of regulation 1 of 1824 to be used for acquiring lands for the construction of railways. In Bombay, the Building Act of 1839 was the first such legislation in which acquisition of land for widening or altering any existing public roads, streets or drains or for making any new public roads, etc.; within the islands of Bombay and Colaba was



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introduced. For the purposes of making the general law for acquisition of land for public purposes, all the earlier enactments were repealed and Act - VI of 1857 was introduced for whole of colonial India with the objective to make provision for the acquisition of lands, needed for public purposes within the territories and under the governance of the East India Company and for the determination of the amount of compensation for the properties acquired. However, as the method of settlement of compensation was arbitrary and unsatisfactory, an Act - X of 1870 was promulgated, which laid down a detailed procedure and also rules for the determination of compensation for acquisition. In 1885, the separate Act - XVIII of 1885 was passed for compensation to the owners of mines. To make all these pieces of legislations cohesive and comprehensive, the Land Acquisition Act of 1894 was passed and was applied to the whole of British India.

#### 2. SALIENT FEATURES OF THE LAA - 1894

The preamble of the Land Acquisition Act, 1894 reads "An Act to amend the law for the acquisition of land for public purposes and for the companies. Whereas it is expedient to amend the law for the acquisition of land needed for public purposes and for companies and for determining the amount of compensation to be made on account of such acquisitions". Thus, it is quite clear that this act is created to acquire the land for public purposes and for companies.

Under Section - 4 the publication of preliminary notification was mandatory to be published in the official gazette declaring that the land is likely to be needed for any public purpose, which includes the provision of village sites, or the extension, planned development or improvement of existing village sites; the provision of land for town or rural planning; the provision of land for planned development of land from public funds in pursuance of any scheme or policy of government and subsequent disposal



thereof in whole or in part by lease, assignment or outright sale with the object of securing further development as planned; the provision of land for a corporation owned or controlled by the State; the provision of land for residential purposes to the poor or landless or to persons residing in areas affected by natural calamities, or to persons displaced or affected by reasons of the implementation of any scheme undertaken by government, any local authority or corporation owned or controlled by the State; the provision of land for carrying out any educational, housing, health or slum clearance scheme sponsored by government or by any authority established by government for carrying out any such scheme, or with the prior approval of the appropriate government, by a local authority, or a society registered under the Societies Registration Act, 1860 (21 of 1860), or under any corresponding law for the time being in force in a State, or a cooperative society within the meaning of any law relating to cooperative societies for the time being in force in any State; the provision of land for any other scheme of development sponsored by government or with the prior approval of the appropriate government, by a local authority; and the provision of any premises or building for locating a public office, but does not include acquisition of land for companies.

While the expression "Company" includes a company as defined in Section - 3 of the Companies Act, 1956 (1 of 1956), other than a government company (corporate owned for control by state); a society registered under the Societies Registration Act, 1860 (21 of 1860), or under any corresponding law for the time being in force in a state, other than a society (corporate owned for control by state); and a cooperative society within the meaning of any law relating to cooperative societies for the time being in force in any state, other than a cooperative society (corporate owned for control by state).

After declaration that land is needed for a public purpose and for a company as the case may be the government may acquire the land under Section - 6 and accordingly the Collector could take order for acquisition under Section - 7 and cause public notice to be given. Such notice shall state the particulars of the land and shall require all persons interested in land to appear personally before him under Section - 9. When the Collector has made an award under Section - 11, he may take possession of the land thereupon which vests absolutely in government free from all encumbrances. On making an award under Section - 11, the Collector shall tender the payment of the compensation awarded by him to the persons entitled thereto according to the award and shall pay it to them.

Any person interested who has not accepted the award made by the Collector under Section - 11, the matter may be referred to the court under Section - 18. The court while determining the compensation to be awarded under Section - 23 for land acquired under this Act needs to take into consideration,

• first, the market value of the land at the date of publication of the notification under Section - 4, sub-section 1;



- secondly, the damage sustained by the person interested by reason of the taking of any standing crops, and trees which may be on the land at the time of the Collector's taking possession thereof;
- thirdly, the damage sustained by the persons interested at the time of the Collector's taking possession of the land by reason of severing such lands from other land;
- fourthly, the damage sustained by the person interested, at the time of the Collector's taking possession of the land by reason of the acquisition injuriously affecting his other property, movable or immovable, in any other manner, or his earnings;
- fifthly, in consequence of the acquisition of the land by the Collector, the person interested is compelled to change his residence or place of business, the reasonable expenses incidental to such change, and
- sixthly, the damage bonafide resulting from diminution of the profits of the land between the time of the publication of the declaration under Section - 6 and the time of the Collector's taking possession of the land.

In addition to the market value of the land, as provided above, the Court shall in every case award an amount calculated at the rate of twelve percent per annum on such market value for the period commencing on and from the date of the publication of the notification under Section - 4, sub-section 1, in respect of such land to the date of the award of the Collector or the date of taking possession of the land, whichever is earlier. In computing the period referred to in this subsection, any period or periods during which the proceedings for the acquisition of the land were held up on account of any stay or injunction by the order of any Court shall be excluded. In addition to the market value of the land as above provided, the Court shall in every case award a sum of thirty percent on such market value, in consideration of the compulsory nature of the acquisition.

However, Section - 25 specifically provides that the amount of compensation awarded by the Court shall not be less than the amount awarded by the Collector

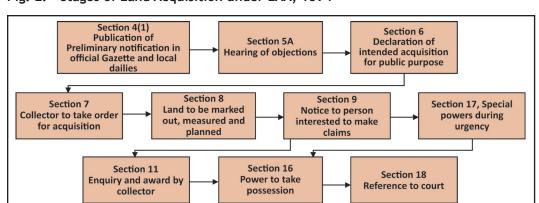


Fig. 2: Stages of Land Acquisition under LAA, 1894

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under Section 11 and the Collector can also be directed under Section - 28 to pay interest on excess compensation. The stages of land acquisition under LAA, 1894 are given in Fig. 2. One of the most important features of the LAA, 1894 is bestowing special powers to government under Section - 17. In case of urgency whenever government directs the Collector, no such award has been made, may be on the expiration of 15 days from the publication of the notice mentioned in Section - 9 sub-section 1, could take possession of any land needed for the public purpose and such land thereupon vests absolutely in the government free from all encumbrances. Thus, the principle of *eminent domain* prevails.

#### 3. SALIENT FEATURES OF THE LARRA, 2013

The preamble to the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 reads "An Act to ensure, in consultation with institutions of local self-government and Gram Sabhas established under the Constitution, a humane, participative, informed and transparent process for land acquisition for industrialization, development of essential infrastructural facilities and urbanization with the least disturbance to the owners of the land and other affected families and provide just and fair compensation to the affected families whose land has been acquired or proposed to be acquired or are affected by such acquisition and make adequate provisions for such affected persons for their rehabilitation and resettlement and for ensuring that the cumulative outcome of compulsory acquisition should be that affected persons become partners in development leading to an improvement in their post-acquisition social and economic status and for matters connected therewith or incidental thereto." Thus, the main object of the Act is to acquire the land with list disturbance to the owners of the land and other affected families and to make provisions for their rehabilitation and resettlement.

The provisions of Section - 2 relating to land acquisition, compensation, rehabilitation and resettlement shall apply when the Government acquires land for its own use, hold and control including Public Sector Undertaking and for public purpose is given below.

- for strategic purposes relating to naval, military, air force, and armed forces
  of the Union, including central paramilitary forces or any work vital to
  national security or defence of India or State police, safety of the people; or
- for infrastructure projects, which includes: all activities or items listed in
  the notification of the Government of India in the Department of Economic
  Affairs (Infrastructure Section) number 13/6/2009 INF, dated the 27th March,
  2012, excluding private hospitals, private educational institutions and private
  hotels; projects involving agro processing, supply of inputs to agriculture,
  warehousing, cold storage facilities, marketing infrastructure for agriculture
  and allied activities such as dairy, fisheries, and meat processing, set up or
  owned by the appropriate government or by a farmers' cooperative or by an



institution set up under a statute; project for industrial corridors or mining activities, national investment and manufacturing zones, as designated in the National Manufacturing Policy; project for water harvesting and water conservation structures, sanitation; project for government administered, government aided educational and research schemes or institutions; project for sports, health care, tourism, transportation or space program; and any infrastructure facility as may be notified in this regard by the Central Government and after tabling of such notification in Parliament;

- project for affected families;
- project for housing for such income groups, as may be specified from time to time by the appropriate government;
- project for planned development or the improvement of village sites or any site in the urban areas or provision of land for residential purposes for the weaker sections in rural and urban areas; and
- project for residential purposes to the poor or landless or to persons residing
  in areas affected by natural calamities, or to persons displaced or affected by
  reason of the implementation of any scheme undertaken by the Government,
  any local authority or a corporation owned or controlled by the State.

The provisions of this Act relating to land acquisition, consent, compensation, rehabilitation and resettlement, shall also apply, when the government acquires land for the purposes: (a) public private partnership projects, where the ownership of the land continues to vest with the Government, for public purpose as defined in sub-section (1); for private companies for public purpose, as defined in subsection (1): provided that in the case of acquisition for: private companies, the prior consent of at least eighty per cent, of those affected families, as defined in sub-clauses (i) and (v) of clause (c) of Section - 3; and public private partnership projects, the prior consent of at least seventy per cent, of those affected families, as defined in sub-clauses (i) and (v) of clause (c) of Section - 3, shall be obtained through a process as may be prescribed by the appropriate government: provided further that the process of obtaining the consent shall be carried out along with the Social Impact Assessment study referred to in Section - 4: Provided also that no land shall be transferred by way of acquisition, in the Scheduled Areas in contravention of any law (including any order or judgment of a court which has become final) relating to land transfer, prevailing in such Scheduled Areas.

The provisions relating to rehabilitation and resettlement under this Act shall apply in the cases where:

- a private company purchases land, equal to or more than such limits in rural areas or urban areas, as may be prescribed by the appropriate government, through private negotiations with the owner of the land in accordance with the provisions of Section - 46;
- a private company requests the appropriate government for acquisition of a part of an area so prescribed for a public purpose. Provided that where a



private company requests the appropriate Government for partial acquisition of land for public purpose, then, the rehabilitation and resettlement entitlements under the Second Schedule shall be applicable for the entire area which includes the land purchased by the private company and acquired by the government for the project as a whole.

Under Section - 4, the preparation of Social Impact Assessment study is mandatory whenever government intends to acquire land for public purpose within the period of 6 months from the date of its commencement which needs to be made available to the public under Section - 6. The Social Impact Assessment study needs to include:

- assessment as to whether the proposed acquisition serves public purpose;
- estimation of affected families and the number of families among them likely to be displaced;
- extent of lands, public and private, houses, settlements and other common properties likely to be affected by the proposed acquisition;
- whether the extent of land proposed for acquisition is the absolute bareminimum extent needed for the project;
- whether land acquisition at an alternate place has been considered and found not feasible; and
- study of social impacts of the project, and the nature and cost of addressing them and the impact of these costs on the overall costs of the project vis-avis the benefits of the project.

It is also made clear in the Act that the Environmental Impact Assessment study, if any, shall be carried out simultaneously and shall not be contingent upon the completion of the Social Impact Assessment study.

It is also expedient on the part of government to have public hearing of the SIA and also publish it under Section - 6, and to make the appraisal of SIA Report by the Expert Group under Section - 7. Besides, under Section - 8, the government needs to ensure to examine proposal for land acquisition and social impact assessment report, so as to establish that there is a legitimate and bonafide public purpose for proposed acquisition and to examine the potential benefits and the public purpose and shall outweigh the social cost and adverse social impact as determined by SIA. Only the minimum area of the land is required for the project should be proposed for acquisition under Section - 8.

Under Section - 10, it is mandatory not to acquire irrigated multi-cropped land and needs to be acquired subject to the condition that it is being done under exceptional circumstances. Whenever multi-cropped irrigated land is acquired under sub-section 2 of Section - 10 an equivalent area of culturable waste land shall be developed for agricultural purposes or an amount equivalent to the value of the land acquired shall be deposited in government for investment in agricultural for enhancing the food security.



Under Section - 16, after the publication of preliminary notification under sub-section 1 of Section - 11 the administrator for rehabilitation and resettlement shall conduct a survey and undertake a census of the effected families which shall include:

- particulars of lands and immovable properties being acquired of each affected family;
- livelihoods lost in respect of land losers and landless whose livelihoods are primarily dependent on the lands being acquired;
- a list of public utilities and government buildings which are affected or likely to be affected, where resettlement of affected families is involved;
- details of the amenities and infrastructural facilities which are affected or likely to be affected, where resettlement of affected families are involved; and
- details of any common property resources being acquired.

Under Section - 18, the Commissioner shall cause the approved rehabilitation and resettlement scheme shall publish in the prescribed manner and upload on the website.

The Collector is duty bound under Section - 25, to make an award within a period of 12 months from the date of publication of declaration under Section - 19 and if no award is made within that period the entire proceedings for acquisition of land shall lapse.

Section - 26, provides the criteria for determination of market value of the land by the Collector, which includes:

- the market value, if any, specified in the Indian Stamp Act, 1899 (2 of 1899) for the registration of sale deeds or agreements to sell, as the case may be, in the area, where the land is situated; or
- the average sale price for similar type of land situated in the nearest village or nearest vicinity area; or
- consented amount of compensation as agreed upon under sub-section, 2 of Section 2, in case of acquisition of lands for private companies or for public private partnership projects, whichever is higher. The market value calculated as per sub-section (1) shall be multiplied by a factor as specified in the First Schedule attached to the Act.

Under Section - 27, the Collector after having determined the market value of the land shall calculate the total amount of compensation to be paid to the land owner by including all assets attached to the land. The parameters to be considered by Collector in determination of award under Section - 28; shall take into consideration:



- firstly, the market value as determined under Section 26 and the award amount in accordance with the First and Second Schedules;
- secondly, the damage sustained by the person interested, by reason of the taking of any standing crops and trees which may be on the land at the time of the Collector's taking possession thereof;
- thirdly, the damage (if any) sustained by the person interested, at the time of the Collector's taking possession of the land, by reason of severing such land from his other land:
- fourthly, the damage (if any) sustained by the person interested, at the time
  of the Collector's taking possession of the land, by reason of the acquisition
  injuriously affecting his other property, movable or immovable, in any other
  manner, or his earnings;
- fifthly, in consequence of the acquisition of the land by the Collector, the person interested is compelled to change his residence or place of business, the reasonable expenses (if any) incidental to such change;
- sixthly, the damage (if any) bona fide resulting from diminution of the profits
  of the land between the time of the publication of the declaration under
  Section 19 and the time of the Collector's taking possession of the land; and
- seventhly, any other ground which may be in the interest of equity, justice and beneficial to the affected families.

The Collector under Section - 29, while determining the market value of the land and other immovable property or assets attached to the land or building and the value of trees and plants and standing crop damaged during the process of land acquisition should use the services of the experts.

The Collector having determined the total compensation to be paid to arrive at the final award it is mandatory under Section - 30 to impose a "solatium" amount equivalent to 100 per cent of the compensation amount as mentioned in Schedule - 1 attached to the Act.

Rehabilitation and resettlement amount payable to each affected family needs to be passed by the Collector which also includes: particulars of house site and house to be allotted, in case of displaced families; particulars of land allotted to the displaced families; particulars of one time subsistence allowance and transportation allowance in case of displaced families; particulars of payment for cattle shed and petty shops; particulars of one-time amount to artisans and small traders; details of mandatory employment to be provided to the members of the affected families; particulars of any fishing rights that may be involved; particulars of annuity and other entitlements to be provided; and particulars of special provisions for the Scheduled Castes and the Scheduled Tribes to be provided that



Right to Fair Compensation, Section 40 **Special Powers with** Transparency in Land Acquisition, R&R Act, 2013 approval of Parliament **Submission** Define **Proposal** & Approval **Public** Preparation of Proposal Purpose **Finalization Public** Preparation Land of R&R of SLA Hearing Notification Scheme R&R **Possession Award Notification** of Land

Fig. 3: Stages of Land Acquisition under LARRA, 2013

in case any of the matters specified under clauses (a) are not applicable to any affected family the same shall be indicated as not applicable. In addition under Section - 31; the entitlements provided in the second schedule attached to the Act is mandatory. The stages of land acquisition under LARRA, 2013 are given in Fig. 3.

Section - 32 provides for infrastructural amenities in resettlement areas for the provision of all infrastructural facilities and basic minimum amenities specified in Schedule - III attached to the Act. There are also provisions in the Act to appoint Administrator in Section - 43, Rehabilitation and Resettlement Committee in Section - 45 at project level; establishment of the National Monitoring Committee for Rehabilitation and Resettlement in Section - 48; and the establishment of Land Acquisition, Rehabilitation and Resettlement Authority in Section - 51; and provisions for Appeal in High Courts in Section - 74. The various stages of land acquisition under LARRA - 2013 are given in Fig. 3.

#### 4. COMPARISON OF LAA, 1894 AND LARRA, 2013

In fact the preamble to both the Acts makes the basic objectives of the Acts clear. With reference to LAA, 1894 it's main focus is on the acquisition of land for public purposes and for companies. While main focus of LARRA, 2013 is not entirely on land acquisition but also on least disturbance to owners of the land and fair compensation to all stakeholders besides their rehabilitation and resettlement.

Under LAA, 1894, the awards paid as compensation are decided on the basis of government's rates that are nowhere near to the actual market prices of land. This causes discontent among those being displaced. Besides, no provision has been made to ensure that the persons uprooted from their lands are to be settled and rehabilitated. Although land owners have the right to object on government's intentions for land acquisition, yet decision making powers are concentrated in



the hands of government. Therefore, there is no way land acquisition can be stopped under LAA, 1894 if the government decides to overlook the objections and sees a greater public purpose in the land acquisition.

A major difference between LARRA, 2013 and LAA, 1894 is compensation, consent, Social Impact Assessment (SIA) and rehabilitation and resettlement. LARRA mandates compensation up to twice the market value in rural areas, but keeps it at market value in urban areas, like in the LAA 1894 Act. But landowners also get an additional 100 per cent solatium, calculated on the compensation paid for the land, unlike 30 per cent in the LAA. This means land owners get up to four times the market value in villages and twice the market value in cities (Economic Times, 2018).

In the LARRA as part of rehabilitation, those affected can chose from three options: employment for at least one member of every effected family in the project concerned; or onetime payment of Rs. 5 lakh per family; or inflation adjusted monthly payout of not less than Rs. 2,000 for 20 years.

In fact LARRA, 2013 joined the side of farmers, giving greater thrust on safeguarding food security, it is mandated that the multi-crop irrigated land will not be acquired except as the last resort. In unavoidable situations of acquiring the multi-cropped land, an equivalent area of culturable wasteland shall be developed for agriculture purposes.

In LARRA, 2013 if a house is lost in acquisition process, a constructed house is awarded as compensation. Those who are landless but have lost their livelihoods due to acquisition are also entitled to get the same award package. Any one of these three options have to be provided to the affected persons: a job to at least one member of the family, or onetime payment of Rs. 5 lakh, or annuity policies that pay not less than Rs. 2,000 per month per family for twenty years. A subsistence allowance of Rs. 3,000 per month for 12 months has to be awarded to the affected families who has been displaced. Irrigation projects have to allot a minimum of one acre of land in the command area of the project to the affected households and urban projects have to reserve 20 per cent of the developed land for compensation. No irrigated multi-cropped area can be acquired under the Act. However, if it is acquired, equal area of land has to be developed elsewhere for agricultural purposes. But, land can be acquired for projects like roadways, railways, highways, power lines, etc.

According to LAA 1894, any land irrespective of fertility can be acquired, whereas as per LARRA 2013, irrigated land (2 or 3 crops yield per year) are not to be acquired for any purpose.

In LAA 1894 there is no scope for land owner's acceptance but the LARRA 2013 ensures the acceptance of the land owners as it provides for 80 per cent of land owner's acceptancy is required in case of acquisition for private company, and 70 per cent of land owner's acceptancy is required in case of acquisition for government projects.



In addition to above compensation, the Act proposes a wide range of rehabilitation and resettlement entitlements to land owners and livelihood losers from the land acquirer. Market value is often used inter-changeably with open market value, fair value or fair market value; although these terms have distinct definitions in different standards, and many cases differ in some circumstances.

As per LAA 1894 market value is considered as base value as prescribed under Indian stamps Act 1899. The market value of the proposed land to be acquired shall be set as the higher of the minimum land value, if any, specified in the Indian Stamp Act, 1899 for the registration of sale deeds in the area, where the land is situated; or the average of the sale price for similar type of land being acquired, ascertained from the highest fifty per cent of the sale deeds registered during the preceding three years in the nearest village or nearest vicinity of the land being acquired.; or the consented amount in case the land is acquired for private companies or public-private partnership projects.

The market value would be multiplied by a factor of, at least one to two times the market value for land acquired in rural areas and at least one time the market value for land acquired in urban areas. The LARRA 2013 stipulates that the minimum compensation to be a multiple of the total of above ascertained market value, value to assets attached to the property, plus a solatium equal to 100 percent of the market value of the property including value of assets.

SIA is not necessary in acquisition process as per LAA 1894, however, in LARRA 2013; to conduct Social Impact Assessment is mandatory for all the land acquisition cases.

In LAA 1894, there is no further involvement of the land owner, once allotted the land for the private and public projects. In LARRA 2013, the government permission is mandatory for re-sale of the acquired land. The LARRA 2013 stipulates that, in case of re-sale of acquired land, 40 per cent of profit shall be given to the original land owner. There is no such provision in LAA 1894.

As per the provisions of LAA 1984, in case of any inconvenience or damage happened during the acquisition process, there is a provision to pay 30% as temporary compensation, the same is increased to 100 per cent in LARRA 2013. It will be benefited (3) times to the land owner than earlier LAA 1894.

As per LARRA 2013, if any acquired land is kept vacant (un used) by the individual or any agency over a stipulated period, the government has the power to given back the land to the land owner or deposit into Government Land Bank to avoid the delay in project implementation. There is no such provision in LAA, 1894.

In LARRA 2013, it is provided that in case of acquisition of land owned by SC and ST persons, the equal extent of land as compensation within the jurisdiction of the same district needs to be given or otherwise pays 25 per cent of additional



amount as resettlement over and above Rs. 50,000 lumpsum payment. There is no such provision in LAA 1894.

If any loss or injustice happens during the previous land acquisition cases, that can be addressed and settled under the provisions of the LARRA 2013, no such provision was existing in LAA 1894.

As per LARRA 2013, the land will be vacated by the owner only after receiving the total compensation amount and completion of the process of rehabilitation and resettlement, unlike LAA 1894.

The provisions under the LARRA 2013 any person loses their livelihood due to land acquisition, government has to pay an amount of Rs. 3,000 per month for first year and Rs. 2,000 per month for the next 20 years to the affected persons, such provision was existing in LAA 1894.

As per LARRA 2013, In case of land acquisition for irrigation projects, one acre suitable land for cultivation will be allotted to each affected family within the catchment area of the project and also provide employment to at least one person from each affected family. Which was not provided in LAA 1894.

Unlike the LAA 1894 the LARRA (2013) addresses the rehabilitation and resettlement of those who depend on land in addition to land owners. It places a greater emphasis on transparent processes at various stages. It has a mandatory Social Impact Assessment, public hearings and dispute resolution mechanisms. Further, another key aspect of this Act is the new compensatory mechanism, which offers up to two times market value against one time in the LAA 1894 and it is then doubled by applying a one hundred percent "solatium" against 30 per cent in the LAA 1894 (additional compensation). In this process, LARRA offers substantial (although not adequate) compensation to land owners. The comparative analysis of LAA 1894 and LARRA 2013 Act is given in Table 1.

Table 1: Comparative Analysis of LAA, 1894 and LARRA, 2013

SI. No.	Activities	LAA, 1894	LARRA, 2013
1.	Preamble	Focus on land acquisition for public purpose and companies.	Focus on land acquisition but with least disturbance to the owners of the land and fair compensation for their rehabilitation and resettlement.
2.	Definition of Public Purpose	Open to government's judgment	Clearly defines "Public Purpose" Projects for which, government can acquire private land.
3.	Method of acquisition	Land could be acquired forcibly.	<ul> <li>Land can be acquired if affected families agree:</li> <li>for private project - 80% families to agree</li> <li>for PPP project - 70% families to agree</li> </ul>
4.	Role of land owners / affected	Affected people has no voice in decision	Social Impact Assessment stipulates to obtain consent of affected artisans, small traders,



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	people	making	fishermen, etc., which may be affected because of the proposed project.
5.	Compensation	Government was free to decide how much money to pay while acquiring private land.	<ul> <li>Compensation to be in proportion to market rates.</li> <li>Affected artisans, small traders, fishermen, etc., will be given one-time payment, even if they don't own any land.</li> </ul>
6.	Provisions regarding fertile land	No restrictions on acquisition of fertile land	<ul> <li>No irrigated multi-cropped area can be acquired under the act. However, if it is acquired, equal area of land has to be developed elsewhere for agricultural purpose.</li> <li>However, the land can be acquired for projects like roadways, railways, highways, power lines, etc.</li> <li>Fertile, irrigated, multi-cropped farm land can be acquired only as last resort.</li> <li>If such fertile land is to be acquired, then government will have to develop equal size of wasteland for agriculture purpose.</li> </ul>
7.	Relief and Rehabilitation of the affected people	No such provision exists	<ul> <li>If government acquires lands for private company-the said private company will be responsible for relief and rehabilitation of affected people.</li> <li>Additional rehabilitation package for SC / ST owners have to be provided.</li> </ul>
8.	Accountability in case of any dispute	No accountability exists	Head of department will be responsible, for any offense from Government's side.
9.	Use of acquired land if project did not start	Land was secretly sold / leased to private players at high prices	If project doesn't start in 5 years, land has to be returned to the original owner.
10.	Urgency Clause	Not specified as Act and leaves it to the decision of the acquiring Authority	Urgency Clause exists for the Defense purpose national security or for any other emergencies arising out of natural calamities or any other emergency with the approval of Parliament.
11.	Increase in compensation rate	No such provision exists	For Rural areas the compensation is 4 times the value of average registered sale deeds including the solatium whereas it is twice for the urban areas.
12.	Rehabilitation and Resettlement	No such provision exists	<ul> <li>If a house is lost in acquisition process, a constructed house is required to be given as compensation.</li> <li>Those who are landless but have lost their livelihood due to acquisition are also entitled to get the same award package.</li> <li>Any one of the three options have to be provided to the affected person ie</li> <li>A job to at least one member of the family, or</li> <li>Onetime payment of Rs. 5 Lakh, or</li> </ul>



14.	Acceptancy by land owner	There is no scope for land owner's acceptancy.	<ul> <li>Annuity policies that pay not less than Rs. 2,000 per month per family for twenty years.</li> <li>A subsistence allowance of Rs. 3000 per month for 12 months has to be provided to the affected family who has been displaced.</li> <li>Irrigation projects have to allot a minimum of one acre of land in the command area of the project to the affected households.</li> <li>Urban projects needs to reserve 20% of the developed land for compensation.</li> <li>Land owner's acceptancy is required in case of acquisition for private company, and 70% of land owner's acceptancy is required in case of acquisition for government projects.</li> </ul>
15.	Payment of compensation	Compensation was made based on Market value prescribed under Indian Stamps Act 1899.	<ul> <li>Defines the method by which market value of the land shall be computed under the proposed law.</li> <li>Schedule I outlines the proposed minimum compensation based on a multiple of market value.</li> <li>Schedule II through VI outlines the resettlement and rehabilitation entitlements to land owners and livelihood losers, which shall be in addition to the minimum compensation per Schedule I.</li> <li>The market value would be multiplied by a factor of, at least one to two times the market value for land acquired in rural areas and at least one times the market value for land acquired in urban areas.</li> <li>The Act stipulates that the minimum compensation to be a multiple of the total of above ascertained market value.</li> <li>Value to as assets attached to the property, plus a solatium equal to 100 percent of the market value of the property including value of assets.</li> </ul>
16.	Social Impact Assessment	Not necessary in acquisition process	To conduct Social Impact Assessment is mandatory for all the land acquisition cases.
17.	Provision of Resale of acquired land	There is no further involvement of the land owner once, even if land is allotted to the private / public projects.	The government permission is mandatory for re-sale of the acquired land.
18.	Profit distribution	There is no such provision.	40% of profit shall be given to the original land owner.
19.	Temporary compensation	There is no such provision.	In case of any inconvenience or damage happened during the acquisition process, there is a provision to pay 30% as temporary compensation, the same is increased to 100%



20.	Land Bank	There is no such provision.	If any acquired land kept vacant (un used) by the individual or any agency over a stipulated period, the government has power to give back the land to the land owner or deposit into government Land Bank to avoid the delay in project implementation
21.	Benefit to SC & ST	There is no such provision.	In case of acquisition of SC and ST person's land, Government provide the equal extent of land as compensation within the jurisdiction of the same district or otherwise, 25% of additional amount will be paid for re-settlement it is over and above the Rs. 50,000/- lump-sum payment.
22.	Compensation for previous loses	There is no such provision.	If any loss/in justice happened during the previous land acquisition cases, that can be addressed and settled.
23.	Possession of Land	There is no such provision.	The land will be vacated by the owner only after receiving the total compensation amount and completion of the process of re-habitation and resettlement.
24.	Compensation for loss of livelihood.	There is no such provision.	Any person loses their lively hood due to land acquisition, government has to pay an amount of Rs. 3000/- per month for 1st year and Rs. 2000/- per month next 20 years to the effected person.
25.	Share in catchment area	There is no such provision.	In case of land acquisition for Irrigation Project, one- acre suitable land for cultivation will be allotted to each effected family within the catchment area of the project and also provide employment to one person from each effected family.

#### 5. CONCLUSIONS

Even though LARRA, 2013 has been applauded as a radical reform in the arena of land management and governance, it is too early to examine its impact on the land acquisition process for development schemes, specifically in urban areas because land is the basic ingredient of any kind of development and as the process under LARRA, 2013 is quite lengthy and cumbersome, it is likely that instead of hastening the process of land acquisition it may slow down the pace of the implementation of development projects specifically when the government has launched emphasis on project based planning through missions like AMRUT, HRIDAY, Smart Cities, and PMAY, etc.

#### **REFERENCE**

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Government of India (2013) Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, Government of India, New Delhi.



## Town Planning as a Social Service or a Commercial Activity

A. R. Patharkar

#### **Abstract**

This paper explains how the function of town planning, which started as a social service got converted into a commercial activity by the use of tools such as transferable development rights, floor space index, and premium floor space index. Implementation of such tools continues unabated limiting the capacity of city planning to create better urban form, therefore, there is a need to revisit these tools.

#### 1. INTRODUCTION

Town planning was introduced as a government function in the latter part of 19th Century as a consequence of Industrial Revolution and the hazards it created for public health issues. Planning was aimed at creating clean living and working conditions for the community and was essentially social service function. Initially it mainly took the form of Building Byelaws and road planning coupled with segregation of incompatible land uses. As the process of industrialization and urbanization gained momentum, land pooling through town planning schemes was added as a new dimension particularly to take care of amenities needed for the community. Rapid Industrialization led to the emergence of metropolitan cities and need to have a long term policy for future growth of cities. In the 20th century, Development Plans and Regional Plans were introduced as essential part of urban and regional planning.

#### 2. EARLY PLANNING PRACTICES

During the last century, town planning was mainly concerned with the following four aspects which includes:

- Use of lands through zoning;
- Intensity of use of lands through FSI and density regulations;
- Traffic and transportation planning; and
- Social amenities.

In order to fulfill these requirements, it was necessary to prepare the existing land use map, assess growth potential of population, assign FSI and density requirements, and delineate developable zones and a suitable road pattern with required amenities at appropriate locations. Limiting developable zones had distinct advantage of providing service infrastructure at a minimum cost and to

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ensure contiguous growth so that amenities could also be provided within easy reach of the community.

In effect, when a development plan was prepared, the future city was clearly defined in terms of its limits, heights of buildings, road pattern, green areas, and simultaneously service infrastructure could be pre-planned, proposed and provided. So far as the individual requirements were concerned, any person could choose location suitable for his requirements including bungalow areas, apartment buildings, terrace housing, home work relationship and travel distances. Local authorities levied taxes and took the responsibilities of providing basic infrastructure services.

#### 3. FINANCE FOR PLANNING AND PLAN IMPLEMENTATION

Over a period of time it was being experienced that plans cannot be successfully implemented unless efforts to mobilize resources for plan implementation are not brought into operation. Initially state governments introduced schemes to provide financial assistance for plan implementation and planning was still a social service function and responsibility of the state. At some time however it was realized that the effect of town planning inevitably led to increase in land values, benefit of which was derived mainly by the owners of private lands and by the community of builders and developers at the cost of local and state governments investing in service infrastructure and amenities. Modest beginning was made by imposition of scrutiny fees for the approval of proposed buildings and layout plans followed by development charges at specific rates, which were later linked to percentage of prevailing land values. Changes upto these levels still maintained sanctity of approved town or city plans and governments started to get very large revenues from town planning offices by way of scrutiny fees and development charges and the erstwhile social services department of town planning became revenue earning department and the income derived was so large that the revenue earned by one district could finance the expenses of the whole state to run the Department of Town Planning.

#### 4. LAND ACQUISITION

Plan implementation cannot be done unless planning authorities acquire lands and develop amenities required by the society. All past experiences indicated that planning authorities are incapable of performing this function and some new model has to be developed specifically for this purpose and this realization led to the concept of transferable development right and accommodation reservation. FSI and density regulations were modified to permit higher FSI and densities in such limited cases where landowners hand over their reserved lands to planning authorities free of cost. Principally this was deviation from the principle of controlling intensity of use of lands but to a small extent. Essentially the objective



to implement the plans effectively is still acceptable to planners. When the central government enacted the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, enhancing the cost of land acquisition, the importance of TDR and AR concepts further got increased. The old Land Acquisition Act 1894 was based on the principle of eminent domain meaning that state welfare is more important than individual welfare. The new Act gives equal or more importance to welfare of affected individual land owners and is in complete deviation from earlier colonial Act.

#### 5. PROBLEM OF SLUMS

Simple solution to the problem of slums in metropolitan cities was to give the slum dwellers *pucca* tenements in high rise buildings built by private builders and in return grant to the builders TDR equivalent to the cost of construction for the existing slums dwellers, which they may use or sell the same at other locations. This concept was so successful that some political parties came to power in Maharashtra in the year 1994 by advocating these provisions. This model was successful in selected metropolitan cities where land values were more than the cost of construction. But where land values were low, the model had no relevance and could not be brought into operation. But wherever it was applied it created pockets of high density and high rise developments in contrast to surrounding low rise low density development. Thus, town planning was used as an effective tool not only for financial gains but also as a political strategy to create new vote banks.

#### 6. PREMIUM FLOOR SPACE INDEX (PFSI)

In a bid to mobilize more financial resources, the concept of premium FSI was brought into operation and government introduced policy to permit higher FSI to those who pay premiums linked to percent of land values. There are restrictions that these higher FSI developments could be availed at locations fronting wider roads. But this has its own disadvantages as these developments could come up in predominantly low density or even bungalow areas, the skylines of cities could be totally distorted. Few bungalows surrounded by high rise buildings would distort the character of the area and adversely affect the existing low rise development compelling such owners to sell their properties and shift their locations. It is appropriate that premium FSI should not be allowed on all wide roads but their use and applicability should be restricted to specific high density zones so that character of the area and skyline of the city could still be preplanned in the desired direction.

#### 7. HIGH DENSITY CORRIDORS ALONG METRO RAIL ROUTES

In metropolitan cities when need for metro rail as a means of public transport was realized, financing such high cost solutions was viewed by most governments with serious concern and one of the easiest solutions was to give



higher FSI within 500 meters along the route on payment of premium, linked to land values, which was justified by incorrect statement that users will not be required to travel long distances to use public transport. This however, was an eyewash as it was not allowed within specific distance from metro stations but all along the corridor to cover larger areas and to create more buyers of additional FSI and thus, to mobilize resources to finance the metro rail projects instead of planning for multi - modal coordination. This approach was also against the principle of planning and involved large scale redevelopment of already developed areas and needed augmenting of service infrastructure and inevitable need of cluster redevelopment as higher FSI cannot be utilized on plots of smaller areas.

#### 8. PAY FOR LAND USE CHANGE

Recently Government of Maharashtra has issued orders that the costs of any modification to Development Plan or Regional Plan should be recovered in advance from the beneficiary and this was reasonable as such modifications invariably benefit the land owners. However, government has gone much beyond this and recently by another order stated that builders / developers may be allowed to develop any lands included in 'No Development Zone' on payment of premium at specific percent of land values and targeted areas are forests, hilltops and hill slopes, floodable areas and areas affected by CRZ. This policy simply means that town planning is being sold in the market by the state deviating from the basic principles of town planning.

State government policy further casts responsibility of infrastructure development on the land owners but will inevitably lead to piecemeal and uncoordinated development, which is simply against all principles of planning. Development plans or regional plans will have sanctity only on paper and not in reality. There will be lack of public amenities, transport facilities, and safety of resident community could not be ensured and everything is left at the mercy of builders or developers. Such large scale haphazard development will create numerous problems in future and government will have no means to mitigate them. The erstwhile 'Urban Land Ceiling Act' deformed the urban morphology to a great extent and even with those experiences such new policies will further deteriorate the living and working conditions of the community.

#### AN OVERVIEW OF NEW POLICIES

The new policies being adopted by governments have converted the town planning function from social service to commercial activity yielding huge financial resources to the state and even though these finances are used by the government for creating better service infrastructure and amenities for the society, it is lessening the importance of planning itself and could



lead to multiplicity of unforeseen problems and unplanned and haphazard development. TDR and Accommodation Reservation concepts were useful and effective for the implementation of development plans and indirectly these were linked to the land component which were put to public use in the form of amenities and roads. In metro cities slum TDR or additional FSI was also justifiable as it removed the blighted areas though it had some political implications. However, grant of premium FSI on payment of fees has made the government a seller of town planning as a commercial commodity when government has nothing in the stock except right to exercise the power at its discretion or indiscretion.

By charging of premium for development in 'No Development Zone' except in specific areas, government has simply deviated from the basic planning principle and in course of time the ill effects of this policy will create numerous problems of health, safety and convenience of the communities. Grant of premium FSI along metro rail routes is also not justified as a means of resource mobilization as it will compel property owners to surrender their properties for cluster redevelopment and will drastically change the character of already developed areas.

Government is contemplating to introduce concept of TDR bonds to be marketed by respective planning authorities. These bonds will be created for playgrounds, gardens and amenity spaces held by such authorities and any buyer or developer can buy and use such TDR or sell the same in the market. This simply means that the government is misusing the power held by the authorities to earn more money for the state exchequer though they have nothing in store to mobilize higher finances and will be complete disaster for the future of our cities.

#### 10. CONCLUSIONS

Rapid urbanization and concurrent industrialization is being experienced all over the world and this alone is the reason to think seriously about how we act in determining the future of our cities and for any wrong decision, the posterity will not forgive the governments and the community of planners. TDR and FSI are very important tools to shape our cities and their application must be carefully done to maintain harmony of low density and high density areas so that development really occurs in a pre-planned manner and human settlements really manifest pleasant living and working conditions for all strata of the society.

## Land Appropriation for Planned Urban Development: A Case of Delhi's Land Pooling Policy, 2013

Ashok Kumar, Ph.D.

#### **Abstract**

In this paper the author examines a shift in favor of land assembly as a method of procuring land for city development in Delhi with the illustration of the Land Pooling Policy, 2013. If most severe housing shortage is felt by the lower income groups, then most of the residential FAR should have been used for housing the poor. Instead this policy treats EWS as people who would use extra FAR. Although the policy is based on the free market principles, even here it does not completely succeed because it has created such a cumbersome process of producing built environment that the private sector is likely to be less interested in spending time handing over and taking over land and properties.

#### 1. INTRODUCTION

Acquisition of land without compensation to land owners has been historically practiced by colonizers. The doctrine of terra nullius was one such instrument that was used by the British colonists in Australia to acquire unoccupied and unsettled lands i.e. lands without houses or cultivated pastures. There was no sovereign authority and no recognizable land tenure. The doctrine of terra nullius ended only after a High Court verdict in Mabo versus State of Queensland (1992) 107 ALR 1. In North America, the British colonists set up three types of colonies i.e. charter colonies, proprietary colonies, and royal colonies. The charter colonies were created through the corporate charter of the Crown. Proprietary colonies meant that all land belonged to the ruler and the ruler could divide the land as per his wishes. Royal colonies were foreign territories to be ruled by a governor on behalf of the British Government (Karsten, 2002). These are some of the extreme forms of compulsory land acquisition practiced by a colonial power. Reasonable compensation to land owners was the last thing in the minds of colonists. In the present time, the extent of evictions and displacements has not reduced (Eerd and Banerjee, 2013).

In India, land takings were common for city planning and development. For example, three port cities - Calcutta, Bombay and Chennai - were developed through land takings by the British. In line with the predominantly economic interests of the colonizers, the presidency towns (sovereign spaces controlled by the British East India Company) of Calcutta, Bombay and Madras were first developed into major port cities as they provided strategic sites for effectively carrying out global trade. These entrepôts acted as trading posts and facilitated movement of raw materials

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from India to Britain, and manufactured goods from Britain to India. Port towns acted as the gateways for the British into India paving way for imperial rule for several centuries (Mitter, 1986). The decision to relocate capital administration to a new city with a central location opened a new chapter in the Indian colonial history. A temporary capital was established upon the existing *durbars* of 1903 and 1911 along with building of the Circuit House, Secretariat, clerk quarters, and tents pitched on the west of Najafgarh drainage. Delhi owing to its central location, railway connectivity, and proximity to Shimla having cold weather, remained the best choice for the next permanent capital. Land requirement for the new city was estimated at 12 square miles for the city with a population of 65,000 people along with 15 sq mile for new cantonment, reflective of enhanced political, administrative and strategic control of the area. A gap of half a mile separated the indigenous and European troops in the grid-iron layout. The new city was planned south of the walled city, covering an area of 32 square miles, 4 miles from the south wall encompassing 20 villages, lay the original site of the city (King, 1976: 267-268).

The British largely acquired land under the Land Acquisition Act, 1894 including land required for building New Delhi (Johnson, 2015). On independence, it was expected that things pertaining to land acquisition would change under the duly elected democratic government. Although democratically elected government wanted to achieve different ends such as building Chandigarh as a state capital, or land for building roads and dams for economic development and modernization, Government of India even after 1947 continued to use the Land Acquisition Act, 1894. This could be replaced with a new act only in 2013 with the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. The new land acquisition act is more egalitarian than the colonial land acquisition act providing better compensation to farmers and laboring classes. But there are no takers of this act as very little land is acquired under this act. Now I turn to the case of Delhi's Land Pooling Policy.

Therefore, whatever may be the extent of displacement as a consequence of compulsory land acquisition; all forms of governments are engaged in land appropriation and procurement for planned development of cities. City planning without land appropriation remains a pipedream as land is the bedrock of producing built environment. Without availability of land for development, city plans would never be realized on the ground. However, developable land appears to be in short supply when measured against the demand for creating various elements (residential, industrial, commercial, etc.) of the built environment. Predominant land discourse in planning practice is largely focused on compulsory land acquisition and land procurement through land assembly. Both means of land appropriation for city development are most commonly used. In this paper I argue that there is a shift in favor of land assembly as a method of procuring land for city development. To illustrate my argument, I take the example of Delhi's Land Pooling Policy, 2013.



#### 2. LAND ACQUISITION IN DELHI FROM 1947 TO 2013

The partition of India in 1947, led to large scale Hindu refugees in Delhi and other cities. This inflow added to an already chaotic situation in Delhi, causing severe haphazard development. While existing organizations such as the Delhi Improvement Trust continued to perform development work, the Government of India decided to create a planning and development agency, the Delhi Development Authority (DDA) under the Delhi Development Act, 1957 superseding Delhi Improvement Trust. The primary task of DDA was to plan for orderly development of the capital city. With the help of Ford Foundation, the DDA prepared and enforced the first Master Plan for Delhi in 1962, which continued till 1981. Large tracts of land required for the development of the city were acquired under the colonial Land Acquisition Act, 1894. Delhi was then a pioneer in the country in creating a 'land bank' in public ownership. The policy was called the 'Scheme for Large Scale Acquisition, Development and Disposal of Land'. Aim of this policy was to create conditions for the optimal utilization of land, stabilization of land prices in Delhi, ensuring adequate quantities of land availability at the right time at reasonable prices, protection of the interests of economically disadvantaged people by ensuring adequate and timely delivery of land for housing, prevention of concentration of ownership of land in the hands of few individuals, and prevention of speculative rise of land values (Delhi Development Authority, 1992).

There is no doubt the DDA was partially able to address housing and commercial needs of the people, and was even able to bring some order to the city by developing large swathes of land in a planned manner, a number of studies have shown that the policy of Large Scale Acquisition, Development and Disposal of Land has not been able to meet its objectives and satisfy fully the housing needs of residents of Delhi. Delays in land acquisition as well as timely development of acquired land resulted in increase in prices of land especially for low cost housing, leaving unauthorized land development the only option for the urban poor and lower income groups. Several allottee also resorted to illegal sale of land legally allocated to them at subsidized costs in order to earn large profits. Since acquired land was not immediately developed due to lack of finances, encroachment upon public lands was also not uncommon and still remains a problem (Acharya, 1989). Compensation offered to land owners under the Land Acquisition Act, 1894 was continuously questioned, leading to litigation and causing delays in planned development. There were also delays in handing over developed residential properties to Delhi Municipal Corporation for civic management. One of the negative aspects of large-scale land acquisition was the freeze on land value of 30,800 hectare of land (Association of Urban Management and Development Authorities, 2003: 3). Freezing of land supply created an artificial land scarcity. Delhi Development Authority did not supply adequate quantities of land for low and middle income groups and could not guarantee availability of formal housing at the right prices at appropriate locations. Being a comparatively new organization with little experienced staff, the DDA possessed inadequate managerial and technical



capabilities to undertake large scale land development. The net result was that it could not regulate soaring prices of land that caused illegal squatting and also emergence of unauthorized development. Political factors also played a major role in the creation of unauthorized development. Politicians actively supported immigrants to settle illegally in slums, creating vote banks ensuring election victories in future elections (Srirangan, 1997). Being a closed economy, government did not allow private sector participation in land and urban development.

By the time the second version of the Master Plan for Delhi 2001 ended, economic and political circumstances changed beyond recognition. July 1991 structural reform led the way for deep private participation in almost all sectors of the economy including real estate and urban development. Several states like Haryana and Uttar Pradesh had already allowed private participation in city planning and development. Delhi Development Authority - an arm of the central Ministry of Urban Development -nudged the development authority to move in the direction of private sector participation.

In view of the limitations and disadvantages of compulsory large scale land acquisition, and opening up of the Indian economy, the need to change policy for procurement of land was felt, particularly when the Master Plan for Delhi 2021 was being prepared. It was felt that there was a need for a new land policy, which could be easier to operationalize and also acceptable to a majority of land owners. In 1992, the first committee was set up under the charge of Principle Commissioner of DDA to evolve a policy for private sector participation in land assembly and development. The Ministry of Urban Development and Poverty Alleviation in July 2003 issued guidelines to mobilize the private sector in urban development and housing to facilitate the finalization of Master Plan for Delhi, 2021. On 7 February 2007, when the Master Plan for Delhi, 2021 was notified, it emphasized seeking alternative options for land procurement including involvement of the private sector in assembly and development of land. The government thus intended to change the land policy in line with its economic and social policies paralleling a self-defined role, change from a provider to a facilitator. In 2006, the Secretary of the Ministry of Urban Development urged DDA to prepare the draft policy guidelines for including the private sector in land assembly and development as envisaged in the Master Plan for Delhi 2021. In 2008, a draft policy on 'Land Assembly based on Land Pooling and Owner's Participation as an Alternative to Large Scale Acquisition in Delhi' was approved by the Lieutenant Governor of Delhi and presented before the staff of the Ministry of Urban Development (MoUD), the Government of National Capital Territory of Delhi (GNCTD) and private developers. After discussions with various stakeholders, this draft policy was revised within the Master Plan 2021 provisions, and was presented in 2010. In 2011, the National Council of Applied and Economics Research (NCAER) carried out a study to comprehend the financial viability of



the policy and suggested some changes, which were incorporated in the policy. The Land Pooling Policy, 2013 was approved by the Lieutenant Governor of Delhi in 2013 after long deliberations amongst various stakeholders. Afterwards, the Land Pooling Policy was also approved by the Ministry of Urban Development and was then inserted as a new chapter in the Master Plan for Delhi, 2021 on 5 September 2013. Regulations for operationalization of Land Pooling Policy were prepared and approved by the Authority (an empowered body chaired by the Lieutenant Governor of Delhi) in 2014 and approval from the Ministry of Urban Development was received in May 2015. Presently Lan Policy stands as Chapter 19 of the Master Plan for Delhi 2021, which was amended in 2019.

The new land policy meant for the National Capital Territory of Delhi (NCT Delhi with an area of 1,483 sq km) was promulgated in 2013. The policy was based on the land pooling concept. India experienced high economic growth in the late 1980s. In early 1990s due to the foreign currency crisis, liberal economic reforms were initiated, paving the way for prominent role of the private sector in all sectors of the economy including urban development. Government was no longer interested in meeting the increased demand, for example, for housing the poor. Government believed that development generally and housing and infrastructure particularly could be provided effectively through public private partnerships. New Housing and Habitat Policy 2007 - when Master Plan for Delhi 2007 was also being notified by the government - clearly placed full faith in the private sector and favored public private partnership as the organizational structure to plan and implement planning and housing projects (Ministry of Housing and Urban Poverty Alleviation, 2007), which was further reinforced through another government policy named after a former Prime Minister Rajiv Gandhi (Ministry of Housing and Urban Poverty Alleviation, 2013). This is no coincidence that the Rajiv Awas Yojana came in the same year when the new Land Pooling Policy was incorporated in the Master Plan for Delhi as a new chapter. These policies provide major indications for making a decisive movement from compulsory land acquisition policy to land assembly by negotiations with willing land owners.

Admittedly, success or failure of Delhi's experience with new Land Pooling Policy, 2013 would be assessed over a period of time. It is only few years since the policy was adopted and notified by the DDA. During this time DDA also took a fairly long time in framing rules for the implementation of this policy. However, the policy is now being implemented in the NCT Delhi. Under the new land policy, the DDA will allow private entities to procure land directly from farmers within the rules framed by the DDA. In the next section, through our empirical research, we examine the challenges that the new Land Pooling Policy, 2013 has to face in future.

#### 3. DELHI'S LAND POOLING POLICY, 2013

Land Pooling Policy, 2013 was notified on 5 September 2013 as Chapter 19 of the Master Plan for Delhi, 2021. It was comprehensively modified and again



notified in 2019. In order to make the land policy operational, regulations of the Land Pooling Policy were approved by the then Ministry of Urban Development (Ministry of Housing and Urban Affairs) on 26 May 2015. Making the land policy a part of the master plan is appropriate for the purposes of achieving the chief goals of integration and spatialization of planning policies. Previously land policy stood - oddly enough - separately from the previous two versions of the Master Plan for Delhi. In spite of the fact that Land Pooling Policy, 2013 is an integral part of the master plan, it could be expected that it would not achieve spatial integration because the nature of the policy is project specific rather than city specific. Unlike the previous arrangements a plan hierarchy provided mechanisms for spatial integration, the new land policy does not make any provision for the spatial integration of disparate private sector projects to be executed by developer entities and consortia. Although the land pooling policy is placed in the master plan, it is not embedded in it. Transit Oriented Development Policy, Farm House Policy and low density residential area policy are not linked up with land pooling policy although these policies have clear linkages with one another.

Although not even a square meter of land was assembled and taken up for development by any 'developer entity' since its enforcement in 2015, Delhi Development Authority in June 2017 felt the need to get the policy reviewed from the National Institute of Urban Affairs (NIUA), arguably, an independent government research organization on urban affairs. After prolonged discussions with stakeholders including the DDA and the office of the Lieutenant Governor of Delhi, the NIUA argued that the land policy needs to be made more effective (capable of implementation on ground) and in order to do this Delhi Development Authority should step back and act only as 'a facilitator and a planner' rather than as a land acquirer and developer as it did under the previous land policy regime whereby land acquisition was the primary instrument for the appropriation of land for city planning and development.

Eventually the modifications to the Land Pooling Policy, 2013 were approved by the Authority headed by the Lieutenant Governor of Delhi on 21 December 2017. Through a public notice of 11 January 2018, objections and suggestions were invited by the DDA on Chapter 19 of the Master Plan for Delhi, 2021. DDA received 689 responses from the public, which were placed before the Board of Enquiry and Hearing on 2 and 3 July 2018. 86 oral submissions were also heard by the Board of Enquiry and Hearing. It appears from the above discussion that the DDA has outsourced a part of its legal functions to another albeit government research organization, compromising its independent authority under the law.

At the heart of the Land Pooling Policy, 2013 is the shift away from the expensive land acquisition policy (as perceived by most state governments under the new the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013) to land pooling via land assembly in zones J, K-I, L, N and P covering area approximately 22,000 hectare for housing about 48,00,000 population. Minimum admissible area for land assembly under the Land Pooling



Policy is 2 hectare. If the minimum area is less than 2 hectare and is located along a road, the developer entity would be invited to develop this area under Transit Oriented Development Policy provisions with an FAR of 150.

Land acquisition option is not entirely ruled out. Policy is not averse to land acquisition if it is needed to be acquired for development under the Land Pooling Policy, 2013 under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

One major provision of the modified Land Pooling Policy, 2013 is that it recommends an FAR of 200, which is reduced from an earlier provision of 400 FAR. Several reasons are cited for the reduction of FAR by half. Policy planners would like us to believe that scarcity of water is the prime reason for reducing the FAR to 200. Need for more water even with 200 FAR could be met by savings of water by 25-30 per cent in redeveloped areas. DDA also hopes that Delhi Jal board may reduce water losses in future. Second, the policy makers believe that due to scarcity of developable vacant land, it is not possible to have more than 200 FAR and at the same time be able to provide public semi-public spaces, green and open areas, parking spaces, etc. Third, from the perspective of the private sector, policy makers are trying to persuade them by assuring that even at 200 FAR, it is possible to achieve a reasonable Internal Rate of Return. Fourth, it is imperative to keep the FAR at 200 for urbanizable areas under the Land Pooling Policy 2013 because the same residential FAR for group housing is already stipulated in the Master Plan for Delhi 2021. Doubling the FAR to 400 could affect the physical environment, traffic, pollution and infrastructure. It is likely that the FAR is reduced due to pressure from the private developers who have already invested huge sums of money and have produced a large housing stock. If new housing stock is added in the market in a situation of fewer sales in the market, they are likely to lose as a result of reduced dwelling unit prices.

Four reasons given for reducing the FAR from 400 to 200 are incomprehensible. First, Delhi already gets most of its water from far lung places. For example, eastern parts of Delhi get Ganga water from a distance of over 300 km. Moreover FAR does not determine the natural growth rate of population, nor it determines the number of people migrating to cities at a point in time. Second, compact city development strategies would help in freeing up more land for facilities and infrastructure. Third, what is the main purpose of the new policy: housing for the masses or enhancing internal rate of return for the private builders? Fourth, it is ludicrous to suggest that certain FAR is fixed because it already exists in the master plan. Could not the already existing FAR in the master plan be enhanced to a certain higher level (say 400) to match with the higher FAR in the urban extension? Of course new infrastructure would be needed, which is technically feasible.

Another reason for the shift from land acquisition to land pooling or assembly is that land acquisition is a very cumbersome process and takes long time for



acquiring land. This cumbersome and lengthy process of land acquisition has led to a large gap between demand for developed land and supply of developed land. Notwithstanding the fact that this is not the real reason for the demand supply gap, land being cornered by the middle and elite classes is the real reason as land is highly commoditized. Further, what is the guarantee that land would be acquired in a comparatively short span of time under the Land Pooling Policy? So far not a single square meter of land has been acquired under the new land policy. We are not sure without complete standstill as far as land procurement in Delhi is concerned, how the new land pooling policy would make Delhi 'world class smart' city.

Housing for the economically weaker sections is another important challenge being faced by all Indian cities and Delhi is no exception. Land Pooling Policy 2013 treats housing for the EWS as a minor aspect of urbanization and city development. Extra FAR of 15 per cent is provided for building EWS homes. Further, EWS dwelling unit size would range from 30-40 sq m of space in addition to adequate parking spaces. This situation becomes even more serious when we already know that most sever housing shortage is felt by LIG and EWS and not by HIG and MIG. This provision clearly creates slum-like conditions for the EWS. Second, the policy provides that out of the total EWS housing stock developer entities would 'sell 50 per cent of the EWS stock to the DDA at a base cost prescribed by the latest CPWD index (plus cost of EWS parking) ... .' Remaining 50 per cent of EWS stock would be sold 'only to the residents [staying in newly built areas] at market rates to house community services personnel working for the residents/owners.' This demonstrates that the planning agency does not regard EWS households as citizen residents, whose housing needs are made solely dependent on other private individual households in a consumer led housing market. It is highly likely that this 50 per cent housing stock would be ever given to EWS families and even if it is given, it is given by imposition of very stringent conditions by middle and high income families. New Land Pooling Policy 2013 therefore appears to leave the EWS households at the mercy of the middle and high income groups.

The issue remains: whether the new Land Pooling Policy, 2013, which replaced after more five decades, is a step in the right direction. We look to the future to seek answers and also to the ongoing exercise of Master Plan for Delhi 2041. Hoping to find some answers as there are still two more years to go before the existing version of the master plan ends.

#### 4. CONCLUSIONS

This paper has shown that the Land Pooling Policy, 2013 is another missed opportunity because it does not clearly state purposes for which the policy is framed and at the same time it does specify policy instruments for addressing those ends. If accommodating increasing population is the unstated goal of this policy, enhanced FAR is the answer and not the reduced FAR. If most severe housing shortage is felt by the lowest income groups, then most of the residential FAR should have



been used for housing these groups. EWS families cannot be treated as people who would use only extra FAR. Serious doubts could expressed about the efficiency of the new Land Pooling Policy 2013 as no land has been acquired so far even after a period of six years of its framing and five years of its enforcement in May 2015. The only justification that could be found for the formulation of this new policy is the new orthodoxy of free market planning and city development. Even here the policy does not completely succeed because it has created a very cumbersome mechanism of producing built environment. Private entities are likely to be less interested in spending time handing over and taking over land and property. Mechanisms to create consortiums are another cause for concern as far as the private sector is concerned.

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# **Urban Land Policies and City Planning**

Rajesh S. Phadke

#### **Abstract**

This paper focuses firstly on how to obtain land for public purposes including physical and social infrastructure. The second focus is to use this land for inclusive development and third aspect is centered on how to raise finances through the process of land development. These three points are discussed with the help of illustrations of Navi Mumbai, Lavasa and the GIFT city. Lessons learnt from these illustrations are also described.

#### 1. INTRODUCTION

Land is a finite resource. Land availability is only about 20 per cent of the earth's surface. Land is a fundamental resource for any city development. It has two major characteristics: (i) its availability is finite at a given time and (ii) it has multiple competing uses. However, unlike water or energy, it is immobile i.e. land unit at one location cannot move to another location. Every land parcel is unique and therefore, it cannot be recreated.

In a city, land is divided and held in public and private domains. Land held in the public domain primarily caters to the uses like roads, community purposes e.g., market, rail or bus stations, etc., or open spaces, parks and playgrounds that provide recreation; whereas, in the case of land held in private domain, the right of exclusive use is exercised. The land held under public domain and its development for infrastructure increases the value of land in private domain and conversely, inadequacy of land in public domain also reduces the value of land in private domain.

Thus, while considering land as a resource for city development, the increased value of land in private domain can be seen as an opportunity to mobilize financial resources for providing public goods and services. Urban land value arises largely due to two factors: (i) the scarcity of land for the economic use, and (ii) the provision of public goods and services. Urban land has both horizontal and vertical dimensions due to the built space on it.

City governments struggle to provide and maintain city's physical and social infrastructure, whereas private land owners and developers in real estate sector benefit from increased land values due to infrastructure. Usually in Indian cities, citizens are rich and city governments are poor.

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The standard practice for brown field cities is to prepare Development Plan (DP), which designates particular parcels of land for public purposes, which can then be compulsorily acquired. In this process landowners who lose their lands bear the cost and the benefits accrue to others. Development Plan typically does not attempt to capture such benefits. Funds for implementing DP have to come from general revenues of local authorities, mainly property taxes. Due to paucity of funds, cumbersome procedures, delays, high cost and stiff resistance to acquisition of reserved land, the implementation of development plans has been dismal. The main objectives of any model for city development are three. First, to obtain land for public purposes including physical and social infrastructure. Second, to cater to the needs of inclusive development. Third, to raise finances through the process of land development. These three aspects are the focus of this paper.

#### 2. LAND FOR URBAN DEVELOPMENT

Urban development in India can be broadly classified in two groups; (a) brownfield development and (b) green-field development. In brown-field category the development of existing cities, towns happen usually through Public Sector authorities using the mechanism of Development Plan / Master Plan. The authorities procure only those land parcels which are required for physical and social infrastructure as per the development plan. Such required lands are usually acquired under land acquisition act or by land pulling and redistribution method (Town Planning Scheme). In Maharashtra such lands are taken under options of accommodation reservation policy or by TDR in addition to the land acquisition or land pooling and redistribution mechanism (Town Planning Schemes).

Urban Development in India under green-field project are developed through different models of land assembly. The broad categories are:

- Public sector model-bulk acquisition of private land and total development by government, semi-government; example - Navi Mumbai;
- Private Sector model-Licensed by government, land procurement and development by private sector; example - Lavasa, Aamby Valley City; and
- Public-private partnership model Land mostly given by government and / or acquired and development by JV Company; example - GIFT City.

#### 2.1 Public Sector Model

The green-field category projects include development of new towns, satellite towns, townships, industrial project based townships, Special Townships, capital cities of states, hill stations, integrated townships. Till end of the last century such green-field urban development projects were executed by bulk acquisition of private land under Land Acquisition Act, 1894. This was



the most feasible model as the entire notified land with clear title is vested with Planning and Development Authority. Major issues are - it involves bulk acquisition of land with up front investment and future liabilities of enhanced compensation, rehabilitation, resettlement of original land owners. Also, the protection of acquired land from encroachments if there is a gap between acquisition and development. A few examples of public sector green field projects are:

- Before independence New Delhi, residential township for railways, steel plants, power plants, defense establishments;
- After independence new capital cities for newly formed states like Chandigarh, Gandhinagar, Bhubaneswar;
- After 1970, the State Government agencies like CIDCO, DDA, and PCNTDA developed new towns.

The last two decades has observed that in place of 'compulsory acquisition' of private land under land acquisition act some different land development models of voluntary surrender are being tried by the public sector authorities in different state governments. Andhra Pradesh Government for its new capital city Amaravati is doing land assembly by 70:30 model where 30 per cent of the land is returned to the original owner in the form of developed plots at different location which includes mainly residential and smaller area plots for commercial use. CIDCO developed Navi Mumbai by 100 per cent acquisition of private land from 1970 to 1986. Later in 2012 when the land for Navi Mumbai International Airport was required CIDCO proposed a model of returning 22.5 per cent developed land to the original land owner at a different location in addition to land compensation. So, with changing times the land acquisition only by payment of monetary compensation is not workable.

Bulk land acquisition potentially can ensure getting clear title land free of all encumbrances, timely possession and getting contiguous land required for project. However, in practice large-scale acquisition of land has become increasingly difficult. Moreover, financing large indivisible investment in infrastructure that is necessary to promote green field cities is also a challenge.

# 2.2 New Land Acquisition Act

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013 has made bulk land acquisition substantially difficult. Bu it is a well-intentioned act meant to provide fair and just compensation to project affected persons. Some of its features are:



- Social Impact Assessment (SIA) is mandatory when land is acquired for public purposes;
- The SIA report has to be evaluated by an independent expert group constituted for that purpose;
- The SIA will lapse if the preliminary notice for acquisition is not issued within twelve months from the date of appraisal of the SIA by the expert group;
- There are several other provisions on providing jobs for those losing their lands, providing annuity, skill development measures, one time shifting allowance and detailed guideline on developing. Public hearing is required whenever land is acquired;
- A detailed Rehabilitation and Resettlement Scheme will have to be prepared by a government appointed Administrator, which will be approved by the Collector;
- Irrigated and multi-cropped lands cannot be acquired;
- The Solatium has been prescribed as 100 per cent of the market value;
- Depending on the location of the project from an urban area the market value will be multiplied by a value of 2 or 4 to arrive at the compensation package;
- If a house is lost in rural areas a constructed house shall be provided as per the Indira Awas Yojana specifications; and
- If a house is lost in urban areas a constructed house shall be provided, which will be not less than 50 s gm in plinth area.

In case the land is acquired for urbanization purposes, twenty per cent of the developed land will be reserved and offered to land owning project affected families, in proportion to the area of their land acquired and at a price equal to the cost of acquisition and the cost of development. Provide the Rehabilitation and Resettlement sites with required infrastructure and social facilities.

Based on the above daunting provisions of the RFCTLARRACt, 2013 and experiences, it can be concluded that with the changing time bulk land acquisition will be very difficult.

#### 2.3 Private Sector Model

Since Government changed its role from 'facilitator' to 'provider' after Liberalization - Privatization - Globalization policy it started involving private sector in urban development by way of incentivizing Large Scale Real Estate Projects. Government play the role of regulator by preparing schemes with various incentives like exemption of stamp duty, higher FSI, waiving off prior NA permission and so on.



The different state governments framed the policies for New Townships, Special Townships and Hill stations to be developed through private sector. All such new urban development projects which are being developed by private sector are necessarily by purchase of private land at market rates from the willing land owners with prior permission / license from respective state government.

### 2.4 Public-Private Partnership Model

Usually in such models Land either acquired by government or its owned land is given by government to Public Private Partnership Company formed for the purpose of the project. Land acts as Government equity in the project. The project is based on profit sharing basis. Trunk infrastructure required for these green field projects is developed by government. All approvals, sanctions, clearances required for project are taken / supported by government. Government facilitate in finance, development and promotion of the project which is a great advantage. Examples are GIFT City, Gandhinagar, Mahindra World City, Chennai and Sri City, Andhra Pradesh. However, GIFT is a project with SEZ and township whereas other two are mainly industrial development projects. This is the most versatile model for procurement of land for the project.

#### 3. NAVI MUMBAI PROJECT-PUBLIC SECTOR MODEL

Conceptually, bulk land acquisition and land banking relies on public ownership of private land for ensuring planned development, equitable distribution of land and recovering cost of development through sale or lease of land. This model has been used in Navi Mumbai by the City and Industrial Development Corporation of Maharashtra (CIDCO).

Navi Mumbai experiment has been successful in meeting some of the urban planning objectives such as acting as a counter-magnet to Mumbai city, decongest Mumbai by shifting of wholesale markets, housing for EWS and LIG and creating a new township with excellent infrastructure and easy access to main city. Break-up of Navi Mumbai Development Area in square kilometers is given in Table 1.

Table 1: Navi Mumbai Development Area

No.	Description	Area (sq km)
1	Navi Mumbai Notified Area	343.70
2	Areas under MIDC and MSEB, Municipal Councils and others	50.00
3	Navi Mumbai Project Area (1-2)	293.70
4	Other Industrial (Jawahar and Panvel Co-op and ONGC), Airport, JNPort, NDZ, RPZ)	153.67
5	SEZ	21.40
6	Non-Nodal Area	21.01
7	Nodal Area	97.62
	Total Area (4 to 7)	293.70



Total private land, salt-pan land notified and acquired and government land notified and transferred to CIDCO is (Table 2).

Table 2: Land Transferred to CIDCO

Type of land	Notified	In Possession (ha)	Not in possession (ha)
Private land	16800	13374	3426
Salt-pan land	2720	2720	00
Government land	9754	5262	4492
Total	29274	21,356	7918

# 3.1 Land Acquired by CIDCO since 1970 - 1986 for Navi Mumbai Project

Nearly 13374 hectares' private land was acquired by Government of Maharashtra under the then Land Acquisition Act, 1894. The acquired land was handed over to CIDCO for development. In 1984 there was a large protest against acquisition demanding higher compensation. As a compromise formula Government of Maharashtra sanctioned scheme to return 12.5 per cent developed land at the cost of acquisition of agriculture land plus a small amount towards development cost to original owner in addition to monetary compensation. As per this scheme excluding the land of absentee landlords and company owned lands CIDCO has to allot nearly 1671 ha gross land under 12.5% scheme. This has limited the land resource available with CIDCO. Also, this liability came 15 years after start of project which was not considered in project costing. Learnings from the Navi Mumbai experience are:

- Availability of continuous, unbroken, uninterrupted land suitable for development;
- Availability of clear title land;
- Government land with reasonable conditions;
- Inclusive development possible. Provision of social housing by cross-subsidy;
- Future liability for payment of enhanced compensation on Government;
- Continuous liability of Resettlement/rehabilitation of PAPs;
- Failure to acquire critical land parcel create bottle-neck; and
- When there is a gap between date of acquisition and actual development there are encroachments on acquired land particularly near village habitations.

#### 4. LAVASA HILL STATION PROJECT - PRIVATE SECTOR MODEL

Government of Maharashtra incorporated 'Special Regulations for Hill Stations 1996' in the sanctioned Regional Plan of Pune in 1998. Under Section 1 of Special Regulations for Hill Stations in June 2001 area of 18 villages from Mulshi and Velhe Tahsil, Pune District was declared as Hill Station. Hindustan Construction Company formed 'Lavasa Corporation Limited' for development of Lavasa.



Table 3: Description of Land for Lavasa Hill Station Project

No.	Description	Area (sq km)
1	Gross Project Lands (18 villages)	119.15
2	Forest lands	25.85
3	Submergence and village settlements	17.07
4	Total Non-Developable	42.92
5	Available Developable (18 villages)	76.23
6	Land in possession (10,000 acres)	40.00

Procurement of land for Lavasa was a tough job. Permission from Government was taken under Bombay Tenancy and Agricultural Land Act 1948. After the permission the land has to be purchased within given time. Purchase of conditional lands like class-II, tenanted land happens with prior permission of the District Collector on payment of 2 per cent premium (Nazrana).

Lavasa Corporation purchased about 10,000 acres' land from the willing sellers by paying premium at prevailing market prices after negotiations. When there was direct purchase only the owners appearing on record were paid. However, in many cases it was discovered that there were other heirs, interested third parties, etc., who were not on record. The sellers never disclosed this information at the time of sale. Conditional lands (class-II) were purchased by paying 2% premium. It was however, discovered by Lavasa Corporation later that some of the lands purchased as free hold lands without condition were actually conditional lands. These were surplus lands forfeited under the Maharashtra Agricultural Land (Ceiling on Holding) Act 1961 and allotted to landless farmers with a condition that before transferring them permission from the Collector should be obtained. Despite this condition these lands were sold by original allottee without permission and later these lands were purchased by Lavasa Corporation after two to three intermediate transfers.

Lavasa Corporation had to pay penal premium for regularizing these purchases. Some of these lands turned out to be allotted to the landless persons who were granted caste certificate as tribal caste. Hence, the lands were then restored to the original allottee. Lavasa Corporation suffered this loss due to absence of remark on the land record which is a clear lapse of revenue officials. NGOs with the help of locals try to portrait a wrong picture of project proponent. The Learnings from Lavasa experience are:

- Land record is very poorly maintained by Revenue Department;
- The actual owners, heirs, interested third party's identification is difficult;
- When the land is directly purchased from the owners on record there are chances of surfacing of more heirs, interested parties which upset the project cost and project proponent end up paying higher cost;



- The agriculture land rates after start of project increase many fold than the rates before start of project;
- An attempt should be made to buy as much land as possible before starting of project;

# 5. GIFT CITY, GANDHINAGAR, GUJARAT - PUBLIC-PRIVATE PARTNERSHIP MODEL

Gujarat International Finance Tec - City Company Limited, (GIFTCL) is responsible for developing the GIFT city, on about 886 acres of land situated in Gandhinagar, Gujarat. A Global Financial and IT services hub is a part of GIFT city, which will cater to India's large financial services potential by offering global firms the world class infrastructure and facilities.

GIFT city will be catering to the domestic and international financial sectors along with residential, institutional facilities and allied activities. Modern in every respect, GIFT city will be developed with a built-up area potential of up to 62 (sixty-two) million sq ft. GIFT city is designed to meet its customers' needs in terms of business environment, state-of-the art infrastructure and an integrated township.

Central government under the Special Economic Zones Act, 2005 notified an area of 261 acres of land in the GIFT city for development, operations and maintenance as a sector specific multi-services Special Economic Zone. Government of India, Ministry of Commerce and Industry, Department of Commerce on 27 December 2011 approved for setting up of International Financial Services Centre (IFSC) in GIFT SEZ. For the purpose of the development of GIFT City, Government of Gujarat on 10 June 2011 transferred lands admeasuring 618 acres to GIFTCL for SEZ and Non-SEZ area. The breakup of total land of SEZ is given in Table - 4.

Table 4: GIFT City Project, Land

No.	Description	Area	
1	Total SEZ area	105.62 Ha. (261 acres)	
2	Non - SEZ area	252.93 Ha. (625 acres)	
3	Total area of GIFT	358.55 Ha. (886 acres)	
4	Land in possession of GIFT CL/SEZ      Government land     Private land acquired     Private land bought	261.43 Ha. (646 acres) 618 acres 10 acres 18 acres	

Out of the balance land not in possession nearly 140 acres is private and 100 acres is government. Acquisition of balance private land is now very costly and cumbersome after start of project. Balance government land is with



encumbrances, commitments and third party interest; hence difficult to come in possession. Learning from the GIFT project are:

- The planners rightly identified the project site on area where majority of land was owned by government;
- The identified land excluded any irrigated land, habitations, tree cover so it was easy to develop;
- Apart from the lands transferred by government and acquired and bought by GIFTCL since 2012, additional land has not come under the possession of GIFTCL since start of project in 2012;
- Only 10 acres were acquired through land acquisition act which was very critical. Even in this there are court cases for enhanced compensation which are future liabilities:
- Since majority of the balanced land are privately owned, its purchase and acquisition is difficult, costly due to the increased land values because of development of GIFT city;
- Out of the total notified area for the project all or maximum land should be taken in possession before starting of the project;
- The balance land is difficult to procure after start of development as the sale of developed land or plots set the higher price for this land; and
- If the land is acquired through land acquisition act, then there are chances of enhance compensation cases which will mature at fag end of the project making economic viability of project very difficult.

#### 6. CONCLUSIONS

The focus of the paper is three fold, first deals with procuring the land for public purpose and providing physical and social infrastructure and second, of to use of the land for inclusive development and third to raise the finances through the process of land development. The case studies taken into consideration are of Navi Mumbai as public sector model Lavas a as private sector model and GIFT city as public - private partnership model.

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# **Navi Mumbai CIDCO Projects and Land Acquisition**

#### Kiran Shinde

#### **Abstract**

A part of un-acquired land went to the new airport project from CIDCO for the building of Navi Mumbai International Airport. In order to provide equivalent land to CIDCO, Government of Maharashtra decided the land acquisition route. This paper discusses the process of land acquisition under the new Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

#### 1. INTRODUCTION

Government of Maharashtra considered the recommendations of the Mumbai Metropolitan Regional Planning Board (1970) and appointed the City and Industrial Development Corporation Limited (CIDCO) as New Town Development Authority for the development of notified area of 344 sq km in March 1971. The Board had also recommended new port at Uran near Nava Sewa presently known as Jawaharlal Nehru Port Trust (JNPT) Port, and also smaller urban centers of Thane, Bhiwandi, Ulhasnagar, Kalyan, and Khopoli in the MMR region. The concept was to develop a counter magnet twin city across harbour a twin city of Navi Mumbai to reduce job concentration and population growth in southern Mumbai. Accordingly, on establishment of CIDCO as NTDA, Land Acquisition notification of 95 villages was issued under Land Acquisition Act 1894 in 1972 and 1973 respectively. In the process of land acquisition CIDCO faced strong resistance. But after consultation with government, it adopted various schemes for giving additional percentage of developed land over and above amount of compensation. New Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act) came into existence in January 2014, but till 2013 CIDCO had acquired almost all its notified land baring few land parcels of which some land is falling in proposed Airport project. Hence to expedite Airport project work, Maharashtra Government has approved separate package for land acquisition and rehabilitation and resettlement to land holders, and persons affected from project (PAPs) on the lines of LARR Act 2013. The process involved in land acquisition is discussed in detail in this paper.

# 2. LAND ACQUISITION AND DEVELOPMENT OF NAVI MUMBAI

CIDCO adopted 100 percent land acquisition model and acquired land under provisions of Land Acquisition Act 1894. In the initial stage for smooth land acquisition, training was provided by CIDCO establishing training centers.

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Accordingly, till 1975 about 2,323 PAPs got jobs in CIDCO at different levels. State government also subsequently approved incentive schemes in land acquisition, which:

- Gaothan Expansion Scheme with allotment of 5 per cent developed land with minimum 40 and maximum 500 sq m of land;
- Land acquisition with 12.5 per cent developed plot allotment;
- 22.5 per cent developed land allotment under the Airport project; and
- Rehabilitation and resettlement measures to the PAP families and to the youth affected in Navi Mumbai Airport project area.

For Navi Mumbai the state government notified land for acquisition of 19,520 ha out of which about 16,800 ha was agriculture land and 2,720 ha was in salt pan. Almost all land has been acquired baring only 3,426 ha land. Government owned land of about 5,262 ha has been transferred to CIDCO and rest 4,492 ha land is yet to be transferred. As per land use of Development Plan of Navi Mumbai, about 153 sq km land is under JNPT, ONGC, NDZ, Regional Park Zone and 21 sq km is allocated to Special Economic Zone, rest about 118 sq km is available for development in nodal and non-nodal area.

### 2.1 Gaothan Expansion Scheme (GES)

In GES Landholders whose land is acquired will gate land compensation plus 5 per cent developed land with 0.75 FSI. Every landholder will get minimum of 40 sq m plot with a maximum cap of 500 sq m. The scheme also contains social facility plots for health center, Balwadi, Mahila mandal, gram panchayat office, primary school and play ground, garden, burial ground, and crematorium plot. The lease premium (LP) at double the award rate per sq m plus infrastructure development charge was levied at the time of allotment of 5 per cent land. Under this scheme CIDCO allotted 29.67 ha area in seven villages of Thane Tahsil. Rest of the Villagers of Panvel and Uran Tahsil did not cooperate with this scheme. They continued to protest and demanded more percentage of developed land and increased amount of compensation. Considering their demands government approved policy of 12.5 per cent land allotment in place of 5 per cent land.

# 2.2 The 12.5 per cent Land Allotments Policy

Government declared 12.5 per cent land allotment with FSI 1.5 in 1990. Out of 12.5 per cent land 30 per cent land is deducted for provision of social and physical infrastructure facilities and net 8.75 per cent developable plot on 60 years lease period is allotted. Initially there was lock in period of 10 years for transfer or sale of plot and restriction to use land only for residential use. This restriction



was lifted by Government on 28th October 1994 and 28th September 1998 and allowed transfer of plots on payment of charges and permitted 15 per cent FSI for commercial purpose. Further this scheme made applicable retrospectively to plot allotted in GES since 1976.

This 12.5 per cent land allotment scheme is not applicable to the lands of Absentee landlord, Salt Pan Owners, Public charitable Trust lands and other Trusts, MIDC, MSEDCL, TATA power corridor, PWD, Railway project, JNPT, Irrigation Department, other government departments land, and Evacuee Property as evacuee land becomes government land.

### 2.3 Plan Preparation and Drawl of Lots under 12.5 per cent Scheme

The layouts are prepared for the vacant land pockets of respective nodes and sectors. The plans with number of plots under different category of sizes submitted to further processing to the lands department The land department in turn prepares proposal of individual landholders, verifies the entitlement, makes site visits, demarcates plot area and submits proposal to CIDCO Board's approval. Allotment is done by drawl of lots by adopting Randomization method. In this method four numerical numbers are obtained from three members and after totaling the figure and after averaging, one seed number is generated and this seed number is used in computer for Randomization and a list is generated through computer. The list will have name of landholder, plot area, plot number, sector number, pocket number and name of node. The said list printout is preserved with endorsement of board members. This list is also published in local news papers and kept in official web site. In this way the transparency is maintained in drawl of lots.

#### 2.4 Rehabilitation of PAPs and Social Protection

CIDCO under took various measures of rehabilitation by providing technical education, job placement, Grant-in-aid to local schools and colleges, stipends to trainees and college going students, entrusting petty development contracts, and in improving health and hygiene of village site and inmates by providing piped water supply to each village. It also provides training to the PAP's based on their ability and qualification. Needy students of project affected family are given financial assistance in lodging and boarding. At times the help of local leaders is also taken in organization and operation of various measures of rehabilitation initiated time to time by CIDCO. To the School, College students help and assistance is provided in the form of free books and scholarships.

Recently CIDCO started PAP Training Centre which provided technical training in computer, Hospitality, Accounting and Catering. Currently two such institutes are present in the Navi Mumbai. CIDCO appointed Tata Institute of Social

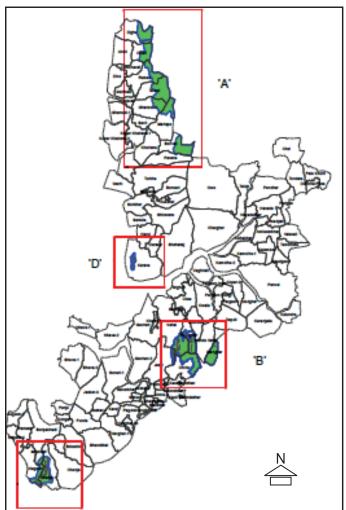


Service (TISS), National Institute of Fashion Technology (NIFT) to introduce various training programs and modules. Training programs like pattern making and garment, construction, dress making, customer relationship, photography, fashion consultant, beauty parlor and wellness, jewelry making, hospitality, information technology, automobile, electronics, banking and finance, health (nursing) etc.

#### 3. DE-NOTIFICATION OF NOT ACQUIRED POCKETS

Most of the un-acquired and un-developed land parcels in Navi Mumbai falls in 'Regional Park Zone' (RPZ) having an area of about 61.70 sq km (20 per cent). Further the RPZ area has forest land, Government owned land and few owned by private. Considering present oppositions for land acquisition, increase in land price, growth of unauthorized development and more expectations of landholders

Fig. 1: Zone Details for lands in CIDCO'S SPA Jurisdiction of Navi Mumbai



for compensation with rehabilitation packages the CIDCO management preferred to prepare a proposal and sent to Government for de-notification of certain RPZ land. State Government informed in 2014 that, there is no provision in MR & TP Act to relax the conditions of compulsory acquisition for public purposes, as specified in Section 117 of MR & TP Act 1966 and hence suggested to either withdraw the acquisition or submit proposal for modification of the boundary of the New Town to exclude such lands from notified area. As per the MR & TP Act 1966, State Government is supposed to acquire all the land and vest with CIDCO (Section - 113 A). However, to comply with the directions of State Government CIDCO formed its Internal Officers Committee for re-examining all the land parcels by carrying field survey. Accordingly, as per the observations of Committee and on approval CIDCO Board the state Government issued notification on 31th Oct 2017 for de-notification of certain lands pockets from New Town Development Authority and appointed CIDCO as SPA under Section - 40(1) b of MR & TP Act 1966 for such deleted land. This has facilitated land owners to develop



their land as per sanctioned plan proposals and prevailing GDCR without fear of land acquisition.

# 4. NAVI MUMBAI INTERNATIONAL AIRPORT (NMIA)

The Ministry of Civil Aviation granted in principle approval in July 2007 for the development of second Airport at Navi Mumbai, on public private partnership (PPP). The Government of Maharashtra (GoM) also granted approval in 2008 and appointed City and Industrial Development Corporation of Maharashtra Limited (CIDCO) as a Nodal agency for implementation. The core area of Airport is 1160 ha and to comply with conditions of MoEF/CRZ environment clearance 245 ha area is proposed to develop as Mangrove Park on Waghivali Island close to core area. The 'No Development Area' of Navi Mumbai has also been considered for Mangrove generation and accordingly 310 ha land of Kamothe Node and 60 ha at Moha village has been earmarked. Total land area of 2268 ha area is earmarked for Airport development which includes core area of 1160 ha. Exiting 10 village settlements from core area are to be shift in identified land pockets adjacent to airport site.

Out of total land required 1,160 ha of Core area CIDCO has been now acquired in full. About 19 ha Government land is to be transferred to CIDCO. Similarly land required for Airport and allied uses is 2268 ha out of which 1,572 ha land is possession of CIDCO, 25 ha land of Government to be transferred to CIDCO and 671 ha land to be acquired.

# SPECIAL LAND ACQUISITION PACKAGE FOR NAVI MUMBAI INTERNATIONAL AIRPORT (NMIA)

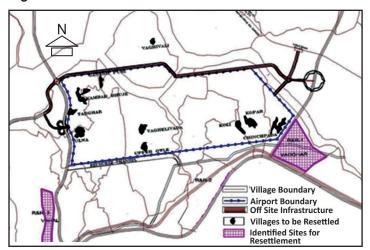
State government in March 2014 issued directions for acquisition of land under proposed Airport. It categorized land in to groups one the land falling in core area of Airport, outside core area, Gaothan area, The present land acquisition policy will continue with allotment of 12.5 per cent land and in place of compensation

Table 1: Villages to be Rehabilitated

R & R Pocket	Area in ha.	Villages to be Rehabilitated in Identified land pockets	
01	40	Chinchpada (Dighode Pada), Kolhi, Kopar, Vaghivalivada	
02	21	Chinchpada Remaining area. (Talav Pali, Motha and Madhala pada.)	
03	15	Varch Owale	
04	27	Ulwe	
05	18	Targhar	
06	20	Kombadbhuje, Ganeshpuri	
07	13	Vaghiwali	
Total	154 Ha.	10 village sites	



Fig. 2: Rehabilitation and Resettlement Plan for Nmia



the landholder will get 10 per cent developed land. For example for 1 ha land after deducting 30 per cent land for social and physical infrastructure he will get 1,575 sq m developed land and an additional 10 per cent land i.e. 700 sq m he will get 2.5 FSI and the land portion of 12.5 per cent (875 sq m) land will get 1.5 FSI thus total 3062.50 sq m net built-up will be available for landholder on his 1.00 ha land. Further the landholder should have minimum 1000 sq m plot to consume the available built up area on the same allotted plot. If he has smaller plot then he has to

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get amalgamated with the adjacent plot and develop the plot. CIDCO will allow amalgamation of such plots. Further the balance unutilized FSI will be allowed to sale or utilise on other plots in the same node. All these plots allotted to PAP's are without premium but on Rs 1 lease rent. The lease period will be of 99 years and construction of minimum 33 per cent within 6 years and for further extension of construction period the landholder will have to pay additional lease premium at the rate that will be decided by CIDCO. Apart from these each family of PAP will get 100 equity shares of Airport Company without cost at the face value of Rs 10 each and also 50 per cent work of land filling out of the contract tender awarded to the agency and professional training at CIDCO's cost to the eligible PAP candidates.

# 5.1 Benefits to the landholder who shifted due to their land acquired under the Gaothan and settlement structures

The state Government in its order dated 1 March 2014 specified that all the structures visible in the satellite images of September 2013 shall be considered eligible for the benefits for shifting from Airport site to its new site. Following benefits were provided to the PAPs for shifting from core area of airport project:

- A developed plot with FSI 1.5 equal to three times of existing plinth area of house of family member within the core area will be allotted;
- The PAP will get equal amount of area under use of commercial affected and no restriction on maximum commercial area allocation but minimum of 40 sq m to be provided;
- Financial aid at Rs. 1,000 per sq ft for construction of equal built-up area of his existing structure;
- For Commercial use 15 per cent of FSI on allotted plot is permitted;
- One time subsistence allowance Rs. 36,000 at the rate of Rs. 3,000 per month for one year;



- One time amount at the agricultural labor rate equal to the 750 days. CIDCO considered Rs 166 per day labor rate and an amount of Rs. 1,24,500 paid to the PAP;
- One time Shifting Transport charge Rs 50,000/- paid and allowed family to carry old demolished or removed material;
- Exemptions in building permission fees or development charge and plot premium. PAP will be given 6 years period for construction of minimum 33 per cent of FSI on allotted plot and thereafter for extension period additional lease premium shall be levied at the rate that will be decided by CIDCO;
- Professional Training to eligible PAP at the cost CIDCO and 100 equity shares
  of Airport Company at the face value of Rs 10 will be given to each family;
  and
- Under the contract awarded to the agency for Development of Airport 50 per cent work of soil filling/ reclamation is given to PAP's at the District Schedule Rates.

Apart from the above benefits, the project proponent CIDCO will provide the facilities at its own cost at the rehabilitated site such as developed *gram panchayat* office, *tehsil* office, post office, bank, Samaj Mandir (community hall), school with playground, open ground for celebrating festivals along with religious complex, crematorium or burial ground, bus stand, and market.

## 5.2 Development of New Township Pushpak Nagar for 22.5 Per cent Land

CIDCO has now planned a Pushpak Nagar Township on 230 ha land for allotment of 22.5 per cent land to the Airport project affected landholders. This township will be developed as Greenfield Smart Township, fully financed by CIDCO with an estimated population of 2.40 lakh. Township will have residential land use 110.86 ha (54.83 per cent), mix land use (R+C) 10.22 ha (5.05 per cent), social facilities 20.40 ha (10.09 per cent), Transportation 64.45 ha(18.13 per cent), and Open Space, recreational with water body will have 24.07 ha (11.90 per cent). Township physical infrastructure development work is in progress and plots are being allotted to the PAP's of Airport affected area.

# 6. RECENT DIRECTIVES OF STATE GOVERNMENT FOR LAND ACQUISITION

It has been made clear by the Maharashtra state Government for adopting the procedure of land acquisition as the New Act of "The Right to Fair compensation & Transparency in Land acquisition, Rehabilitation and Resettlement Act 2013 which has come in effect from 1st Jan 2014. That if as per Land Acquisition Act 1894 notice has been issued/published under Section - 4 before the 2013 Act came in to force and procedure of Section - 24 of New Act 2013 has already commenced but the award is not declared, or payment is not been paid and not deposited in the landholders bank account then only the compensations part



of the New Act 2013 will be made applicable and the awards may be declared and land can be acquired, taken in possession by following the guidelines given. Further detail clarifications and directions to land acquisition office regarding following procedure under various sections of Land Acquisition Act 1894 as well as the LARR Act of 2013 has been issued by Maharashtra Government time to time in order to smooth function of land acquisition particularly for the Navi Mumbai International Airport project.

#### 7. OTHER PROJECTS OF CIDCO

Government of Maharashtra also appointed CIDCO as Special Planning Authority under Section - 40(1) b of Maharashtra Regional and Town Planning Act 1966 for Planned and orderly development of New Aurangabad (1,012 ha), New Nanded (250 ha), New Nashik (398 ha), in the year 1972,1974,1975 respectively. In all these projects CIDCO has adopted conventional 100 per cent bulk land acquisition model under LA Act 1894. After development project is handed over to respective adjacent Municipal Corporation. However, CIDCO has adopted a different land acquisition model in its Waluj New Town project.

#### 7.1 The Waluj Mahanagar New Town Project

CIDCO was appointed as SPA in October 1991. In this project every land owner's only 25 per cent land will be acquired and rest 75 per cent will be allowed to owner for development. The land owners have to pay service charges and development charges while obtaining development permissions. Planning proposals for Phase I land 1714.85 ha of four Nagars has been sectioned by Government as urbanizable area and phase II land is shown as 'No Urbanizable Area'. In each Nagar 10 per cent area is reserved for Growth Center. The plan envisages 100 per cent land acquiring of area falling in growth center, avenue roads, roads more than 15 m and 18 m wide, public utility area like water tanks ESR/GSR and other optional reservations if not developed by landholder. By adopting this 25:75 per cent land acquisition model CIDCO has acquired land and developed growth centers and major road network proposed in Development Plan. Now as per new "Right to Fair Compensation and Transparency in Land acquisition, Rehabilitation and Resettlement Act 2013 (LARR) CIDCO may have to make necessary provision to acquire balance land of the project.

# 7.2 Land Aggregation by Making Provision in Development Control and Promotion Regulation (DCPR)

CIDCO in Navi Mumbai Airport Influence Notified Area (NAINA) appointed by the state government as Special Planning Authority under Section - 40 (1) b of Maharashtra Regional and Town Planning Act 1966 for 600 sq km area which includes 256 villages of Raigad District and 14 villages of Thane District has kept a vision to develop this notified NAINA area as smart, sustainable, and inclusive city. CIDCO prepared Interim Development Plan for 23 villages admeasuring 3,683 ha (37 sq km) and



subsequently prepared Development Plan (DP) for entire notified area. Now CIDCO has published a Town Planning Scheme in which 40 per cent net land will be given as final plot with FSI 2.5 and 60 per cent land of DP reservations, etc.; will be kept with planning authority. On 40 per cent land owner can utilize full FSI without layout open space and amenity areas and EWS 20 per cent tenements. Special Development Control Promotion Regulation (DCPR) for TP scheme is prepared for smooth implementation of TP schemes. As directed by State Government, it is proposed to develop this project by adopting TP schemes and not by NAINA Scheme.

#### 8. CONCLUSIONS

After establishment of CIDCO as New Town Development Authority (NTDA), land acquisition notification of 95 villages was issued under Land Acquisition Act 1894 in 1972 and 1973 respectively, which faced strong resistance. Therefore, CIDCO adopted various schemes for giving additional percentage of developed land over and above amount of compensation. However, as the New Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act) came into existence in January 2014, to expedite Airport project work, Maharashtra Government has approved separate package for land acquisition and rehabilitation and resettlement to landholders and PAPs on the lines of LARR Act 2013, which was quite encouraging.

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# **Development through Corridor Development: Investment Opportunities in DMIC, Rajasthan**

**Pradeep Kapoor** 

#### **Abstract**

This paper provides a brief discussion on the Delhi Mumbai Industrial Corridor focused on creating the state of the art freight related infrastructure with the help of foreign direct investment among other sources of funding. Five nodes falling in the state of Rajasthan are discussed along with their strengths. It is found that in spite of the fact that relevant legislation has been enacted by the state government and also some of the development plans have been prepared, implementation of development plans is yet to start due to lack of political support, making the state lag behind other states which are part of the DMIC.

#### 1. INTRODUCTION

Delhi Mumbai Industrial Corridor (DMIC) was envisaged as a mega infrastructure project with the financial investment of 100 billion USD (Rs. 4,25,000 crore) for a length of 1,483 km along a proposed dedicated Freight Corridor starting from Dadri in Uttar Pradesh near Delhi and terminating at Jawahar Lal Nehru Port in Mumbai. The projects proposed along DFC taking 150 km on either side as influence zone are comprised of mega industrial zones, high speed freight railways, ports, airports and 4,000 MW power plants along with several industrial estates, clusters, hubs and supporting infrastructure to attract more foreign investments. It was conceptualized that the high speed connectivity between the political capital Delhi and financial capital Mumbai would offer opportunities for development of an industrial corridor along the freight corridor.

Vision for the DMIC was not only to create economic base in the states through which the corridor passes but also to create an environment for foreign investments and development of world class infrastructure. It was imagined that the development in the corridor will activate local industries which would result in providing employment and attain sustainable development. DMCI was conceived as the Model Industrial Corridor of international standard to create manufacturing and trading hub in the region. By bringing the latest technological advancements in production would enhance the skills of workers in this region and finally fruits of skill development would be distributed throughout the country. Another important strength of the concept of DMIC is to enhance regional, urban and rural connectivity and efficient use of resources

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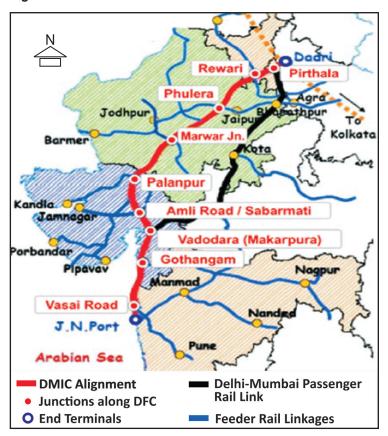
of the region, which will increase local trade and commercial base of the country.

Dedicated Freight Corridor (DFC) route was finalized between Dadri and Mumbai (Fig. 1) after taking various aspects such as reducing in transport time and increasing carrying capacity of rail services. It was decided to build DFC from Dadri to Jawahar Lal Nehru Port through Dadri - Rewari - Phulera - Ajmer - Palanpur - Amli Road Sabarmati-Ahmedabad and Vadodara. Along this DFC comprising 1,483 km, the influence zone was earmarked as 150 km on either side of this corridor.

# 2. FINANCIAL STRUCTURE FOR DMIC

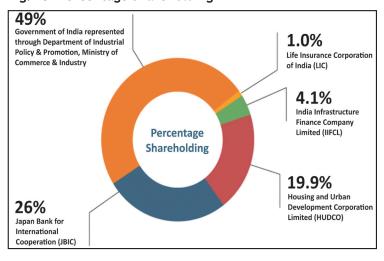
As the project was envisaged with the financial implication of \$100 million, for efficient implementation of the project Delhi-Mumbai Industrial Corridor Development Corporation Limited (DMICDC) was created as the project development agency with following initial equity structure. It will have 49 per cent contribution of Government of India and 51 per cent from financial institutions. Project development activities identified for this corridor include wide range of sectors such as industrial areas or clusters, SEZs, food processing hubs, logistic hubs, railway and road linkages, ports, airports,

Fig. 1: Delhi Mumbai Industrial Corridor



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Fig. 2: Percentage Shareholding



etc., with supporting infrastructure facilities. DMIC projects identified require huge funds for implementation through various funding schemes, state and central budgetary provisions, etc. These projects include financially viable



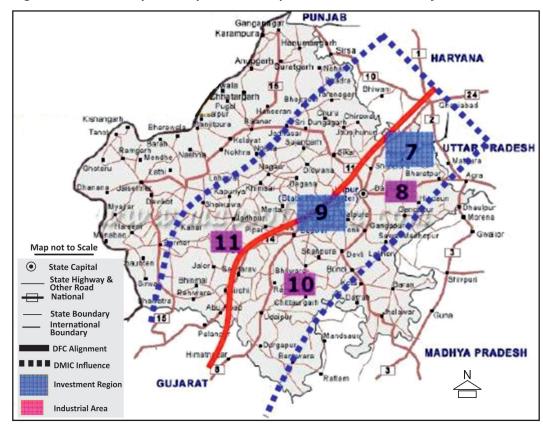


Fig. 3: Location Map for Proposed Development Nodes in DMIC-Rajasthan

and non-viable projects and require private sector for infrastructure development through public private partnerships(PPPs) and through private sector investment.

#### DMIC PROJECTS IN RAJASTHAN

In Rajasthan the alignment of DFC passes through Phulera-Ajmer and Marwar which comprises more than 58 per cent of influence area of DMIC. Rajasthan, though is not industrially developed State but has rich agriculture along with important mineral resources like cement, building stone, textile, handicraft, gems and jewelry are important industrial sectors of the State. IT and ITES, knowledge hub, food processing parks, etc., are growing sectors across the State. On the basis of resource regions following development nodes have been proposed in the influence area of DMIC:

- Node A Khushkhera-Bhiwadi-Neemrana Investment Region;
- Node B Jaipur-Dausa Industrial Area;
- Node C Ajmer-Kishangarh Investment Region;



- Node D Rajsamand-Bhilwara Industrial Area; and
- Mode E Pali-Marwar Industrial Area.

Node A - KBNIR is suitably located in the NCR region and very close to the National Highway No.8 at a distance of about 105 km from Delhi. This Node was considered to be early bird project by the state government as it has locational advantages including good connectivity to the National Capital Territory of Delhi and state government identified the region to be developed as global city. Development Plan of the area was notified and land acquisition proceedings were initiated. A green field airport at Kotkasim in this region is also planned.

**Node B** - **Jaipur-Dausa Industrial Area** was considered as growth pole to cater to multi-sectoral clusters. This region is also connected by the National Highway No. 11 and Jaipur-Agra broad gauge railway line. Another potential of the area is availability of land at lower prices. This zone was considered to offer warehousing facilities with truck terminals, export oriented industrial units and integrated townships, etc.

**Node C - Ajmer-Kishangarh Investment Region** is located close to the alignment of dedicated freight corridor and has rich mineral resources like zinc, asbestos, soapstone, manganese, calcite, limestone, mica, emerald, marble, granite, and masonry stone.

**Node D - Rajsamand-Bhilwara Industrial Area** is located between NH 8 and NH 79, which has economic base in the form of textile industries. Many leading manufacturers of suiting such as BSL, Mayur, etc., are located in the region in Bhilwara town. Rajsamand and Bhilwara are rich in mineral resources in general and marble stone in particular. Well established industrial base of the region has ample potential of export oriented industrial development.

**Node E - Pali-Marwar Industrial Area** is within 50 km from the alignment of DFC at Marwar Junction whereas Pali has strong base of textile industry and marble cutting units along with leather and other mineral based industries. State Department of DMIC has prepared Development Plan for Jodhpur-Pali-Marwar Investment Region and recently it has been notified.

# 4. STATUS OF DEVELOPMENT IN RAJASTHAN DMIC

The \$100 billion project is proposed along the high speed Dedicated Freight Corridor for efficient movement of goods between Dadri in Uttar Pradesh and Jawahar Lal Nehru Port in Mumbai with the stretch of 1,483 km, which passes through Rajasthan and comprises of about 39 per cent of the total length. The



influence zone of DMIC to the extent of 58 per cent falls in Rajasthan along with the other states such as Uttar Pradesh, Haryana, Madhya Pradesh, Gujarat and Maharashtra.

Land acquisition process for the KBNIR (Node A) was initiated by the Rajasthan State Government in 2012 and compensation of Rs. 3,000 crore for approximately 1,425 hectares was declared in 2015. During this period transaction of lands in the area was frozen pending preparation of the Development Plan. Later on the Development Plan of KBNIR was notified, but the state government is yet to pay the compensation to land owners. Many of the land owners were keen to accept the provision of land for land (25 per cent of developed land in lieu of acquired land) but the state agency for DMIC has not acted proactively to settle the issue of compensation. If the land owners opt for developed land in place of cash compensation, it will reduce the financial burden on the state government for acquisition of land. It should be stated that for want of acquisition of land the project is yet to take off.

Similarly, Development Plan of Jodhpur-Pali-Marwar Investment Region has been notified, but the process of implementation of development plan is yet to start. Looking to the pace of development in Rajasthan comparing the six states sharing the DMIC, Rajasthan has been left behind by other states specially Gujarat. Apart from notification of Rajasthan Special Investment Region Act (SIR Act) and approval of Development Plans of two investment regions, no other development in DMIC Rajasthan has taken place.

#### 5. CONCLUSIONS

DMIC projects in Rajasthan has been delayed from where it will not be easy to move on and compete with other states to take advantage of industrial and economic development in the state through this project. Rajasthan State Government is required to give serious attention to the DMIC projects in order to mobilise funds or adopt other methods for the procurement of land successful such as land pooling, etc., to push forward the development in the region.

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# Land Procurement Mechanism for Greenfield City: A Case Study of Naya Raipur

#### **Rohit Khandelwal**

#### **Abstract**

In spite of the fact that Raipur remained the state capital of Chhattisgarh for several years, after bifurcating from the state of Madhya Pradesh, the newly created state of Chhattisgarh needed a new capital. That need was fulfilled with the construction of Naya Raipur, a city being built adjacent to Raipur. This paper describes the land procurement policy and associated processes followed by the state government in order to procure land for the city of Naya Raipur. Author is of the view that this has been a successful land procurement effort for building a city.

#### 1. INTRODUCTION

Balance is what we strive for through our visible and invisible actions. The balance is a reflection of gross aspiration of the society in group or as an individual. Historically if we see what we have achieved is only revealed through the remembrance of our ancient habitats. The rise and fall of great civilizations, the evolution of science and meta-physics along spirituality and religion, and humanity is always in search of higher level of truth through its deeds. However, as an individual human being, we are imperatively attached to the possessions, belongings, and achievements we have attained in very short span of a lifetime.

This has huge bearing on whatever we collectively or individually do. Somehow, we have evolved and learned the art of rationalizing the aspirations of masses with or without considering their impacts on future civilizations. This might have been true for civilizations in history as well, but today we are so much developed that we live and coexist together globally. It is clear case of outnumbering everything compared to history, and so are our needs.

As planners, we have to constantly look at the trends, forecast futures and plan for multi-directional growth. Multi-directional growth is the sum of total our needs, aspirations, and available resources. The cycle continues. We thrive, live and survive on land, which makes it fundamentally important and we are deeply attached to it. People feel pained at the thought of giving away their lands. However, the sacrifice of a portion of land is negligible compared to the scale of area and time under consideration (Dhru, 2010).

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#### 2. CITIES IN HISTORY

A large number of people accumulated in social, political and administrative structures on a specific geography harnessing the potential of available resources and opportunities over a period of time can be termed as the city. Again going back to history, we have seen rise and fall of many cities, transformations and coexistence of many cities. Some historically known cities came into existence thousands of years ago and are not present today. However, some still exists but totally transformed, some have till date retained their classic essence. Some of the inspiring examples include Luxor, Egypt - 3200 BC, Beirut, Lebanon - 3000 BC, Varanasi - 1800 BC, Ujjain - 600 BC, Jaipur - 1727, New Delhi - 1931, Chandigarh - 1966, Naya Raipur - 2002, Amaravati - 2015.

We know them through the documentation of citizens and travelers to these cities. Their descriptions help us in forming our experience by creating the mental frame about these cities. We understand the reasons and processes involved in the evolution of these cities; most of the time it is led by a vision of a leader. Now when we have democratic political system in most of the countries, people have their say in influencing the decisions impacting cities. It is not that individual leaders have not attempted to make the city of their dreams in current political system. They have, but their success and failure is based on how they mingle and synergize their thought processes with the people residing in them and surroundings.

Individual aspirations are definitely a driving force but positive and negative momentum comes with combined force of various strata of socio-political systems. To aspire for shaping up a city from a vision is no gainer sometimes. Although many cities are newly conceptualized, governments have taken a self-sustainable approach for their growth and development. It is evident that the project of such magnitude built in generations may need to have some alternative economic principle to weigh its sustainability. It has a deeper meaning, being entangled in pursuits of their own happiness; it would be difficult for any individual to understand. Planners have to look beyond the political limits, socio-cultural milieu, technological limitations and above all resource constrains to make humanity thrive again, giving us opportunity to live like none of the civilization lived in the history.

## 3. THE CITY OF NAYA RAIPUR

#### 3.1 Methods of Land Procurement

If we look at some of the attempts made by administrative and political visionaries in New Delhi, Chandigarh, Bhilai, Bokaro, Gandhinagar, Navi Mumbai, Naya Raipur, Amravati, etc., and some of the individual visionaries in Auroville, etc., we find that each time a different method has been adopted for procuring the land required for city development. The methods adopted were ranging from



compulsory land acquisition; purchase though mutual negotiation; land pooling and readjustment; and sometimes partnering with land owners.

Whatever the method, all such attempts of procurement of land imply displacement (Dhru, 2010). However, it is proved that transition from an administrative compensation approach toward a win-win negotiated approach by the government minimized opposition from several groups of project-affected persons. In some cases, the government went beyond policy alternatives to resolve resettlement issues (World Bank and Government of Maharashtra, 2009). Land procurement, if not handled in right spirit may lead to uncertainty and litigation in the projects (Box - 1). On the other hand, it has a potential to create a pool of positively motivated people boosting human capital of the city.

#### Box -1

There were number of protests against compulsory acquisition of land for construction of manufacturing units such as Tata's Nano car in Singur, in which 997 acres of agricultural land was acquired to set up a factory for one of the cheapest cars in Asia, (the project was subsequently shifted to Gujarat) or for developing Special Economic Zone such as Nandigram or construction of large dams like Sardar Sarovar Dam on the river Narmada, which famously led to a cancellation of grant by World Bank due to protests under the argument that the tribal population was getting displaced under unfair conditions among other reasons such as environmental impact of the project. (World bank IEG report)

Rajneeshpuram, Antelope, Oregon, city was on the site of a 64,229 - acre (25,993 ha) Central Oregon property known as the Big Muddy Ranch, near Antelope, Oregon, which was purchased in 1981 for \$5.75 million. Sven Davisson (2003) say that it is amazing that Rajneeshpuram was a sustainable, ecologically friendly city capable of supporting thousands of residents. It is one of the most controversial attempts of making a city and it failed due to protest of people from neighboring community.

# 3.2 Building Naya Raipur

Naya Raipur Development Plan, 2031 consists of three layers (Table - 1) with 41 villages in total and 13 abadi areas have been included in Layer - I. Naya Raipur is being developed in three phases within a period of 30 years for a population of 5,60,000.

# 3.2.1 The Process of Consensus building under Clause 69 in the TCPO Act

Consensus was built by continuous dialogue with the affected people, village heads and representatives. The discussion focused on explanations

Table 1: Layers of Development

Sr. No.	Layer	Area (sq km)	Villages included
1	Layer-I	80.13	10 fully and 22 partly
2	<b>Layer- II</b> (Naya Raipur Peripheral Region)	130.28	9 fully and 19 partly
3	Layer- III (Airport Zone)	11.92	2 fully and 1 partly

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to the local people about the benefits of the projects in general including compensation.

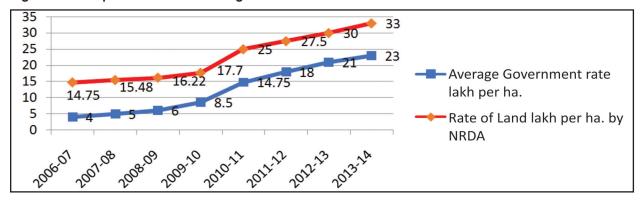
Identification of project areas was done by taking the followings steps:

- Area with least crops, non-irrigated, mostly barren lands was chosen for the project;
- The residences of the people of that area are not to be disturbed;
- Collecting the data of the identified areas:
  - Data of the demarcated land was collected from the local revenue authorities in order to identify the ownership of land parcels, area of lands and other such details.
  - To make a better package of compensation and rehabilitation policy, the existing guideline were considered;
- Dialogues with villagers involved:
  - Villagers were assured that the project will benefit them.
  - They will be the first citizens of Naya Raipur and thus all the facilities will be provided to them.
  - Their suggestions were also considered in the preparation of the rehabilitation policy;
- Negotiation for land acquisition and rehabilitation policy included:
  - Better rehabilitation policy and compensation package for the land was prepared after many meetings between the villagers and the committee of ministers representatives of villages and officers of NRDA.
  - As a result, NRDA acquired 5,000 hectares of land by way of mutual consent till 31 March 2014.

# 3.2.2 Land Rates and Formation of Special Committee

A committee was formed in February 2006 to take decisions related to rehabilitation plans of NRDA and appropriate rates of lands to be purchased

Fig. 1: Compensation of Providing Land Rates and NRDA Rates





through mutual negotiations. The Committee comprised of the members which include among others Secretary - Relief and Rehabilitation; Collector Raipur; and CEO of Capital Area Development Authority; two peoples representatives nominated from the project affected region. The Committee entrusted the responsibility

Table 2: Land Procured and Compensation Paid

Year	Land Procured in ha.	Compensation Paid (in Cr)
2006-07	301.240	314.10
2007-08	1937.130	
2008-09	800.219	120.07
2009-10	656.445	100.31
2010-11	715.610	176.21
2011-12	313.720	77.25
2012-13	237.957	58.06
2013-14	21.661	6.89

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of fixing the rate to the Chief Minister. The Chief Minister through mutual negotiations with the land owners decided 3 to 5 times of the existing prevailing land rates. Year-wise rate of land in Naya Raipur were decided and year-wise land procurement and compensation was paid (Fig. 1 and Table - 2).

#### 3.2.3 Purchase Process

Procedure involving purchase of land by mutual consent included 7 steps as given below:

- **Step 1:** Land owner files an application affidavit in a prescribed format with all the relevant documents.
- Step 2: After filling of the application a four digit number is given.
- **Step 3:** A proclamation inviting objections in two local newspapers is done for the land applied for sale in NRDA.
- **Step 4:** If no objection is filled, the concerned revenue inspector of NRDA inspects the land in respect of cropped, irrigated, non-irrigated, barren land and area of land.
- **Step 5:** After confirmation of the land in questioned, the order to purchase the land is done by Manager (Land) and the sale deed executed between the land owner and NRDA before the registrar.
- Step 6: After getting the sale deed, the acquired land now falls under the ownership of NRDA. After obtaining the copy of mutated land record physical possession on land is taken by NRDA.
- **Step 7:** On the date of Registry, the cheque of compensation is handed over to the land owner and other packages offered by government are started.

#### 3.2.4 Rehabilitation Policy

One of the best ever made rehabilitation policy in India is of Naya Raipur. The project affected people are provided with the following assistance:

• Fair compensation of their land acquired (3 times more than government guidelines);



- Time to time they are paid 5 per cent, 10 per cent and 20 per cent of compensation as additional packages other than compensation and 2.50 lakh per hectare additional;
- On a purchase of any land within Chhattisgarh state within three years after selling the land to NRDA, the stamp duty up to the compensation received from NRDA will be provided free; and
- An annuity of Rs. 15,000 per acre per annum (Rs. 750 increases per year) from 2012-13 to 2030-31.
- Annuity paid during the year 2014-15 was Rs. 3.72 crore to 702 beneficiaries and in the year 2015-16 Rs. 18.13 crore were paid to 2785 beneficiaries;
- They are also being provided with developed plots in proportion to the land acquired within the respective villages, as given in Table 3.

Table 4: Development Plots Awarded to Beneficiaries

S. No	Criteria on Land Purchased	Developed Plot Allowed
1	> 0.4 hectare of land	House of 400 sq ft or shop of 120 sq ft
2	0.4- 0.8 hectare	30 ft. x 40 ft. = 1200 sq ft
3	0.8-1.2 hectare	30 ft. x 50 ft. = 1500 sq ft
4	1.2-1.6 hectare	50 ft. x 40 ft. = 2000 sq ft
5	1.6-2.0 hectare	60 ft. x 40 ft. = 2400 sq ft
6	2.0> hectare	2500 sq ft + extra 200 sq ft / hectare

- 75 per cent of shops constructed would be reserved for sale to the villagers
- 10 per cent shops on commercial area;
- Stamp duty up to the compensation received from NRDA is exempted for a different property purchased anywhere in Chhattisgarh state within 3 years;
- Additional residential plot of 1,200 sq ft size is allotted to every family of villages coming under Layer - I either partially or fully;
- Training in urban skills like masonry, electrician, bar bending, plumbing, flower art, mobile repairing, computer training and surveyor, etc;
- Industry linked training for better employment opportunities;
- Women empowerment through training and formation of Self Help Group (SHG);
- Encouraging entrepreneurship and house hold industries; and
- Development of Christel House School to provide education to the children of the affected community.

#### 3.2.5 Village Development Plans

Village Development Plans were prepared for the affected villages developed by NRDA in order to facilitate the project affected people as they are first citizens of the new capital. The Plan focused on the following aspects:

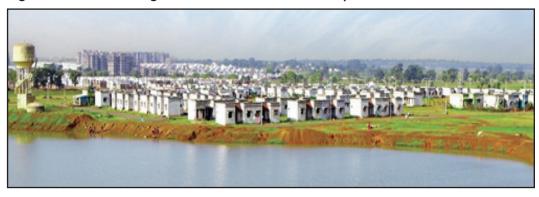


- Integration of the existing settlements with the new city;
- In-situ development;
- In VDPs city level infrastructure will be provided; and
- Recreation and social amenities.

Table 4: Plot Size Allotted to Project Affected People

Sr.	Type of Existing House	Plot Size Allotted	Construction Allotted
1.	Kaccha house with existing size of 2000 sq ft or less	2000 sq ft	400 sq ft
2.	Semi-pucca house with existing size of 2000 sq ft or less	2000 sq ft	600 sq ft
3.	Pucca house with existing size of 2000 sq ft or less	2000 sq ft	800 sq ft
4.	House of any type with more than exiting plot of 2000 sq ft	Actual size plot as previous will be allotted.	It will be as per housing type.

Fig. 2: View of Housing Sites allotted to Affected People



# 3.2.6 Grievance Redressal Mechanisms

The Special Committee redressed all the issues in NRDA by getting in touch with all the local stakeholders and villagers. Regular meetings were conducted by the officials of the Authority in the villages. It was not necessary that villagers have to come to Raipur every time for resolving their problems and issues.

Table 5: Type of cases addressed by Special Committee

Sr.	Types of Cases	Number of cases	
1.	Total Cases	111 cases	
2.	Stay orders from High Court	19 cases	
3.	Mutual conflicts	3 cases (Uparwara, Parsada, Chicha)	
4.	Remaining cases of Land under acquisition	89 cases	



Fig. 2: Redressal Mechanisms





Land procurement status as on February 2017 was very encouraging. The authority could purchase private land admeasuring 4,988.8 ha and land procured through Acquisition Act admeasured 655 ha. In addition, the state government transferred land amounting to 2,812.45 ha.

Table 6: Land Procurement Mechanisms

Parameters	1984 LAA	Act 2013 LARR	2014 Ordinance	Mechanism followed in NRDA
Consent from Affected People	No provision	Mandatory consent of owners of the land —70% for Private Public Participation (PPP) projects and 80% for private projects, which could be raised to 100% by State Governments.	Not required for Defense, Security, Rural Infrastructure, Social Infrastructure and industrial Corridors.	58.62% agreed to sell land to NRDA by mutual consent with fair compensation which was 3-5 times of the government land price
Social impact Assessment (SIA)	No provision	Compulsory SIA for every acquisition.	Not required for Defense, Security, Rural Infrastructure, Social Infrastructure and Industrial Corridors.	No provision
Irrigated / Non - irrigated land	No provision	Only in extreme situations, with an upper cap of 556 acquisition of multi - crop land per district.	Not required for Defense, Security, Rural Infrastructure, Social Infrastructure and Industrial Corridors.	Compensation accordingly for each has been awarded to be the beneficiaries
Return of land if left unused for 5 years	No provision	Provision exits	No provision	No provision



Consideration of Food Security	No provision	Provision exits	No provision	No provision
Role of Panchayat	No provision	Required public hearing and Gram Sabha.	No provision	Meeting with the Panchayat head and various stakeholders before land procurement
Land Acquisition can be done by	Public Sector	Public Sector and Private Companies	Public Sector, Private Companies and Private Entities (including proprietorship, partnership, and NG0s)	NRDA

#### 6. CONCLUSIONS

We in India have very complex sociocultural, political and administrative structures, which vary from one geography to another. Successful land procurement in India needs a process or a strategy involving various processes to deal with verity of situations. There cannot be one specific solution; we need to have a full basket of options suiting individual needs in any specific context. Naya Raipur sets an example which may or may not be replicated but can be referred to as a successful model for generations to contemplate upon.

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# Land Procurement Methods in the Amaravati Capital City of the State of Andhra Pradesh

P. Suresh Babu

#### Abstract

This paper describes land procurement processes adopted for assembling land for building the State capital of Andhra Pradesh. AP Land Pooling Scheme was a voluntary land pooling scheme whereby conditions of compulsory acquisition do not exist. Andhra Pradesh Capital Region Development Authority provided guaranteed returns on the reconstituted land in the form of plots and payment of cash benefits to land owners every acre of land procured. However, challenges about adequacy of compensation remains unreserved.

#### 1. INTRODUCTION

The state of Andhra Pradesh was bifurcated into the state of Andhra Pradesh and Telangana under Andhra Pradesh State Reorganization Act, in June 2014. 2nd June 2014 is the named 'appointed day' for the formation of new states. The Amaravati Capital city was announced to setup new state administration and to govern the development of a new administrative center. Government of AP in exercise of the power conferred by sub-section 3 of Section 3 of AP Capital Region Development Authority (CRDA) Act, 2014 having regard to the public welfare and accessibility to all parts of the state other relevant considerations, the Government of Andhra Pradesh hereby specified the area in a schedule as AP Capital City under the A.P. Capital Region Development Authority Act, 2014. The Capital city has taken shape with 24 revenue villages falling in Guntur District (on the west of old National Highway from Prakasam Barrage to Y-junction at Mangalagiri) of three mandals namely, Thulluru, Tadepalli and Mangalagiri with a total area of 217.23 sq km.

The location of the new Capital city is chosen having great historical significance, strategically selected given the area's economic potential, good access to a skilled labor workforce and sufficient surface water in the form river Krishna to cater to a growing urban population. The Amaravati capital city is now a polycentric urbanized area between Vijayawada and Guntur Corporations. These cities fall in a distance of 30 km to Vijayawada and 18 km to Guntur from Identified Capital city.

The significance of the Capital Region, is characterized with strong network of transport infrastructure via rail (Vijayawada and Guntur cities have major

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railway stations), roads (the NH-16 and the NH-65 pass through the region), and a domestic airport near Vijayawada city (being upgraded into an international airport). Further, the region is located in proximity of a proposed seaport in Machilipatnam. Amaravati city and the surrounding Region is also known for the perennial Krishna river, scenic islands and various religious and cultural heritage sites such as Kanaka Durga Temple, Buddhist Stupa, Undavalli Caves, Bhavani Island, Narasimhaswamy Temple, Dharanikota, etc.

#### 2. OPTIONS CONSIDERED FOR LAND PROCUREMENT IN AMARAVATI

Purchase of Land: The land owner shall be paid compensation with respect to current market value through private negotiation, the process is not considered as transparent mechanism. There is a less scope for development and non-inclusive scheme, with very less scope for rehabilitation and resettlement. This method has larger possibility for middle management and un-governed means of approach.

Land Acquisition: The land owner is paid with compensation, as per the market value. It has risks with time overrun, where the litigation prevails to uncertainty of the project. The assistance received to the beneficiaries is not equal shared. It highlights the non-inclusive development, which results in high poverty areas over a time.

Land Pooling Scheme: Land owner is part of the process and involved in the development process voluntarily. As this is a process of involvement of landowners, it is transparent and inclusive in nature. The benefits and liabilities of the landowners is definitive and notified. Local government shall be hand holding for livelihood transition. The land development shall be partnered with the government.

#### 3. ENACTMENT OF ANDHRA PRADESH LAND POOLING SCHEME

AP Land Pooling Scheme envisaged after careful considerations of location for locating the capital city and its significance, the government constituted Andhra Pradesh Capital Region Development Authority as per the provisions contained under subsection - 1 of Section - 4 of Andhra Pradesh Capital Region Development Authority Act, 2014. Further, Government of Andhra Pradesh issued authorization to the Andhra Pradesh Capital Region Development Authority to undertake development scheme as provided in Chapter - IX of Andhra Pradesh Capital Region Development Authority Act, 2014 (Act. No. 11 of 2014) through voluntary Land Pooling Scheme in the capital city area, under G.O. Ms. No. 257, MA & UD (M2) Department, dated: 30.12.2014. The Government has decided to prescribe the 'Andhra Pradesh Capital City Land Pooling Scheme (Formulation and Implementation) Rules 2015'. The Government flags the capital city as the



People's Capital, so the land procurement mechanism was designed as voluntary. Stages of implementation of the Scheme are:

- Stage 1: Land Pooling Scheme notification with 26 Land Pooling Scheme units for 217 sq km of 24 revenue villages.
- Stage 2: Demarcation of existing village sites with exemption and delineation of villages.
- Stage 3: Draft Land Pooling Scheme Development Plan notification.
- **Stage 4:** Consultation with land owners over draft Plan with a time duration of 30 days is provided for objections and suggestions.
- Stage 5: Final Land Pooling Scheme Development Plan notification, the layout is relayed on ground with peg marking and allotment of returnable plots through Digital Lottery.

Andhra Pradesh Capital Region Development Authority has guaranteed to return the reconstituted land in the form of plots and payment of benefits to the land owners per acre of original land. The Authority also guaranteed the return of reconstituted land and payment of benefits to the land owners per every acre of original land provided for development under the said scheme. The land under

Table 1: Land Cotegories under Land Pooling

	Category (in Sq Yards)/ Acre			
Land Categories	Dry lands		Jareebu lands/ semi-urban	
	Residential	,		Commercial
Private lands	1000	250	1000	450
Assigned lands	1000	250	1000	150
Ex-Serviceman/ Political sufferer	1000	250	1000	450
Assignments before June 18, 1954	1000	250	1000	450
Assignments after June 18, 1954	800	100	800	200
Resument lands - eligible Sivoijamadar occupation**	500	50	500	100
Un-Objectionable Government lands - eligible Sivoijamadar**	500	50	50	100
Objectionnable Government Lands - eligible Sivoijamadar**	250	0	250	0
Yearly payment of annuity to all land owners losing land	Rs. 30,000 / acre		Rs. 50,000 / acre	
Yearly increase	Rs. 3,000 / acre		Rs. 5,000 / acre	
One-time additional Payment for gardens	Rs. 1,00,000			
Agricultural labourer/ Agricultural Tenants (residing in Land Pooling Scheme villages as on December 08, 2014)	Rs. 2,500 / per month/ 10 years			

In case of those losing less than one acre of land will receive the annuity equivalent to one acre.

<sup>\*\*</sup> These three categories of people are paid monthly pensions instead of annuity



pooling is divided into two categories (Table 1) i.e. Dry land and Jareebu lands i.e. fertile river front lands with multi-crop farming lands. The key provisions under land pooling are:

- The state government provides pension of two thousand five hundred rupees per month per family for a period of ten years to all landless families through a capital region social security fund;
- The 'possession taken over receipt' will be given by CRDA immediately after handing over the land under the land-pooling scheme;
- The return of land to the landowners will be as near to the pooled land as possible, subject to other planning requirements;
- The statutory Land Pooling Ownership Certificate [LPOC] with alienable rights shall be issued within 9 months of entering into agreement with all willing landowners and to complete the development of the scheme area within 3 years of issue of LPOC;
- The reconstituted land will be returned and annuity paid to the landowners as indicated above, for every acre of original land surrendered under the land pooling scheme;
- The one time agricultural loan waiver of up to one lakh fifty thousand rupees per family will be done as per prescribed procedure of the state Government;
- The LPOC and annuity payment shall be done to the religious institutions or charitable trusts under the purview endowment department in cases where original lands belong to such institutions;
- The standing crop as on the date of this agreement shall be allowed to be harvested; and
- The land owners are provided with a onetime exemption of stamps and registration fee, Non-Agricultural Land Assessment and basic infrastructure development fee.

However, there remain some of the key challenges that must be addressed. The CRDA pooled 33,000 acres of lands in which nearly 8,000 acres were Jareebu lands, which got higher compensation under the Land Pooling Scheme (LPS) package. The farmers of Krishnaya Palem and Rayapudi, claiming cultivation of three crops per annum, objected to the classification of their lands as Metta (dry) lands and demanded their land be recognized as Jareebu lands. They further objected to the norms for identifying Jareebu lands. It is said that, the water available year-round due to lift irrigation projects in the two villages, it is claimed that these farmers produce three crops per annum like Jareebu lands. The Offer of CRDA of 200 sq yards of commercial plot and 1,000 square yards of residential plot per acre against 450 sq yards of commercial plot to Jareebu



lands. So, these farmers claim that there was no difference between these and Jareebu land and provide the Jareebu LPS package, as they had proved their lands to fall within the definition of Jareebu.

In brief, the capital city area is formed comprising of 24 villages with an area of 53,748 acres or 217.23 sq km, a Master Plan prepared includes settlement hierarchy, commercial centers hierarchy and road hierarchy. The road network gives free access and transport to towns, neighborhoods, educational, medical, and community service centers, etc.

### 4. THE METHOD OF DISBURSEMENT OF THE PLOTS

The government has adopted the Land Pooling Scheme (LPS) as the method for land procurement in certain cases where, there is high reluctance towards the scheme, the government Negotiated and settled the land procurement issue, however few pockets of the land has high reluctance towards the land procurement is opted under land acquisition act , following the provisions of LARR Act 2013. The category wise provisions of benefits to the land owners is as given below:

- Under the Land Pooling Scheme, the landowners have voluntarily contributed their agricultural land for capital city, for which in return a developed plot with access to all amenities of a reduced size plot with urban infrastructure is provided. It is ensured that the value of the given plot is with a higher value than that of the land relinquished. The obtained land shall constantly increase its value, along with the developments in the capital city. Further, few other benefits are posed below:
  - Land owners are given 498 varieties of residential categories, 493 varieties of commercial categories 991 varieties of category options for selection

Fig. 1: Transparent Allotment of Plots





of the size of the plot required

- Totally around 5,000 options with all combinations are received from farmers. Land owners are given- 498 varieties of residential categories, 493 varieties of commercial categories with a total of 991 varieties of category options for selection of the size of the plot required;

Fig. 1: Allotment of Plots to Farmers



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- As of July 15, 2018, 63,329 plots which include 36,794 residential plots and 25,535 commercial plots have been allotted to for all the farmers who have joined Land Pooling Scheme in 22 out of 24 villages, amounting to 20,484 farmers. Details of the returnable plot allotment have also been identified;
- For a part of Land Pooling Scheme area, over 17,000 objections were received from farmers out of which 7,859 were resolved by the Competent Authority, i.e., the Commissioner, APCRDA and 9,237 objections were rejected on merits. On these rejections, 1052 appeals have been received which are under process by a team comprising of village committee, Competent Authority for resolution;
- The Scheme enhanced would enable the farmers of Jareebu lands to receive 450 sq yds of commercial plot instead of an earlier offer of 300 sq yds. In addition, the one-time payment for gardens is enhanced from 50,000 to INR 100,000;
- Other Benefits. In addition to above entitlements, the farmers who have joined or those registered for pensions can access to the following additional benefits;
  - Loan Waiver: One-time agricultural loan waiver of up to Rs. 1,50,000 is available to all farmers who have outstanding agricultural loans;
  - Loans for self-employment: Interest free loan of up to Rs. 25, 00,000 is available to all poor families for setting up any self-employment avengers (below Rs. 60,000 and 75,000 annual incomes in rural or urban areas respectively);
  - Old age homes will be established to take care of aged of above 65 years;
  - Establishment of skill development institution to provide training with stipend to enhance the skills of cultivating tenants, agricultural laborers and other needy persons;



- Social safety nets such as Free Education, Jobs, NTR Canteens, Free Health, Health camps, Support to old and infringed were provided; and
- In order to envisage the sustenance of the land providers certain Social and economical benefits were envisioned with pensions, NREGS, Skill Development, Housing, alternative livelihood, Training and employment, Free higher Educations for the students, universal Medical Insurance and Habitations development.

The key achievements of the Land Pooling Scheme are listed below:

- The AP Land Pooling Scheme is the largest of its kind in the world;
- Fastest land procurement in history of the country over 33,008 acres from 26,512 farmers;
- State Government made the people partners in the development, rather than follow often coercive land acquisition methods;
- 25,566 number of farmers and landowners are allocated with the land with 69 number of digital lotteries;
- A total of 61,982 numbers of plots are awarded to the farmers of which 36,577 are residential plots and 25,405 are commercial plots;
- Inclusiveness through village integration, walkable and safe neighborhood through street scape design and preserving natural and cultural heritage; and
- 3,300 km bicycle and jogging tracks on all arterial roads and green and blue network with easy inter modal connectivity within 5 minutes.

The Land Pooling Initiative in Amaravati capital city has been a success, largely, owing to a strong desire among people in the Villages of the Capital City Area to have the New State Capital in this Area. This emphasizes the fact that Land Pooling by its nature is a 'people - centric' scheme. Land Pooling can only achieve its desired results through active engagement with local stakeholders, and continuous gathering of their inputs in the planning process. Another factor contributing to the success of the land pooling process was the commitment of the government in engaging with existing landowners and accommodating their aspirations and requirements in the process.

After the ongoing exercise in the Amaravati capital city, land pooling has emerged as a good alternative to forced land acquisition. The learning from Land Pooling in Amaravati is that, a pre-requisite for the success of land pooling is provision of high quality infrastructure, as it gives the necessary value addition (financial as well as long-term benefit) while returning land to existing land owners. Only with high quality Infrastructure, a win-win situation will emerge for government and land owners. The social development schemes for the existing land owners need to be attached to the land pooling process, as has been done in the case of Amaravati.



### 5. PHYSICAL PLANNING

From the working process in the planning of the Land Pooling Scheme layouts, it was inferred that the ideal plot 'width to depth' ratio is 1: 1.5. Learning from the planning exercise for Nelapadu is that the Vastu related requirements of land owners need to be better integrated into the planning process at the conceptual stage itself. All this was done under the Land Procurement Method-II under the Andhra Pradesh Land Acquisition Act, 2017 for infrastructure projects.

### 6. CONCLUSIONS

All proposed amendments to the Right to Fair Compensation and Transparency in Land Acquisition and Rehabilitation and Resettlement (AP Amendment) Bill, 2017 has been finally approved by the President of India. The Andhra Pradesh Government had adopted alteration to the Bill similar to Telangana and Gujarat government. Finally the Land Acquisition Amendment Act 2017 would now hasten the acquisition of land for projects related to infrastructure. With this amendment, payment of 150 percent of the rate fixed by the government in case of land acquisition below 100 acres will be applied. Land acquired for construction of projects or other public utilities will be compensated on time. Further, the approval will expedite the completion of many ongoing irrigation projects and road works across the State.

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# **Town Planning Schemes in India**

N. K. Patel

### **Abstract**

This paper provides a comprehensive view of Town Planning Schemes (TPS) as they are implemented globally, in India and in the state of Gujarat. It is claimed that the Town Planning Schemes (TPS) as a tool for city development has been very successful, particularly in Ahmedabad where 95 per cent of Ahmedabad urban area is developed through town planning Schemes and the city has fairly well developed infrastructure throughout the city. A number of town planning Schemes are also discussed, by the author.

### 1. INTRODUCTION

India over the past three decades has witnessed rapid urbanization and industrialization. It is the second most populous country with a population of 1,028 million and of this 285 million (27.8 per cent) live in its 7,935 cities and towns (Census of India, 2011. Economic reforms have given a push to the process of urbanization and it is expected that by 2050 half of its population will be living in its cities and certainly there will an increase in the number of cities and towns. The urban migration over time has aggravated the existing challenges of large areas being unserviced by road, water supply, sewerage and storm water networks, inadequate health and education amenities, traffic congestion, ineffective and inadequate public transportation systems, unregulated and chaotic growth, urban poor, dilapidated building stock, destruction of heritage resources, environmental issues, etc. These challenges make the cities vulnerable to disasters and chaotic development.

Land available for development in cities are scarce with serviced urban land to be scarcer and mostly privately owned. It is imperative to design the land management tool thereby pertaining the existing developmental need and catering for the future urban growth. Indian cities are having the Development Plan (DP) as the land management tool at a macro level addressing the existing urban growth and the plans for the future growth. But at the micro level in India there are sectoral plans made for the cities like Chandigarh, Navi Mumbai and Greater Noida where the land acquired with huge capital influx under the Acquisition Act was developed to create the livable space, but it cannot be replicated due to non-availability of finance and brown field nature of most of other Indian cities. Indian cities are complex in their urban form that majorly people are lived within the haphazard urban growth. Cities are threatened of the serious need to create the shelter for urban poor, which are

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displaced by the real estate economics due to their financial unaffordability. In the past, central and state government had enacted the 'Urban Land Ceiling and Regulation Act- 1976' for the equitable distribution of urban land among all sections of society. But the act was a miserable failure and was compelled to repeal in 1999 by the central government thereafter by the respective state governments. Thereby there is a need for a better land management tool catering the brown field and greenfield development of Indian cities Gujarat has evolved over time a better land management tool through the Town Planning Scheme Town Planning Schemes (TPS), which is an improvement in the Town Planning Schemes (TPS) being practiced in Maharashtra. This paper also articulates the Town Planning Scheme mechanism which is said to be one of the most successful land management tools in the country.

### 2. LAND POOLING IN OTHER CITIES

# 2.1 Japan

After the 1923 Great Kanto earthquake in Tokyo, land pooling allowed the city to address a medieval street pattern and rebuild with minimum use of public funds. Similarly, for the rebuilding of Nagoya, Osaka, Hiroshima and Yokohama after World War - II were done based on the land pooling mechanism whereby the basic infrastructural facilities and access was provided along with the plot delineation. The land pooling mechanism was also used for land acquisition of Bullet Train lines and stations in Japan.

### 2.2 South Korea

In Seoul, South Korea about 60 per cent of the urban expansion was accomplished through land pooling (1984 data). Similarly, the 30 per cent of the urban expansion of Daegu Was and 35 per cent of the urban expansion in Korea (1990 data) was accomplished through land pooling.

### 2.3 Maharashtra, India

Mumbai - Nagpur Super Communication Express way of 706 Km comprising of eight lanes and 25 townships also called the Maharashtra Prosperity Corridor is one such project to be done by the land pooling model. The total area required is 10,463 ha and of which 9,500 ha is private land.

# 2.4 Delhi Development Authority (DDA), India

The Land pooling policy approved by Ministry of Urban Development on 7 September 2013 aims to prevent the selling of land without the owner's consent. The floor area ratio (FAR), has been reduced from 400 to 200 by DDA. The owner's will be responsible for internal development like sector roads and infrastructure and services falling in their share of land. The two types of land pooling in Delhi include the Category - 1 wherein land area is 20 ha and above thereby having a 60 per cent return of land and Category - 2 wherein land area is between 2 ha to 20 ha thereby having a 48 per cent return of land.

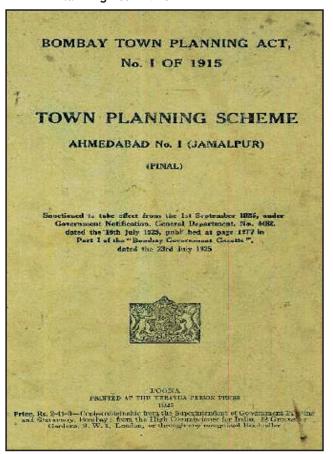


### 3. EVOLUTION OF TOWN PLANNING SCHEME

Around 1870s onwards there was rapid urbanization especially due to growth of textile industry and it had multiplier effect on the various industries and services. In Bombay in 1898, the colonial government had created Improvement Trust to bring light and air into the congested city centres challenged with the increased urbanization. The first Town Planning Schemes was prepared for seven acres (three hectares) of land in Bandra, Bombay. Then this practice was soon extended in 1915 by the enactment of Bombay Town Planning Act 1915 to the rest of the Bombay Presidency, which included parts of today's Maharashtra and Gujarat.

In 1915, the Bombay Town Planning Act introduced the concept of Town Planning Scheme wherein the scope was limited to the micro level planning. It was then in 1949, the Bombay Provincial Municipal Corporation (BPMC) Act was formed. It was an act which provided the establishment of Municipal Corporations for certain cities in the province of Bombay. The act covered the aspects of delineating a city with a view to ensure a better government, constituting municipal authorities

Fig. 1: First Town Planning Scheme in Bombay Town Planning Act - 1915



to achieve this, prescribing the duties and powers of the municipal authorities for regulating development. The Bombay Town Planning Act of 1915 was revised in 1954, thereby introducing the concepts of Development Plans and Town Planning Schemes. The town planning act describes a two-stage town planning Scheme wherein the initial stage is a draft town planning Scheme and secondary stage cater the both aspects of physical and financial planning. The two-stage process took a decade time for its completion with extra time being spent as the finance mechanism was said to follow the physical planning stage and after that the Scheme was to be sanctioned and then implementation process starts.

The Gujarat Town Planning and Urban Development Act (GTP&UD Act) was enacted thereafter in 1976 to consolidate and amend the law relating to the making and execution of Development Plans and Town Planning Schemes in the State of Gujarat. Till 1976, town planning activities were carried under the jurisdiction of local authorities under Bombay Town Planning Act, 1954.



The GTP&UD Act constitutes Urban Development Area and Urban Development Authority under Section - 22 whereby, the State government is of the opinion that the object of proper development or re-development of any urban area or group of urban areas in the state together with such adjacent areas as may be considered necessary, whether covered under a development area.

After the preparation of Development Plan, there is no mechanism for its implementation in various legal sections of Gujarat Town Planning and Urban Development Act. So, there are separate sections in the act that was enacted for Town Planning Schemes that are planned for the implementation of DP. Major focus is on the land pooling and land re-adjustment for the purpose of providing planned infrastructure prior to any development happening at a neighborhood level. GTP&UD Act put forth a three-stage town planning mechanism instead of earlier two stages of the initial act. The first stage is the draft Town Planning Schemes prepared by the Local Self Government Local Self Government with public participation, thereafter the second is the preliminary stage wherein the physical planning issues are dealt by a quasi-judicial officer appointed by the State government. The third and final stage is the financial planning wherein the sale of developed land, deciding of betterment charges, cost of infrastructure implementation and other land valuation aspects are carried out. The subsection 3.e of Section - 40 of GTP&UD Act mentions the allotment of reservation of land for roads, open spaces, gardens, recreation grounds, schools, markets, green-belts, transport facilities and public purposes of all kinds. The proposed land bifurcations for the activities include up to 10 per cent for the socially and economically weaker sections' housing, up to 15 per cent for roads, up to 5 per cent each for parks, playgrounds and other open spaces and up to 5 per cent for social infrastructure under the rules of GTP&UD Act -1976.

The Town Planning Schemes as a detailed local area planning mechanism has been practiced in Gujarat for more than last nine decades. In Ahmedabad, the first Town Planning Scheme was prepared in Jamalpur in 1925. The mechanism of Town Planning Schemes has not been changed to great extent till date. The major differences between the older and new version of Town Planning Schemes is that in the newer Town Planning Scheme mechanism it is being considered under the Development Plan with the public-private partnership model, provision of low-income housing and other activities. An efficient Town Planning Schemes can finalize the physical planning stage two within 3 years and the financial stage within 5 to 6 years after the physical planning stage. This entire process will ideally take less time compared to the decade long initial Town Planning Schemes to get finalized.

Amendments to the GTP&UD Act were made in 1998, which included an important provisions for success of Town Planning Schemes in present context.

 Opening of all roads of Town Planning Scheme after sanction of draft Town Planning Scheme to accelerate the infrastructure and development; and



 Introduction of plots to be reserved for residential and commercial use sale for raising the financial resources for infrastructure of not more than 15 per cent of area.

In the initial stages of planning there were layout plans which over a region was expanded to form the area level plan and this hold enough till the 1940s. It was thereafter the Bombay Town Planning Act the concept and need for a city level plan was aroused with the delineation of boundaries. The cities expanded to give a development plan for the entire city. When the city started expanding even outside the boundaries, it was brought in the need for a city level regional plan incorporating the city and its agglomeration. Thereby, the time has made to integrate these plans together at a macro level to get implemented at the micro level.

### 3.1 Micro - Level Panning Models for Land Transformation in India

The various ways in which the land transformation alternatives can be done are:

- Laissez-faire development: For few cities no Development Plans have been prepared, therefore, there is no further micro level planning mechanisms. The Town Planner approves the layout and thereby the development starts. In such cases there are no provisions for infrastructure, land for urban poor and civic amenities. Market decides the direction and quantum of development. Therefore, role of public agencies within such development process is very meagre.
- Development Plan + Laissez-faire development: In this case the development
  plan is there but no legal or financial resource framework for implementation
  of Development Plan. So, only various zonal uses of development plans are
  controlled, and few artillery roads of Development Plan are acquired under
  the acquisition act. Thereby, the absence of micro-level planning, little
  control on market by Development Plan proposals and absence of micro level
  infrastructure and SEWS land.
- Land Acquisition + Development: The Development Authority acquires the whole development area and takes possession of the land under the acquisition process. The planned development is made at macro and micro level is made with auctioning of land parcels for various uses. It requires huge capital investments by public authority. There is also a hue and cry from the farmers from whom the land has been acquired. In this case the market is controlled by public authority. Real monopolistic and artificial market situation exists within this development process.
- Private Townships: Developer assembles land, plans and builds roads, amenities and government provides regulatory support and concerned infrastructure in exchange of collection charges. Here the planning body is only a regulator and very less chances of timely development of all zonal area of Development Plan. Few pockets will be developed looking to profit potentially by the private developers.



• The Development Plan + Town Planning Mechanism: The Development Plan - Town Planning mechanism is a relatively well functioning and transformation system as planning is done at both macro and micro level with development control regulations by the planning authority. It is a win-win situation for all the players. The town planning Schemes were initially made and thereafter the need of a greater development plan was found and made at macro level. It was then finally understood the need of an integrated Development Plan and Town Planning mechanism whereby the proposals at city level proposed in Development Plan gets implemented by the local level Town Planning Schemes.

The major challenges encountered in making of a safe and sustainable city are the widening of streets, provision for roads, parks and public amenities, Provision for basic infrastructure like water, sewerage and storm water drains, redeveloping older areas of city, managing peripheral urban growth, providing housing for poor, regularizing illegal construction, curbing nuisances, regulating private development, preserving heritage monument, natural water bodies and other sustainable factors. The importance of a Development Plan - Town Planning lies in this context where the above-mentioned challenges are taken into consideration with better land management for the future urban growth.

Town Planning mechanism in Gujarat is taken by urban local bodies and development authorities. The urban local body like Municipal Corporation are generating revenue from various sources while development authorities has limited sources of revenue like no power to collect property taxes and depend largely on funding from the State and Central Government. The Central Government distributes funds to various Urban Development Authorities (UDAs) thereby ultimately made to get very less fund compared to their needs. Due to the budget constraint development authorities are not able to develop the amenities of required level and in proper time frame. It is a fact that not more than 20 per cent of the planned area is developed as part of the implementation of development plan.

To carry out the various functions as contemplated in the 1976 Act for orderly and planned development of the urban area, the Gujarat State Government has constituted ten Urban Development Authorities and twelve Area Development Authorities. Besides these, the State has also designated 105 local bodies as Area Development Authorities. Thus, for urban development planning and carrying out its statutory functions in Gujarat, there are 129 Development Authorities which are either having their Development Plan sanctioned or under preparation. First, a ten years macro level "Development Plan" for the entire Development area is prepared. Second, a micro level "Town Planning Schemes" are prepared for the identified potential areas suggested by local body and sanctioned by state government.



## 3.2 Process of Town Planning Scheme

Unlike several other cities in India, the vast areas for future growth along the periphery are identified way ahead in time. They are mostly open, and no development has taken place. Such areas are then systematically transformed to accommodate future growth in a planned manner with adequate provision of infrastructure. To begin with the land holdings in the periphery are irregular in shape and generally all holdings do not have access. Large groups of land holdings are reorganized to regular shapes, each is given access and infrastructure requirements are envisioned. In the process of reorganizing the lands for roads, gardens, health facilities, education facilities, housing for poor is set aside and also plots for sale for raising infrastructure finance of the Scheme.

The urban development planning process is done in hierarchical level. Urban development is regulated at the Macro level plan by Development Plan or Master Plan which is a statutory instrument to control, direct and promote the growth of the development and redevelopment of urban area. The development plan is prepared with the view of achieving maximum social and economic benefits. Micro level plan indicates details and specific location of various activities and facilities as suggested in development plan. Therefore, town planning Schemes are necessary for raising infrastructure finance of the Scheme.

Fig. 2: Implementation of Development Plan

# Development Plan 1. Development Control regulations 2. New Growth Areas 3. Zoning Regulation 4. Broad Land Use 5. City Level Infrastructure Town Planning Scheme 1. Detailed Neighbourhood road network 2. Land Reconstitutions 3. Appropriation of Land for Public purpose 4. Local Level Infrastructure 5. Infrastructure resource creation 6. Implementation of Development Plan proposals

Town Planning Schemes are prepared under the Gujarat Town Planning and Urban Development Act, 1976 to implement the development plan. Town Planning Schemes (TPS) is planned at micro level for approximate 100 to 150 hectares of land which are under the pressure of urban development and required priority attention.

### 3.3. Town Planning Schemes in Gujarat

All actors like farmers, developers, revenue authorities, planning authorities and government has win-win situation with minor upper hand.

All actors support it;



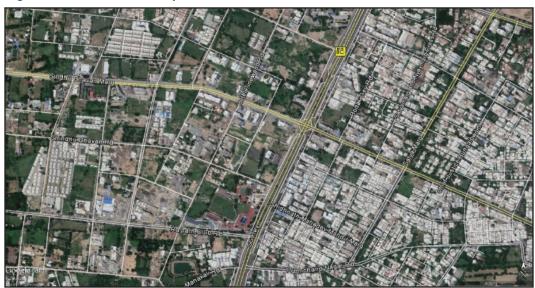
- Equal land percentage deduction;
- Developed land remains with original owner;
- Land value appreciation is shared by owner;
- Owners are not dislocated;
- Owners are allowed to continue the agriculture operation if he wants;
- Ample opportunity given to redress grievances at all three stages;
- It opens the opportunity for real estate development; and
- Developer doesn't have to worry about installation of external civic amenities.
- Revenue Authorities support it
  - Land information system is upgraded, and
  - Revenue status of the land remains the same.
- Planning Authorities support it
  - It fulfils their basic aims and objectives; and
  - It raises additional fund by selling of infrastructure plots.
- Government supports as
  - Low capital requirements;
  - Self-financing mechanism; and
  - Well established in law.
- Supports land market
  - Rapid supply of serviced land;
  - Promotes competitiveness; and
  - Easy and availability of SEWS land.

There was a general notion that the town planning Scheme was a capitalistic approach and thereby it holds good for the Gujarat State and that it cannot be replicated in other states. But with the rapid urbanization and industrialization the other states were compelled to adopt the town planning mechanism with certain modifications taking into consider action the local characteristics. As a major shift in public plot policy, the 1987 sanctioned plan was under revision in 1997 by Ahmedabad Development Authority (AUDA). It was then analyzed by Ahmedabad Development Authority that not a single reservation of DP - 1987 was neither developed nor acquired. Further, Ahmedabad Development Authority decided not to prepare any reservations in the new Development Plan (1997-2001) and was prepared to implement Development Plan through Town Planning Schemes at local level. AUDA also raised the percentage reduction of land from 30 per cent or less which was a practise before 1997 to 40 per cent or more in new Town Planning proposal so as to increase the public land. Even now the Ahmedabad Development Plan has given no reservations for land and is considered at local level by the town planning mechanism.



In Ahmedabad the development is regulated by macro and micro planning mechanism. Road network, Land use and Zoning are planned though Development Plans and area level planning through town planning mechanism thereby having a better accessibility and distribution of social amenities (Fig. 3).

Fig. 3: Ahmedabad Developed Area



In Bengaluru development is regulated through Macro Planning mechanism. The road network and land use are planned through Development Plans while area level planning happen through the market demand approach thereby having the issues of accessibility (Fig. 4).

Fig. 4: Bengaluru Developed Area



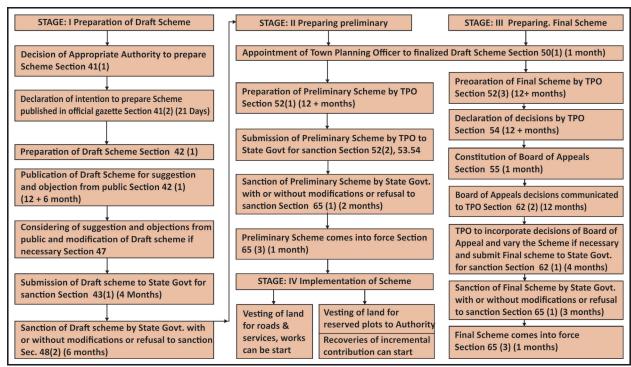


From the above two Figure of two different cities visually one can access that there are wider and denser road network in Ahmedabad. This is attributed mainly due to the Development Plan-Town Planning mechanism in Ahmedabad. More percentage of road network has also inspired in creating a good public transport system in brown field city area of Ahmedabad. A total running kilometer of 96 km in Ahmedabad and 102 km in Surat is observed. In Ahmedabad out of the total 96 km, majority of the road on which Bus Rapid Transit System (BRTS) is plying has been carved out by the Town Planning mechanism. And such wider carved out roads has supported the proper implementation of BRTS system for the city as a whole. The BRTS also cater to 75 per cent of people within the Ahmedabad Municipal Corporation boundary i.e. at a buffer of 500 m (on either side is considered as 500 m is considered as walkable distance to any public transport system from the BRTS network and 2011 census population data.

### 4. STAGES OF TOWN PLANNING SCHEME

The process of Town Planning Schemes implementation involves many agencies and people living in that area. The planning of single set of Town Planning Schemes area can be tendered out and some Town Planning Schemes are prepared in house by planning department. The Fig. 5 gives the entire process

Fig. 5: Stages of Town Planning Scheme





and stages of town planning Scheme. Simple steps for preparing Town Planning Schemes include:

# First Stage

- Deciding the Town Planning Scheme limit by LSGs or Urban Development Authority (UDAs);
- Declaration of the intention to prepare a Town Planning Schemes (TPS) by the governing body of LSGs and Urban Development Authority (UDAs);
- Chief Town Planner, State Government consultation;
- Preparation of the Base Map;
- Collecting the revenue records and other data from various government agencies;
- Preparation of the tentative Draft Town Planning Scheme;
- Arrangement of the Owners meeting to explain tentative Draft Town Planning Schemes with public notice;
- Invitation of the Objection and Suggestions for the tentative Draft Town Planning Schemes from the affected persons or owners;
- After considering the received objections and suggestions, necessary modification of the draft Town Planning Scheme is carried out;
- Again, revised draft Town Planning Scheme is published and suggestions cum objections are received;
- Submission of the Draft Town Planning Schemes to the State Government for sanction with received objections and suggestions; and
- Draft Town Planning sanctioned by government by publishing in government gazette.

### **Second Stage**

- Appointment of the Town Planning Officer Town Planning Officer by the State Government;
- Town Planning Officer will carry out single station land survey;
- Town Planning Officer will collect latest revenue records and other data;
- Serving of individual notices to affected persons;
- Hearing of the objections and suggestions;
- Adjusting the revenue record area and survey area of each land parcels;
- Analysis and consultation of physical planning proposals by Town Planning Officer;



- Preparation of the Preliminary Town Planning Schemes (physical planning) considering the objections cum suggestions and drawing decisions on each land parcels;
- Submission of the Preliminary Town Planning Schemes for sanction to State Government;
- Sanction of the Preliminary Town Planning Schemes with or without modification by state Government;
- Every owner is shown his final plot on site by Urban Local Bodies and Urban Development Authority office;
- Possession of the original plot is taken, and the final plot is handed over to the owner;
- Based on his acceptance, he / she is handed over a possession receipt; and
- A plot book indicating the shape of the plot with dimension is provided to each plot owner.

# Third Stage

- Town Planning Officer working out valuation, incremental contribution and informs the land owners;
- Further invitation for the objections and suggestions only for financial part;
- Decisions on the Final Scheme proposals;
- Information to each land owner;
- For the appeal against the valuation part, the land owner can approach the Board of Appeal, constituted by the State Government;
- The Board of Appeal (BOA) gives its decisions after the hearings; and
- Town Planning Officer varies the final Scheme as per the decision of the BOA and submits to the state government for its final sanction;

# 4.1 Valuation Mechanism of Town Planning Scheme

The form F and G formulates the entire valuation mechanism of the Town Planning Scheme. The redistribution and valuation statement called 'F' form provides the plot and valuation details. F form as per the regulation provides the original plot value. The deducted plot is calculated to derive the value of compensation of the land area. The infrastructure is added onto the land with proper access to each plot thereby arriving a new valuation for the developed land. The total increment to the land owner is derived and then 50 per cent is given to the Town Planning finance mechanism. By adjusting with the compensation, the final contribution is calculated which each land owner has to pay or receive. After the final sanction of the Town Planning Scheme each land owner will be giving the compensation in installment (generally



over a period of 10 years) as decided by the Urban Local Bodies or Urban Development Authority. Since the last 10 years to be, the AMC and AUDA are recovering this incremental contribution from the land owner who applies for the development permission at the draft Town Planning Schemes itself. This value gets finalized only after the Board of Appeal (BOA) and final Town Planning Schemes. Thus, this action against the law provision of collecting the above money from the land owner compulsorily is illegal.

The original plot value is estimated using recent land sales transactions in the vicinity and existing infrastructure.

O.P value = O.P. Land Rate \* O.P. Area (Column 6(a) and 6(b))

Semi-final value = Semi-final Land Rate (generally O.P rate) \* Final Plot Area (Column 9)

Semi-final value - Original Plot value = compensation or contribution to be pay to/ by the owner (Column 11)

Final Plot value = Final plot rate \* Final plot area (Column 10)

Final Plot value - Semi final Plot value = increment in value due to Town Planning Scheme (50 per cent is borne by the authority and the rest 50 per cent is borne by the land owner.

The values mentioned in the form F will be calculated and reflected.

The infrastructure and other costs of implementing the Town Planning Scheme will be shown in the 'G Form' which is part of the GTP&UD Act Regulation 1979. G Form is like a balance sheet were all types of expenditure like infrastructure cost, land survey cost, salaries of Town Planning Officer and other staffs and compensation to be paid are mentioned. The incremental contribution to be received from the private land owner as well as Urban Local Bodies is also mentioned in the G form. Finally, from the G Form of the Town Planning financial mechanism the cost of Town Planning Schemes is derived which is in general a nominal amount.

**Original Plot** Deman n to (+) Value in rupees d from Undeveloped Developed Contrib Increme ution deducti Contribu by (-) on on tion on (Section nue Surv Area in Compe from (-) Without Without Name of the being Inclusive of Inclusive Inclusiv Area referenc N No. sq. mts 79) 50% nsatio Contrib reference to No referenc Column structure the ey No. in sq. e to ution to e to value of structure structur 10(a) additio column under be value of Column n of structur es section made structui 9(a) colum es . 80 under es other section 6(b) 3 3(a) 4 6(a) 9(a) 9(b) 10(a) 10(b) 13 15

Fig. 6: Financial Mechanism for Calculating Cost of TPS



Table 1: TPS No. 10 (Borisana-Kalol-AUDA-Pratappura

	Town Planning Scheme No. 10 (Borisana-Kalol-Auda-Pratappura)				
	G-Form				
1	Expenditure Under Clause 40(3)(b), (c), (d), (f), (g) and (h)	173100000			
2	Other Expenditure	-			
3	Expenses shown in the Redistribution and Valuation Statement	110053010			
4	Cost of publication section 41(2) and 42(1) or (2) rule 13 to 18	15000000			
5	Compensation u/s 49(2) Legal Expenses u/s 77(2) section 82	15000000			
6	Cost of demarcation salaries of T.P.O. and Board of Appeal and others under	15000000			
	section 61(2)				
	Total Expenditure (a)	328153010			
7	Total of Increments (col 12 of form F)	517164320			
8	Proportion of Increment to be contributed by each other under section 79 (50%)	258582160			
9	Total Contribution under section 79 (b)	258582160			
10	Net Cost of Ahmedabad Urban Development Authority (a) - (b)	69570850			

# 4.2 Simplified Example of Kalol-Ola-Pratappura Town Planning Scheme

Table 2: Distribution of Land Parcels for the Different Uses.

D.T.P. Scheme No. 10 -KALOL-OLA-PRATAPPURA				
Total T.P. Scheme Area	167152 sq mt	16.7152 ha		
O.P. Area	155469 sq mt			
Purpose of allotment	Area in sq mts (Allotted to AUDA	% of Scheme area		
	for different purpose)	(Allotted to AUDA as per site condi-		
(1)	(2)	tions)		
. ,		(3)		
Roads				
(A)	25753	16.56%		
Sale for commercial/				
OCU	6686	4.30%		
Sale for Residential				
S. and E.W.S.H.	8499	5.46%		
Garden and Open Space/				
Play Ground	3896	2.50%		
Social Infrastructure and				
School	4382	2.81%		
Total Reservation (B)				
(Authority)	30205	18.07%		
Total: (A+B)	55958	35.99%		
Note: - i). Total F.P Area 99511 sq mt in the T.P. Scheme (64.00%)				



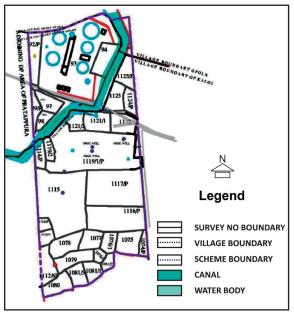
Table 3: F Form for Plot no. 16 of Kalol-Ola-Pratappura TPS.

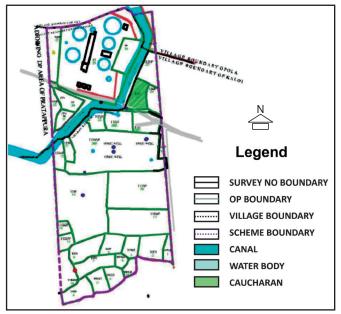
Sr.	Name of the owner	Tenure	Revenue	Original Plot			
No.			Survey	No.   Area   Value in Rupees		ees	
			No.	in sq Without reference to Inclusiv		Inclusive of	
					mt	value of structure	structure
1	2	3	3(a)	4	5	6	6(a)
16	Patel Babubhai Somdas		1115	16	18109	19919900	19919900

No.	Area in sq	Final Plot			
	mts	Value in Rs.			
		Undeveloped		Developed	
		Without reference   Inclusive of   '		Without reference	Inclusive of
		to value of structures		to value of	structures
		structures		structures	
7	8	9(a)	9(b)	10(a)	10(b)
16	10865	11951940	11951940	34421587	34421587

Contribution (+) Compensation (-) under section. 80	Increments (Section 78 Column 10(a) - Column 9(a)		Net Demand from (+) or by (-) owner being the addition of columns 11,13,14	Remarks
11	12	13	14	15
7967960	22469647	11234824	3266864	

Fig. 7: Plan No. 1: (Original Agricultural Fig. 8: Plan No. 2: O. P. Plan Revenue Map)





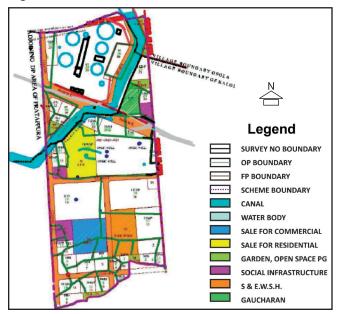


After the preparation of draft Town Planning Scheme, like the other land owners the Urban Local Bodies and Urban Development Authority should also represent their case to the respective Town Planning Officer. It is also found that Urban Local Bodies are getting reserved plots for various uses like garden cum open spaces and are assumed to be 100 per cent beneficial. So, no cost is to be paid to Town Planning financial mechanism. While plots earmarked as neighborhood or civic centre is assumed to be 50 per cent beneficial thereby having to pay the 50 per cent of valuation amount. While residential or commercial plots are considered to be

10 per cent beneficial thereby having to

pay the 90 per cent of valuation amount. It is a fact that neither in any of Acts or

Fig. 9: Plan No. 3: O. P./F. P Plan



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orders including the GTP&UD Act has mentioned the rationale for the beneficial percentages to be considered for the different land uses.

# 4.3 Uniqueness of the Town Planning Scheme

- The Town Planning Scheme can be split into two or more parts for immediate implementation of public infrastructure and other public utilities;
- If any planning needs arise by Urban Local Bodies and Urban Development Authority even years after the final Town Planning Scheme, it can be varied as and when required. Act allows any number of varied Town Planning Schemes;
- The grievances will not be heard in the lower court as Town Planning Officer
  Town Planning Officer is a quasi-judicial officer and he gives hearing to each
  land owner and then he / she writes each decision. So, there is a provision
  in GTP&UD Act that one can approach only the high court and not the lower
  court; and
- There is a provision in GTP&UD Act whereby the government can refuse to the granting Scheme.

### 4.4 Constraints of the Town Planning Scheme

- Inaccurate land data sets;
- Delay in sanction by Government as there is a requirement of three-time Government sanctions;



- Always delay in Board of Appeal (BOA) procedure which part of the financial process;
- No escrow account is maintained of incremental contribution or betterment charges by LSGs or Urban Development Authority;
- In few cases the reserved plots for civic amenities usage of financial Town Planning Scheme, change in future by the varied Town Planning Scheme;
- Transfer of town planning officers Town Planning Officer among the various Town Planning Schemes make three to four Town Planning Officer within one Town Planning Scheme thereby resulting in delay and quality decisions; and
- State Government in few cases instruct formally and informally to the Town Planning Officer related to Town Planning proposals, which is considered as an interference in the planning process of the Town Planning Scheme.

It is believed that time requirement for planning of Town Planning Schemes can be reduced by taking up schemes covering smaller land areas. Also, the time requirement for the preparation of Town Planning Scheme is based on the factors such as number of owners per Town Planning Schemes, percentage of area required, contribution of owner, average area of land holding.

Table 4 Use of Reserved Land

Use of Reserved Land (in %)		
Road	14.9	
EWS Housing	7	
Sale for Residential use	3	
Sale for Commercial use	4	
Neighborhood space	1.5	
Other civic amenities/ open spaces	2	

Table 5: Infrastructure Cost

Infrastructure Cost of Town	Rs. in Crore
Planning Scheme	
Cost of Roads	36
Cost of Water supply	21
Cost of Drainage	40.5
Cost of Storm water	25
Cost of Street light	12
Cost of development of open spaces	18.8
Administrative overheads	8
Plantation and percolating wells	5
Total Expenditure by AUDA	166.3 @ Rs 1,025 per sq m

### PRAHALADNAGAR TOWN PLANNING SCHEME

In Ahmedabad, there are 231 TPS prepared which covers more than 95 percent of the entire Ahmedabad Municipal Corporation and AUDA limits of about 467 sq km of area. One of the such Town Planning Schemes mechanism in Ahmedabad is the Prahaladnagar Town Planning Schemes which was branded by the authority as a 'Model Town Planning Scheme'. It comprises of

four Town Planning Schemes (TP No. 23,24,25 and 26). The total land area of the Town Planning Scheme is 162 ha. Average deduction of each plot is at 32.4 per cent. Out of the total area, the land deductions are given Table 4.

The Infrastructure cost for Prahaladnagar Town Planning Scheme is given in Table 5. The Table 5 also indicates the total



expenditure on infrastructure development in Prahaladnagar Town Planning Scheme as per the detailed cost estimates in the present value (cost calculated based on consideration of the very high specifications).

The revenue categories for the Prahaladnagar Town Planning Scheme are given in Table 6. The different areas in city has

Table 6: Revenue Categories of Prahaladnagar TPS.

Revenue category	Rs. in Crore
Sale for commercial purpose @ 60,000 sq m plot at rate 1,25,000 Rs. per sq m	750
Sale for residential purpose @ 50,000 sq m plot at rate 95,000 Rs. per sq m	475
Sale for Neighborhood purpose @ 8,000 sq m plot at rate 75,000 Rs. per sq m	60
Betterment charges @ 203 Rs. per sq m of reconstituted plot i.e.@ 67.6% at 10,95,120 Rs. per sq m	21.9
Collection by AUDA	1306.9

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different land market value according to the adjoining development and locality of area. Tables 6 also indicates the market value of Prahaladnagar Town Planning Schemes (TPS) for commercial, residential and neighborhood level spaces and total collection by AUDA is eight time of the cost being incurred. In other parts nearer to industrial area, it may come to three times or so.

The total collection in Prahaladnagar Town Planning Schemes is eight times higher compare to the expenditure in infrastructure development. At present the general practice is starting development after 4 to 5 years, where the development comes first, and infrastructure follows. So, they will generate eight times revenue from sellable land compared to infrastructural cost after 6 to 7 years. But they can borrow the loan from 'HUDCO' or financial institution as there is excellent surplus at the end of 6-7 years thereby able to pay off the interest and other charges. By doing this the delay of development infrastructure can be avoided.

Fig. 10 (a): Prahaladnagar Town Planning Scheme

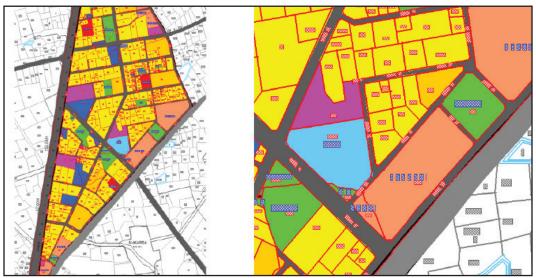




Fig. 10 (b): Plan of Prahaladnagar TPS



Fig. 10 (c): View of Prahaladnagar TPS



Fig. 10 (d): Advertisement of AUDA

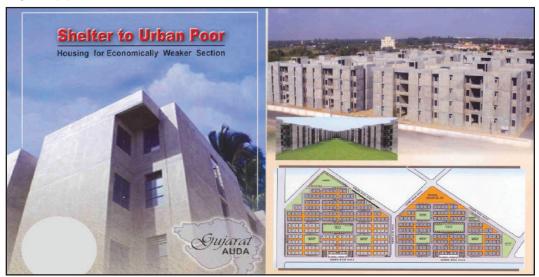




Fig. 12: Raw Land image of 2001



Fig. 13: Developed Land Image of 2011



In this scheme desired physical planning has been achieved. About 11 - hectare plot received without any cost for SEWS. 5,000 SEWS houses of 30 sq m each can be constructed in 1.61 sq km area of city. If the greenfield area of Ahmedabad Municipal Corporation limit is assumed to be considered @ 20 per cent, then it is 93.4 sq km which can generate SEWS land resources for 2.9 lakh houses in ten year of time period. For each Town Planning Scheme Special Purpose Vehicle (SPV) can be created for infrastructure loan by LSGs and Urban Development Authority.

### 6. AMARAVATI TOWN PLANNING SCHEME

The vision for Amravati development is to be "The People's Capital", where citizens reap the benefits of its progress.



Fig. 14: Developed Land Image of 2018



# 6.1 Land Pooling Scheme (LPS)

- Land Pooling Scheme is intended for Land Owners volunteering to offer their land against a guaranteed return of developed and reconstituted plot and other benefits. Under land pooling Scheme, landowners voluntarily sign ownership rights over to a single agency or government body. This agency develops the land by developing public infrastructure like roads, sewage lines, ICT thereby obtaining the land for Amaravati capital project;
- Andhra Pradesh Capital Region Development Authority (APCRDA), a Government body was constituted under the APCRDA Act 2014 on 30th December 2014 of MA&UD Department, Government of Andhra Pradesh (GoAP) which will plan Town Planning Schemes in 24 villages. The total approximate area is 45,000 acres;
- The Authority guaranteed return of reconstituted residential / commercial plots to the landowners for the original lands surrendered under Land Pooling Scheme and other benefits after deducting 63 per cent of the land;
- So, per 1 acre (4,000 sq m) owners will get 1,000 sq m plot for residential purpose and 450 sq m plot for commercial purpose and owner will not have to pay any incremental contribution or betterment charges;
- Automatically, agricultural to non-agricultural conversion takes place;
- All allotment as by the computerized planning process thereby no human intervention;
- There is no financial or valuation process, thereby the physical planning process can be completed within two years;



- No scope for public participation; and
- There is a provision of compensation for agricultural produce for 10 years @ Rs 50,000 for three crop lands and Rs 30,000 for two crop land per annum.

# 6.2 Land Pooling Scheme Process

- The total area is 217 sq km comprising of 24 Revenue villages and 26 Land Pooling Scheme units. Each land pooling Scheme unit has been assigned the Deputy Collector, Tehsildar, Deputy Tehsildar and a Surveyor.
- Demarcation of existing settlements (Protecting the existing village settlements). Public Consultations in villages (Awareness for City Master Plan). Development agreement by development authorities and land owners.
- Preparation of draft Master Plan after the agreement of land pooling by land owners. Preparation of draft Land Pooling Scheme of village prepared by APCRDA with master planning consultants.
- Consultation with land owners over draft Land Pooling Scheme Plan to gather objections and suggestions.
- Final Land Pooling Scheme plan after the assimilation of suggestions from land owners in villages. Notification of finalized plan. Land owners are allotted returnable plots by means of digital lottery. Along with lottery allotments the land owners are given LPOC. (Land Pooling Ownership Certificate).

### 6.3 Social Benefits

- LPOC Certificate with alienable rights in exemption registration fee / capital gains.
- Demarcating village sites / extended habitations making residents part of capital city.
- To provide Rs. 2,500 per month for a period of 10 years to all the landless families.
- One-time agricultural loan waiver up to Rs. 1, 50,000 per family to farmers who are surrendering their lands under Land Pooling Scheme.
- Providing NREGA up to 365 days a year per family.
- Providing housing to houseless as well as those losing houses in the course
  of development. Skill development trainings with sty-fund to cultivating
  tenants, agricultural labour and other needy persons to have alternative
  livelihoods.
- To provide interest free loan up to 25 lakh to all the poor families for selfemployment.

# 7. SARDAR PATEL RING ROAD TPS, AHMEDABAD

The Sardar Patel Ring Road is an arterial road, facilitating traffic movement within the Ahmedabad city by providing easy access in and from the outskirts. It



also facilitates the movement of through traffic going north and south to the city, thereby reducing the congestion on western and eastern bypass. The 60 m wide ring road was conceptualized to:

- Reduce traffic congestion on peripheral roads;
- Segregate regional and urban traffic;
- Increase connectivity; and
- Guide the development and expansion of Ahmedabad in a larger region

Conceived as the outer most 'ring' encircling Ahmedabad urban agglomeration, the ring road encompasses an area of about 400 sq km which includes most of the developed and developing areas and covers a population of approximately. 56 lakh. The entire length of this road is 76.313 km radiating from the city, there are 19 major roads of various categories either connecting or crossing this road.

This is being done on Build, Operate and Transfer (BOT) basis. The total cost of construction of four-lane road is estimated at Rs. 378 crore. The success of this large-scale city road project initiated by Ahmedabad Urban Development Authority (AUDA) is based on its partnership developed with the private sector and citizens during various stages of planning, design, implementation and maintenance. These partnerships have been crucial in realizing this project in a planned manner and have been successfully built in its land development and project financing mechanism. AUDA used a combination of Town Planning Scheme and land acquisition method for ensuring speedy implementation.

AUDA declared most part of the ring road as a Town Planning Scheme area. The Town Planning Schemes were formulated in such a manner that the ring road could traverse through the proposed Scheme. The land owners and tenants who possessed their valuable land along the road stretch were assured final plots in rectangular shape at the end or nearby the ROW of the ring road. This unique idea inspired land owners and tenants to hand over their land for development of the ring road. The land for 60 m RoW was taken from them "by consent" without giving any financial reward. Areas which have been designated as agricultural zone in the Master Plan and where Town Planning Schemes cannot be declared due to geographical constraints, were acquired by the conventional land acquisition method as per procedure of the Revenue Department. Out of the total 76.3 km, only 13.1 km had to be acquired.

### 7.1 Land Acquisition Cost

Total road length obtained under Town Planning process is 63.2 Km. Total Land area required is 37.92 lakh sq m @60 m RoW. Assuming Rs. 3000 per sq m (2001-2005 period) as the average price of market for agricultural land acquisition. The total land acquisition cost work out to Rs. 1137.6 crore. A few percentages of the total cost of road construction also had been considered in the various



Fig. 14: The City Level Infrastructure through Town Planning Scheme

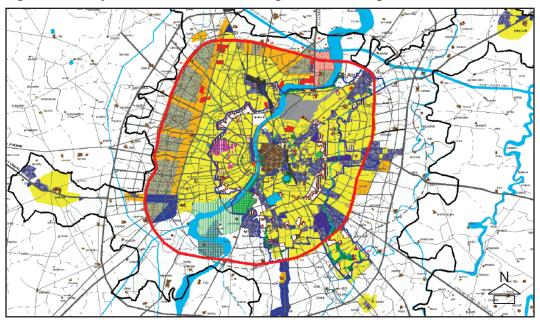
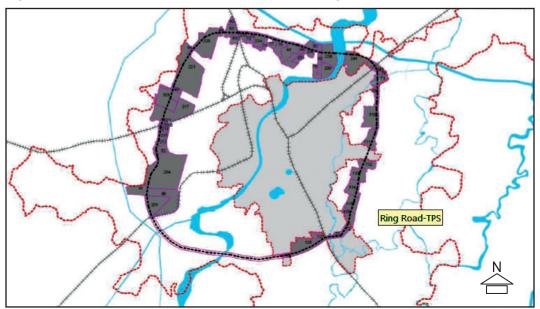


Fig. 15: TP Scheme Plots around the Sardar Patel Ring Road



Town Planning infrastructure cost. After the land possession is taken it was made to be constructed in a PPP model to the Sadbhav Engineer Company. The implementation of TPS Scheme highlights that:

 Advance possession of land was made possible before the Town Planning proposals;



- Saving of Rs. 1137.6 crore of land cost;
- Converting the final constructed ring road to a toll road.

### 8. BHUJ TOWN PLANNING SCHEME

Bhuj was one of the worst affected towns among the earthquake affected districts, as almost 50 percent of its walled city was considerably damaged. Over 7,000 people lost their lives in Bhuj, of which they were mostly within the walled city area, as buildings constructed of stone and mud collapsed on extremely narrow streets. The lack of an effective street pattern was a major obstacle to disaster management in the earthquake's aftermath. Over the years, poorly framed building regulations had been weakly enforced, and this had exacerbated congestion in the city. Many historic buildings had to be demolished during the rubble removal, making retracing the original street form and architectural character to be difficult.

After the devastating earthquake about 70 per cent of the land was not accessible by ambulance or fire engine or debris removing vehicles like JCB. It was thereby a life security and health hazard was severe issue. In such circumstances the Gujarat Government decided to go for the town planning Schemes (land readjustment Schemes) were prepared within the walled city. The density of plots compounded the problems as there were 12,000 plots in a 130 hectare area that is, nearly 100 plots per hectare.

### 8.1 Financing Methodology

Official public consultations on the Development Plan were financed by the Gujarat Urban Development Company - GUDC (100 per cent owned by Gujarat State Government) under the ADB loan. However, the stakeholder consultation process was set in motion in Bhuj by the EPC (in collaboration with TCGI) well in advance of the development plan project, through the USAID-FIRE funded Initiative for Planned and Participatory Reconstruction. The most heartening fact is that the collective thinking process initiated (and still supported) in Bhuj by EPC has since evolved into a local initiative named Bhuj Development Council. It is funded independently by NGOs operating in Bhuj.

### 8.2 Situation before Town Planning Scheme Implementation

- Unorganized haphazard plots;
- Insufficient and narrow Roads and approaches;
- Insufficient open spaces;
- Encroachment in majority of open spaces;
- No follow up of building control regulations; and



Lack of open spaces and margins.

# 8.3 Situation after Town Planning Scheme Implementation

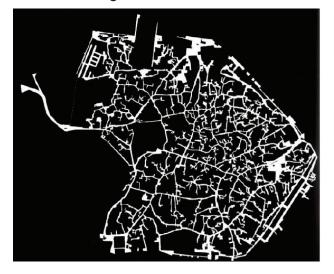
Various planning initiatives

- Widening of existing roads;
- New roads;
- · Linkages with out skirt region;
- Reconstitution of haphazard plots;
- Fastest ever planning;
- First ever experiment with urban renewal of the entire Gamtal;
- · Immediate implementation; and
- Personal public participation approach.

# Humanitarian approach:

- Plots for tenants;
- Plots for unauthorized settlements;
- Temporary arrangements for those affected;
- Permanent planning;
- Green approach;
- Efforts to transplant or save trees getting affected in road widening; and
- Afforestation planned in the relocation sites.

Fig. 16: Bhuj City - Road Network before Town Fig. 17: Bhuj City - Road Network after Town Planning Schemes Planning Schemes





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# 9. LOGISTICS TOWN PLANNING SCHEME (NIDHRAD - GODHAVI - CHEKHLA)

There has been a huge industrial development over the last 5-7 years along the south-western part of Ahmedabad. Thereby, looking towards developing a logistics zone AUDA proposed a Town Planning Scheme for area from Nidhrad to Chekhla which is at South-West outskirts of Ahmedabad. For developing that logistics zone, they have carved out two Town Planning Schemes as Town Planning Scheme No. 439 (Nidhrad - Godhavi - Chekhla) for 76.7 ha and Town Planning Scheme No. 438 (Nidhrad - Godhavi) for 103.4 ha. The land share for the different attributes for the Town Planning Scheme No. 439 is detailed out Table 7. This Table also shows

Table 7: Land Share for different attributes of TPS No. 438

Sr No.	Category	Area (m2)	% share
1	Road	4,15,132	14.62
2	Plots for sale	2,00,591	7.06
3	SEWSH	36,646	1.29
4	Public Utility	67,693	2.36
5 Recreational		47,693	1.67
	Total	7,67,240	27

Table 8: Land Use Share for different attributes of TPS No. 439.

Sr. No.	Category	Area (sq m)	% Share
1	Road	4,43,137	15.64
2	Plot for sale	2,76,954	11.39
3	SEWSH	1,12,008	4.61
4	Public Utility	1,05,061	4.32
5	Recreational	1,05,061	4.32
	Total	10,34,423	40

Table 8: Town Planning Schemes Sanctioned

Year	Total Town Planning Scheme (sanctioned)
1925 - 1960	25
1960 - 1970	51
1970 - 1980	84
1980 - 1990	222
1991 - 2000	235
2000 - 2010	308
2010 - 2018*	549
Total	1474

the land use allocation for various public purposes in Town Planning Scheme (Nidhrad -Godhavi - Chekhla) were 0 per cent deduction is done in government land and water bodies.

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The total infrastructure cost for both the Town Planning Scheme is 487 crore, funds received from land owner as a betterment charge will be 476 crore and compensation to be paid for the land owner will be 175.16 crore. So, net cost will be 296 Cr and the AUDA will be getting 4,77,000 sq m land to be sold to raise the infrastructure resources. AUDA thereby by selling this land @ Rs. 5630 per sq m will get Rs. 268.55 crore. So, net surplus will be Rs. 93.39 crore. If the market land price is calculated it will be much higher as Town Planning Scheme final plot valuation rate has been considered.

The Logistic Zone is initially been demarcated under DP and thereby Town Planning Scheme mechanism is used for the ground level implementation. Some of the features of the Logistic Town Planning Scheme are:

- Unique Town Planning Scheme for logistic purpose;
- AUDA is getting 4.75 lakh sq m land for sale;
- For the first time the Town Planning Scheme has demarcated 0 per cent in the government land and water bodies;



- The grazing lands (gaucharan) are not disturbed and kept pristine;
- No deduction of government land may be challenged in the court as all landowners are considered equal in the Town Planning mechanism; and
- As the land for social and civic amenities are not needed within the Logistic Town Planning Scheme, the excess fund can be provided for the city level projects.

The initial in Town Planning Scheme was made in the year 1925 and over the years till 2010 the total number of Town Planning Schemes made amounts to 925. The Table 8 describes the number of Town Planning Schemes made over the span of years.

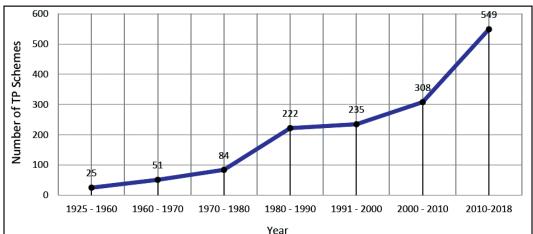
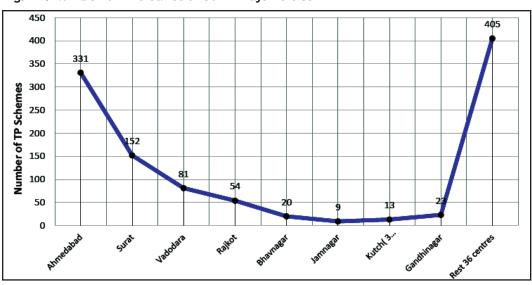


Fig. 18: Total Town Planning Scheme Sanctioned Yearwise







### 10. CONCERNS OF THE URBAN POOR

In 1960's slums informal settlements came up in urban areas and an act was made for Slum Clearance to protect the tenants in such areas from eviction. There was an international acknowledgement of the need for addressing the shelter problems of the poor rather than slum clearance. The GTP&UD Act, 1976 has the provision of reserved land for socially and economically weaker section (SEWS) of the society to provide affordable housing for the urban poor. Out of the 40 percent land deducted for the public purpose including road up to 10 percent of the land is reserved for SEWS housing. The idea behind land reserving for the SEWS housing is to reduce the distance between residence and work place for the poor by providing land for SEWS under Town Planning Schemes. Across Gujarat the rate of urban poverty has declined from 28 per cent in 1991 to 10 per cent in 2011-12 a rate slightly ahead of the national urban average. Lands available through Ahmedabad Town Planning Schemes allowed for the construction of 80,000 dwelling units under various social housing schemes. Of these 33,000 were constructed under the BSUP program between 2007-2012 causing Ahmedabad to rank fifth among Indian cities in terms of the number of BSUP dwelling units constructed. Ahmedabad has recorded the fastest progress in terms of improving housing conditions than other cities in the country in which SEWS land obtained under the Town Planning mechanism is the only prime factor. There is a significant decline in share of slum settlements living in Ahmedabad from 25.6 per cent in 1991 to 4.5 per cent in 2011. In Ahmedabad approximately 60 housing colonies having 25-30 sq m dwelling unit with MASCON technology (Earthquake resistant) are developed and occupied by the urban poor where the average price of the house to beneficiaries was Rs. 95,000 for each unit. Around 18,000 such units have been constructed in the last decade by Ahmedabad Municipal Corporation and Ahmedabad Urban Development Authority.

### 11. CONCLUSIONS

In Gujarat Town Planning Schemes has been used as an tool for urban development with great success. This may be illustrated with the fact that 95 per cent of Ahmedabad urban area is developed through Town Planning Schemes and the city has fairly well-developed infrastructure all throughout the city. The highlights of the application of the Town Planning Schemes are:

- Town Planning Scheme mechanism along with DP enables creation of balanced urban structure;
- Town Planning Scheme mechanism is flexible in terms of scale, size and process;



- It is a participatory process as it takes into consideration of all the land owners;
- Land for public utilities development is made available at appropriate time, locations without actually resorting to the land acquisition process, which in many ways has been a regressive process;
- It is also to be noted that land for public purposes is shared more or less equally by all land owners of the Scheme making the process equitable;
- Creation of land bank through this process for infrastructure development is a mechanism to make development pay for itself. In case of Sabarmati Riverfront project, the SPV was given the money from HUDCO with the mortgage of owned land;
- Infrastructure development is done in a self-financing manner prior to the actual development itself and i.e. development follows the Development Plan;
- Town Planning Scheme mechanism provide access to land to urban poor which
  if utilized in the proper spirit can make urban poor distributed well over the
  city rather than making them concentrated in marginal land;
- By this process of distribution of housing to urban poor over space it brings balance in home-work relationships for the poor and also ensures labour supply in all areas of the city;
- The applications of mechanism should not be limited to urban development only as described above. It is used and potentially usable for development of industrial estates, airports, economic corridor development, etc.; and
- Certain improvisations in the process of the Town Planning Scheme may make it more effective and beneficial to the society at large.

Based on above discussions the major suggestions / recommendations are:

- The need for infrastructural development along with the preliminary stage: At present any of the Urban Development Authority starts the infrastructure development after preliminary approval of Town Planning Schemes whereby they will generate revenue from saleable land. This will delay the process of area development. As Urban Development Authority is going to generate higher revenue compared to expenditure, they should start the infrastructure development after draft approval of Town Planning Schemes, thereby saving the overall time taken in the implementation of Town Planning Scheme;
- The revenue generated from Town Planning Schemes to be invested in other projects: As the urban development authority will generate high revenue at the final stage or implementation stage of Town Planning



Schemes. The revenue is very high compared to expenditure on infrastructure development. Thus, authorities can incur money into other city level infrastructure projects;

• Junction improvement through Town Planning Scheme: Junctions within the city limits where a smaller RoW meets a wider RoW road, creates bunching of vehicles and thereby effects of congestion and pollution. Thus, it would be a good initiative to acquire lands adjacent to the junction by Town Planning Schemes for a shorter length i.e. lesser than 100 metres, creating a wider intersection than the respective RoWs thereby enhancing the easy through movement of vehicles. As per the approximation this would take less than 1 per cent for excess road, thereby provisioning for a no percentage limit on road area in respect to the 40 year old provision limiting the road area not more than 15 per cent as given directive in Town Planning regulations in all the Town Planning Schemes by state government;

The need for providing separate building Bylaws as per the location of Town Planning Schemes: In city different area has different characters and different uses with respect to resources and people. Also, there are areas where only commercial or residential development will happen. While considering the different character of the area, building by laws needs to be different for better development and this provision is there in the Town Planning act and it was a practice in 1980s to have separate bylaws for different Town Planning Schemes, so, it can have separate bylaws in special cases of Town Planning Schemes like Bhuj;

How to curb the speculation of land after preliminary Town Planning Sanction: After the sanction of Town Planning Schemes, there are plots which have high potential for development but still not developed. To curb the land speculation urban development, authority has to incentivize the development in a way that it will promote development of each plot. For example, urban Development Authority will allow 4.0 FSI for 3 years after preliminary Town Planning Scheme sanction, 3.0 FSI between 3-5 years after of Town Planning Schemes and 2 FSI after 5 years of sanction of Town Planning Schemes such provision will accelerate the development and de-incentivize the speculation;

Maintenance of Escrow Account by LSGs or Urban Development Authorities: Escrow Account of incremental contribution or betterment charges and sale proceeds of infrastructure plots is to be maintained by the LSGs or Urban Development Authority (UDAs) for the better functioning and implementation of Town Planning Schemes; and



• Decentralization of the City level Civic Amenities: In most of the Town Planning Scheme mechanism in metropolitan cities like Ahmedabad, Surat there are excess surplus of finances and in case of other small centres there are less or no surplus in the implementation of Town Planning Scheme due to market price of saleable land. Thus, there is a need to use the excess surplus to invest in sustainable and environmental initiatives like construction of percolating wells and preservation of village tanks. Similarly, medium capacity sewage treatment plants (for 3 to 4 Town Planning Schemes combined) can be created at local level thereby using the treated water for the garden use and the cost can be divided between the different Town Planning Schemes.

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