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**STANDING COMMITTEE ON  
URBAN AND RURAL DEVELOPMENT  
(1998-99)**

**TWELFTH LOK SABHA**

**MINISTRY OF URBAN AFFAIRS & EMPLOYMENT  
(DEPARTMENT OF URBAN DEVELOPMENT)**

**THE URBAN LAND (CEILING & REGULATION)  
REPEAL BILL, 1998**

**TWELFTH REPORT**



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**LOK SABHA SECRETARIAT  
NEW DELHI**

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**STANDING COMMITTEE ON**  
**URBAN AND RURAL DEVELOPMENT**  
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**(DEPARTMENT OF URBAN DEVELOPMENT)**

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**REPEAL BILL, 1998**

*Presented to Lok Sabha on 21 December, 1998*  
*Laid in Rajya Sabha on 21 December, 1998*



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*December, 1998/Agrahayana, 1920 (Saka)*

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Ninth Edition) and Printed by Jainco Art India, 13/10, W.E.A., Saraswati Marg, Karol Bagh, New Delhi-110 005.

Standing Committee on Urban & Rural Development  
 (1998-99)  
Corrigenda to Twelfth Report (12th Lok Sabha)

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COMPOSITION OF THE STANDING COMMITTEE ON  
URBAN & RURAL DEVELOPMENT (1998-99)

Shri Kishan Singh Sangwan — *Chairman*

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*Lok Sabha*

2. Shri D.S. Ahire
- \*3. Shri Sudip Bandyopadhyay
4. Dr. Shafiqur Rahman Barq
5. Shri Padmanava Behera
6. Shri Sriram Chauhan
7. Shri Shivraj Singh Chouhan
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21. Shri Gaddam Ganga Reddy
22. Dr. Y.S. Rajasekhar Reddy

---

\*Nominated w.e.f. 11.6.98

23. Shri Ramjidas Rishidev
24. Shri Chatin Singh Samaon
25. Shri Nikhilananda Sar
26. Shri I.M. Jayaram Shetty
27. Shri Daya Singh Sodhi
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*Rajya Sabha*

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42. Shri O.S. Manian
43. Dr. Mohan Babu
44. Shri N. Rajendran
45. Shri Suryabhan Patil Vahadane

SECRETARIAT

1. Shri G.C. Malhotra — *Additional Secretary*
2. Shri S.C. Rastogi — *Director*
3. Smt. Sudesh Luthra — *Under Secretary*
4. Shri P.V.L.N. Murthy — *Assistant Director*



## INTRODUCTION .

1, the Chairman of Standing Committee on Urban & Rural Development (1998-99) having been authorised by the Committee to submit the Report on their behalf, present the Twelfth Report on The Urban Land (Ceiling & Regulation) Repeal Bill, 1998.

2. The Urban Land (Ceiling & Regulation) Repeal Bill, 1998 was introduced in Lok Sabha on 11th June, 1998. On 25th June, 1998, Speaker under Rule 331E (1) (b) of the Rules of Procedure and Conduct of Business in Lok Sabha referred the Bill to the Committee.

3. The Committee at their sittings held on 22nd and 23rd July, 1998 held general discussion on the Bill. The Committee at their sitting held on 23rd July, 1998 felt that as the Bill was of general public importance, comments/memoranda might be invited from persons/associations affected by the provisions of the Bill by issue of Press Release and giving wide publicity on AIR/Doordarshan. In response to these efforts, 171 Memoranda/Letters containing views/suggestions etc. were received. Of these 109 Memoranda (77 in favour and 32 against the Bill) were found to be in order.

4. The Committee held informal discussion with representatives of the Ministries of Urban Affairs & Employment (Department of Urban Development) and Law, Justice & Company Affairs (Department of Law & Justice) on 30th November, 1998. The Committee took evidence of the following Individuals/Experts and the representatives of the Non-Governmental Organisations:

- (i) Dr. P.S.N. Rao, Asstt. Prof., School of Planning & Architecture, New Delhi;
- (ii) Shri K.C. Jain, Advocate, Supreme Court;
- (iii) Shri K.R. Saklikar, Advocate, High Court, Mumbai;
- (iv) Smt. Mrinal Gore, ex-Member of Parliament;
- (v) Shri Satish Magar;
- (vi) BINITY—A Voluntary Consumer Organisation, New Delhi;
- (vii) Confederation of Indian Industries, New Delhi;
- (viii) Federation of Indian Chambers of Commerce & Industry, New Delhi;

- (ix) Gujarat Chambers of Commerce & Industry, Ahmedabad;
- (x) The Textile Manufacturers' Association, Amritsar;
- (xi) Bombay Environmental Action Group, Mumbai;
- (xii) Nivara Hakk Suraksha Samiti, Mumbai;
- (xiii) YUVA, Mumbai; and
- (xiv) Council of Architecture, New Delhi.

The Committee also took oral evidence of the representatives of Ministry of Urban Affairs & Employment (Department of Urban Development) at their sitting held on 8th December, 1998.

The Committee at their sitting held on 15th December, 1998 held general discussion and clause by clause consideration of the Bill. The Committee at the said sitting also called the representatives of the Ministry of Law, Justice & Company Affairs and sought clarifications on various clauses of the Bill.

5. The Committee at their sitting held on 18th December, 1998 considered and adopted the Report.

6. The Committee wish to express their thanks to the officers of the Ministry of Urban Affairs and Employment (Department of Urban Development) who appeared before the Committee and placed their considered views. They also wish to thank the officers of the Ministry of Law, Justice & Company Affairs who assisted the Committee and placed their considered views. They also wish to thank the Ministry for furnishing the requisite material on the points raised by the Committee in connection with the examination of the Bill.

7. The Committee also benefited from the views/suggestions of Individuals/Non-Governmental Organisations and express their thanks to them all of whom furnished memoranda and tendered evidence before the Committee as referred to in para 4.

8. The Committee would like to place on record their sense of deep appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI;  
December 19, 1998  
*Agrahayana 28, 1920 (Saka)*

KISHAN SINGH SANGWAN,  
*Chairman,*  
*Standing Committee on*  
*Urban & Rural Development.*

# **REPORT**

## **PART I**

### **BACKGROUND OF THE URBAN LAND (CEILING & REGULATION) REPEAL BILL, 1998**

The Urban Land (Ceiling & Regulation) Repeal Bill, 1998 (Appendix-I) was introduced in Lok Sabha on 11th June, 1998 and referred by the Speaker, under Rule 331E (1) (b) of the Rules of Procedure and Conduct of Business in Lok Sabha, to the Standing Committee on Urban and Rural Development (1998-99) for examination and report.

1.2 The Urban Land (Ceiling & Regulation) Act, 1976 is a Central Act on a State subject (entry 18 of List II of the Seventh Schedule to the Constitution). The Act was enacted under article 252(1) of the Constitution of India after the Legislatures of eleven States passed the necessary resolution authorising the Parliament to enact a law in this behalf. The Act is now applicable to 12 States and 3 Union Territories which had towns with a population of more than 2 lakhs as per 1971 census. The Act is at present applicable to 64 urban agglomerations as indicated in Appendix-II.

#### **Salient features of the Principal Act of 1976**

1.3 The Act of 1976 *inter-alia* intended to achieve the following objectives:

- (i) to prevent concentration of urban property in the hands of a few persons and speculation and profiteering therein;
- (ii) to bring about socialisation of urban land in urban agglomerations to subserve the common good by ensuring its equitable distribution;
- (iii) to discourage construction of luxury housing leading to conspicuous consumption of scarce building materials and to ensure the equitable utilisation of such materials; and
- (iv) to secure orderly urbanisation.

1.4 The Act of 1976 mainly provides for the following:—

- (i) imposition of a ceiling both on ownership and possession of vacant land in urban agglomerations, the ceiling being on a graded basis according to the classification of the urban agglomeration.
- (ii) acquisition of the excess vacant land by the State Government with powers to dispose of the vacant land to subserve the common good;
- (iii) payment of an amount for the acquisition of the excess vacant land, in cash and in bonds;
- (iv) granting exemptions in respect of certain specific categories of vacant land;
- (v) regulating the transfer of vacant land within the ceiling limit;
- (vi) regulating the transfer of urban or urbanisable land with any building (whether constructed before or after the commencement of the legislation), for a period of 10 years from the commencement of the legislation or the construction of the building, whichever is later;
- (vii) restricting the plinth area for the construction of future residential buildings; and
- (viii) other procedural and miscellaneous matters.

#### **Performance of the Act**

1.5 As could be seen from the statements at Appendices III and IV furnished by the Government, the performance of the Act has been dismal. Out of the estimated excess 2,20,674.86 hectares vacant land, the State Governments could physically acquire only 9% *i.e.* 19,082.22 hectares of land. Out of total physically acquired land, on 8172.37 hectares of land, the use for the purpose specified in the Act could not commence (Appendix IV).

1.6 When asked whether the Government ever tried to analyse the reasons as to why 8172.37 hectares of land acquire so far couldn't be put to use, they replied in negative. The Government also could not provide information with regard to the category-wise position of the use of 10909.85 hectares.

1.7 During non-official evidence before the Committee, it was stated that the repealing Bill does not seek to address the problems that might crop up with regard to environmental and other related aspects due to repeal of the Act, the rehabilitation of encroaches on public land as in the case of Borivili National Park near Mumbai and to meet future need of land uses such as providing public amenities etc.

Doubts were also expressed as to the ability of the public agencies/ State Governments to acquire land at market rates either for housing for EWS/LIG categories or for other public purposes. It was further stated that there is no direct link between the ceiling Act and the market forces in the determination of the land prices.

1.8 Further on the extent of land that would be released after the Act is repealed, the Ministry in a written note stated that approximately 2 lakh hectares of land is expected to be released after the repeal of the Act. However, the Ministry had no information as to the nature, type or category or location status of the land that would be available with the repeal of the Principal Act. Also the Government have not made any analysis with regard to impact of the repeal Act on the prices of land as also the trend of land prices after the Act was implemented in 1976.

1.9 When asked about the Status of 91% of vacant land with the State Governments, the Ministry stated that the status of the 91% of vacant land with State Governments as per Section 10(3) of the Act could be as follows:

- “(i) there may be litigation with reference to transfers made after notification of the excess vacant land under Section 10 (1);
- (ii) there may be litigation with reference to propriety of the notification for such vesting under Section 10(3); and
- (iii) there may be direction/decision of the Court not to acquire such land.

31,026 hectares of land may be regarded as under process.”

1.10 At the same time, as much as 52,508.54 hectares of excess vacant land was exempted under Section 20 of the Act (on the grounds of ‘public interest’ or an account of ‘undue hardship’). 5327 hectares of excess vacant land was exempted under section 21 of the Act for

the purpose of construction of dwelling units for weaker sections of the society as could be seen from the Statements at Appendices V & VI.

### Shortcomings in the Act of 1976

1.11 As per the written information furnished by the Ministry, the various shortcomings in the Act are as under:

- (a) Definitions of some important terms like "land appurtenant", "vacant land" etc. are not precise leading to different interpretations and large number of court cases delaying the process of implementation of the Act.
- (b) Even with regard to land within the ceiling limit, unnecessary restrictions on transfer have been placed, which involve clearances and consequent paper work which led to delays and harassment to a large number of land holders.
- (c) Computation of the vacant land holdings of a person on a notional basis without evolving a proper system led to considerable delays in finalising quantum of excess vacant land with the land holder. In the absence of *suo moto* powers to the competent authorities to prepare the draft statement of excess vacant land, it has not been possible to effectively implement the provisions of the Act.
- (d) The cumbersome procedures prescribed and multiplicity of levels of appeals has led to considerable delays and created hindrances in meeting the objectives of the Act.
- (e) The amount of the fine as a form of punishment prescribed under the Act is nominal and has not deterred violations of the Act making the implementation of the provisions difficult.
- (f) The amount payable for the excess vacant land taken over by the Government is unjustifiably low and without provision for increase with time. This has led to attempts to circumvent the provisions of the Act and a large number of court cases.

1.12 The Ministry in their written note further stated that:—

"It is a matter of widespread knowledge that the provisions of the Act, while unduly restricting the supply of land for meeting

various needs, have led to corruption and unnecessary harassment of the people holding small parcels of land in the 64 notified urban agglomerations."

1.13 According to the Ministry, the following are the reasons for failure of the Act of 1976 in attaining the desired objectives:—

- (i) Vesting of too much of discretionary powers in the State Governments for granting exemptions.
- (ii) Highly expropriate nature of the Act, as the Act does not provide for adequate and reasonable compensation at market rates available under Land Acquisition Act.
- (iii) The Act, as it stands, does not provide for a mechanism to force the entry of the vacant urban land into the land market through appropriate fiscal measures.
- (iv) There were numerous litigations standing in the way of taking possession of the land by the State Governments.
- (v) Lack of adequate land records.
- (vi) Weak and ineffective administrative machinery.
- (vii) Loopholes in the Act resulting in delay in declaration and acquisition of surplus vacant land.

1.14 During his evidence before the Committee, the Secretary, Ministry of Urban Affairs & Employment stated that in implementing the Act they faced many problems due to provisions of exemptions which provided opportunity for corruption. He further added that the Government were of opinion that the Act has adversely affected the housing activity in the country and dealing in land has virtually ended. Perhaps due to these reasons the Act failed to achieve the objectives for which it was enacted.

1.15 When asked about the steps taken by the Central Government during the past two decades of the operation of the Act of 1976 for removal of shortcomings which came to their notice, it has been stated that whenever problems were encountered by the State Governments in the implementation of the Act, the same were examined and guidelines were issued from time to time.

#### **Review/Repeal of the Act of 1976**

1.16 As per the written note furnished by the Government, in view of the shortcomings in the Act, suggestions for review/repeal of

the Act have been received by the Government from time to time. In the United Nations Conference on Human Settlements (Habitat II) held in Istanbul, in June, 1996, it was resolved that the Governments at the appropriate levels including local authorities should strive to remove all possible obstacles that may hamper equitable access to land. It was also resolved to promote efficient land markets and support the development of land markets by measures of effective legal framework.

1.17 The question of amending the Act was also considered in the Chief Ministers' Conference held on 7.3.1992 in New Delhi. On the basis of the deliberations of the Chief Ministers' Conference various proposals to amend the Act were framed and circulated to concerned Ministries in May/June, 1992. It was decided that a meeting of the Chief Secretaries of the States which initially resolved to have this Act might be convened. In August, 1992 a meeting of the Chief Secretaries of such States was convened and based on the deliberations, proposals for amendments to the Act were finalised. The details of the views expressed by different States and the amendment proposals framed on the basis of Chief Ministers' Conference are given at Appendices VII & VIII. The Cabinet considered the proposals in October, 1992 and decided to refer the matter to a Group of Ministers. The Group of Ministers considered and approved the amendment proposals. The matter was again taken to Cabinet in July, 1995 and it was decided to convene a meeting of the political parties. In August, 1995 the meeting of the political parties was held. The suggestions made by the political parties were examined in consultation with the Law Ministry. State Governments were also requested to send their suggestions for making amendments to the Act.

1.18 Justifying the repeal of the Act, the representative of the Ministry during his evidence before the Committee stated that the matter was being discussed by the Government at various fora over the several years. During the discussions held at these fora some of the States suggested for extensive amendments in the Act and some of the States sought restoration of their legislative powers to enable them to frame the law according to their needs.

Since the Act was passed by Parliament under powers given to it by article 252(1) of the Constitution, it was not possible to accommodate the demand of each and every State. The demands of various States could be met only when the Act was repealed.



1.19 As this process was taking too much of time, an Inter-Governmental Committee under the Chairmanship of Secretary (UD), with representatives of a few selected States and concerned Departments/Agencies of the Central Government as members, was set up in December, 1996 to consider all the relevant issues and suggest suitable amendments to the Act. The Committee in its report submitted in April 1997 suggested comprehensive amendments to the Act. These suggestions however did not amount to repeal of the Act.

1.20 On the basis of the recommendations of the National Commission on Urbanisation, deliberations made during the Chief Ministers' Conference held in March 1992 and recommendations of the Inter—Governmental Committee, amendment proposals were formulated and submitted for the consideration of the Cabinet. The Union Cabinet considered the amendment proposals in its meeting held on 21.7.1997 and decided to refer it to a Group of Ministers for further examination. The Group of Ministers examined the amendment proposals and made certain recommendations. Another Note for the Cabinet dated 17.10.1997 containing proposals for amendments to the Act was placed before the Cabinet for consideration. The Cabinet, in its meeting held on 20.10.1997, deferred consideration of the Note and desired that the question of repealing the Act might also be examined. On the lines of this direction of the Cabinet, another note for the Cabinet dated 11.11.1997 suggesting repeal of the Act was submitted.

1.21 The Government on 13.11.1997 decided, in principle, to repeal the Act, provided necessary resolutions were passed by the Legislature(s) of requisite number of States requesting for repealing the Act by the Parliament, as required under article 252(2) of the Constitution. This would restore to the States their Constitutional and legislative powers on land under Entry 18, List II of the Seventh Schedule to the Constitution. This would also enable the States to enact their own laws to regulate transactions in urban land, if they so desire.

### **Procedure for Repealing the Act**

1.22 According to article 252(2) of the Constitution, at least two State Legislatures have to pass resolutions authorising the Parliament to amend/repeal the law which is enacted under article 252(1) of the Constitution.

1.23 The Minister-in-charge of Urban Affairs & Employment addressed a letter to the Chief Ministers of the concerned States on 26.11.1997 requesting them to give their views whether they would like the Act to be repealed and, if so, to send necessary Legislative Resolutions duly passed by the Legislature(s) of their State, to the Central Government. So far Legislatures of the States of Haryana and Punjab only have passed necessary Resolution authorising the Parliament to enact a Repealing Act. The Government of Uttar Pradesh is in favour of amending the Act. The Government of West Bengal agreed to repeal the Act subject to the condition that it is replaced by a State Act. The Government of Karnataka had sent resolution passed by the State Legislature in 1995 for amending the Act.

1.24 The Committee note that by repealing the Urban Land (Ceiling & Regulation) Act, 1976 the power of States to legislate on the subject of land as enumerated in entry 18 of the list II of the Schedule Seven to the Constitution would be restored to them.

## **PART II**

### **ANALYSIS OF THE URBAN LAND (CEILING & REGULATION) REPEAL BILL, 1998**

Having considered the Bill, the Committee suggest certain amendments to the said Bill as enumerated in the succeeding paragraphs.

#### **Proposed Amendments**

##### **Repeal of the Urban Land (Ceiling & Regulation) Act, 1976**

2.2 Clause 2 of the Bill provides repeal of the Urban Land (Ceiling and Regulation) Act, 1976.

2.3 The Committee note that the Urban Land (Ceiling and Regulation) Act, 1976 was enacted with the laudable objective of bringing socialisation with regard to the ownership of urban land. However, the Act has failed in achieving the said objective. Out of the estimated excess vacant land to the tune of 2,20,674.86 hectares, the State Governments could acquire only 19,082.22 hectares of land and further in about 8172.37 hectares of land, the use specified in the Act could not commence. It has been admitted by the Government that the various inherent drawbacks of the Act have been the main reason for the poor performance of the Act. Further, Sections 20 & 21 of the Act vested too much discretionary powers with the competent authorities of the State Governments for granting exemptions under the Act.

2.4 The Committee further note that several States have proposed extensive amendments to the said Act. They also note that several States like West Bengal wanted to enact their own Act.

2.5 Explaining the difficulties in amending the Act, the representative of the Ministry of Urban Affairs & Employment (Department of Urban Development) stated as under:

“The procedure for amendment is same as the procedure for repeal. Firstly, the amendments have to be formalised and then

two States have to pass resolutions seeking the amendments. Thereafter, the amendments can be carried out again by coming to Parliament and then it will be applicable only in those two States. We may have a situation where we have one Act in some States, the amended Act in some other States and some other States may ask for some other amendments. So, each time, we will have to go through this cumbersome procedure."

**2.6 The Committee note that by amending the Act the purpose will not be achieved as the amending Act would be applicable only in those States which pass a resolution to that effect in pursuance of article 252(2) of the Constitution of India.**

The Committee are constrained to observe that though the question of amending the Act was under consideration of the Government for the last seven years, they did not try to evolve a consensus on amendments that could be made in the Act nor they cared to collect the necessary data about the implementation of the Act in various States. The Government, even do not have the information about the purposes for which 10,909.85 hectares of surplus land which physically vested with the State Governments was put to use. Further the Government did not try to ascertain the reasons from the State Governments which prevented use of 8,172.37 hectares of physically vested land.

It is further observed that during the last 22 years of the existence of the Act, the Government could physically possess only nine per cent of the land declared surplus. It is disconcerting to note that Government's claim that by the repeal of the Act, the stagnant housing industry will get a boost and that they would be able to provide affordable living accommodation for those who are in a state of undeserved want is untenable when viewed in the context of lack of any study by the Government to assess the impact of the Urban Land (Ceiling and Regulation) Act, 1976 on the availability and prices of land during its existence and the possible impact of repeal of this Act, on these factors. The Government have also not made any study as to the impact of levying shelter tax or taxing the vacant land after the Act is repealed.

**2.7 The Committee observe that in view of the circumstances noted above two options could be available to the Government either to amend The Urban Land (Ceiling and Regulation) Act, 1976**

**extensively, or to repeal the Act thereby giving more autonomy to the State Governments to enact their own law, according to their need, under Entry 18 of the List II of the Seventh Schedule to the Constitution of India.**

**However, considering the cumbersome process of amending the Act and also noting that such an amending Bill will only be applicable in the States who pass the necessary resolution as per article 252(2) of the Constitution of India, the Committee recommend that the Urban Land (Ceiling and Regulation) Act, 1976 may be considered for repeal.**

2.8 When asked as to how the Government can claim that once that Act is repealed, the availability of land in open market will increase and the prices of land will come down, the representative of the Ministry stated as under:

“This surmise is based on the fact that once the Act is repealed—I repeat—once the Act is repealed, those States which adopt the repeal, the land which is presently held up under the Urban Land Ceiling Act and where people are not in a position to develop it, would come into the open market. I also think that once the land comes into the open market, we will advise the State Governments, which adopt the repeal, to ensure that the land does not remain vacant by imposing a stiff vacant land tax. By such disincentives, we feel that people will be discouraged to keep land vacant and construction activities will come forward.... One disincentive that I mentioned is by way of taxes and the other way is by encouraging building activity directed towards the poor by giving greater emphasis where the environment will be able to sustain it and by giving them incentives in the town planning regulations and by faster clearances or such other measures that are possible. Fiscal incentive to the people who actually earmark a portion of the construction or portion of the development for the lower income groups and the poorer sections.”

2.9 When the attention of the witness was drawn to the fact that after the repeal of the Central Act, the power of States to legislate on the subject will be restored to them, some States might like to enact

their own law whereby the prices of land may not fall, the Secretary during his evidence before the Committee stated as under:—

“They hope that the State Governments would be savvy enough to understand as to what are the implications in their respective States.”

2.10 In response to another question as to what would be the impact of State Governments enacting their own laws to provide for land ceiling, the Secretary stated as under:—

“... Even at present, the Urban Land Ceiling Act, as it exists, is applicable, as I had submitted earlier, only to about 12 States. The State of Tamil Nadu is independent of this Act. So, let us call it the 13th State which has its own law, by and large. Let us forget the Union Territories, because they are covered within the umbrella of this Act. But, there would, still be States which are away from the purview of this Act. All that we are attempting to do by this repeal and going on the assumption—which we feel is a reasonable assumption—is that once this Act is repealed, it means, if a State Government opts for the repeal, it has two options open to it straight away. One is, it need not enact any State law in which case, according to us, the land which is frozen by urban ceiling at present becomes available into the market. Then comes the subsequent question of the prices. Will the price come down or go up? That is a separate question.

The second option the States have is, to pass their own law and land being a State subject they are very well within their competence to do that. We cannot interfere with that. So, we have gone on the assumption that these 2.20 lakh hectares which is, at present, covered by 12 States and some Union Territories under the Urban Land Ceiling Act would become freely available in the market in 64 different towns, provided those 12 States—out of those 12 States, I think, 11 will (because the State of Haryana is not covered) adopt this repeal and do not enact another such Bill.”

2.11 When the Committee pointed out that after the Land Ceiling Act is repealed, the land may not be available for construction of houses for the weaker sections of society, the Secretary stated that when the land is set free, the owner/developer of the land will have

to approach the Government for clearance. At that time the Government might make provisions for construction of houses by developer for EWS and LIG categories of people. Alternatively, if the developer was not in a position to provide houses for EWS in a particular sector, he might be asked to contribute to a shelter fund which might be set up for the purpose. The Government could also consider to levy tax on vacant land so that the land owners were discouraged to keep their land vacant and sources thus generated would be used by the Government for providing shelter to the EWS/LIG people.

2.12 The Secretary also assured the Committee that to provide shelter for EWS/LIG people the Government would give specific guidelines to the State Governments detailing the steps which might be taken by them to safeguard the interest of EWS/LIG categories of people.

2.13 When asked whether the land declared surplus under the Land Ceiling Act has any direct link with the provision of shelter to the EWS people, the Secretary stated that it is a fact that there is no direct link between the land declared surplus under the Ceiling Act and provision of shelter to EWS people.

2.14 While recommending the repeal of the Act, the Committee, however, are apprehensive as to the manner in which the social objective of providing houses to weaker sections of the society would be achieved. While noting that 2 lakh hectares of land will eventually be released with the repeal of the said Act of 1976, they fear that land might be grabbed by the rich people resulting in speculation in the Real Estate market. To avoid such a situation and to ensure that the released land is used for housing activity, they would like to recommend that the Central Government should prepare a draft model law or frame broad guidelines for the States who wish to enact their own law on the subject after the repeal of the Central Act providing therein specific quota for Economically Weaker Sections of the society (EWS) in the different housing Schemes.

2.15 While the Committee note that by repealing the Urban Land (Ceiling & Regulation) Act, 1976, the market forces will be free to play so far as the land prices are concerned, they feel that the people belonging to EWS/LIG categories should not be left at the mercy of the market forces for the supply of shelter for them. They therefore, recommend that the Central Government, after the Act is repealed,

**must impress upon the State Governments to take necessary steps to protect the interest of people belonging to EWS/LIG categories and to provide affordable living accommodation for those who are in a state of undeserved want and are entitled to public assistance.**

**Restoring acquired land to the person from whom it was taken over [Proviso 1 to clause 3(a)]**

2.16 As per proviso 1 to clause 3(a) of the Bill, where the use of the acquired land for the purposes of the Principal Act has not commenced, then the State Government shall restore such land to the person from whom it was taken over and the amount paid shall be liable to be refunded.

2.17 The Committee were informed by the Government that the term 'use' connotes the commencement of the development process in respect of the land. It has also been stated by the Government that the broad guidelines regarding refund of compensation will be worked out by framing draft rules after the repeal of the Act and that these will be communicated to the State Governments which adopt the Repeal Act and the final details will be left to the discretion of the respective States.

2.18 The Committee note that the Government could physically take possession of 19082.22 hectares of land during the last 22 years of the existence of the Urban Land (Ceiling & Regulation) Act, 1976. Out of this, 10909.85 hectares of land has been put to use for the purposes of the Act. The remaining 8172.37 hectares of land could not be put to use due to one reason or the other. According to the provisions of the Bill, the land which has not been put to use will have to be restored to the person from whom it was taken over.

The Committee feel that the land which is yet to be put to the use for the purposes of the Act and which is physically under the possession of the Government should not be restored to the person from whom it was taken over, as such restoration would lead to avoidable discrimination between the person whose land was acquired and put to use and the one whose land could not be put to use. Necessary amendments may accordingly be made in the repealing Bill.



## **The impact of the Repeal Bill on the pending cases under the Ceiling Act of 1976**

2.19 As per the written note of the Ministry, all legal proceedings under the Ceiling Act of 1976, will abate with the repeal of the Principal Act. However, the views of the Ministry of Law, Justice and Company Affairs as per the written note furnished by the Ministry of Urban Affairs and Employment are as below:—

“Attention of the Ministry is drawn to the provisions of Section 6(e) of the General Clauses Act, 1897 which provide that unless a different intention appears, the Repeal of any Central Act shall not affect any investigation, legal proceedings or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid. It is also relevant to note that Clause 3 of the Repeal Bill, 1998 does not contain any provision which affects the pending litigations in various courts.”

2.20 During Clause by Clause consideration of the Bill, the Committee were given to understand that the Government will like that all legal proceedings including any appeal pending in any court, tribunal or any other authority immediately before the commencement of the repealing Act, should abate, however, as per the opinion furnished by the Ministry of Law, Justice & Company Affairs, all the proceedings under the different courts will continue even after the repeal of the Act as per provisions of Section 6(e) of the General Clauses Act, 1897 unless provisions affecting the pending litigations in various courts are made in the repealing Bill itself.

2.21 They, therefore, recommend that it should be clearly mentioned in the Bill that all the proceedings in the different courts in the country shall abate with the enactment of the repeal Bill. Suitable amendments may be made in the Bill to achieve the purpose.

### **General Observations**

2.22 Normally the Statement of Objects and Reasons appended to a Bill, state in brief and simple language the purposes for which the legislation has been brought forward. It also helps the common man to understand the salient features of the proposed legislation. However, in the instant case, as could be observed by the Committee from the written material as well as from the evidence tendered before them, the Statement of Objects and Reasons appended to the

**Bill does not reflect the main object i.e. restoration of legislative powers on a State subject to State Legislatures.**

**According to para 4 of the Statement of Objects and Reasons one of the objectives of the Bill is to provide "affordable living accommodation for those who are in a state of undeserved want and are entitled to public assistance". However, nowhere it is stated in the Bill as to how the Government propose to achieve this objective particularly when it will be having no control on the surplus land once the Act is repealed.**

**2.23 The Committee, therefore, recommend that in future, while drafting Statement of Objects and Reasons of a Bill, care should be taken to ensure that the Statement of Objects and Reasons truly reflects the main object for which the legislation was being proposed by the Government.**

NEW DELHI;  
December 19, 1998  

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Agrahayana 28, 1920 (Saka)

KISHAN SINGH SANGWAN,  
Chairman,  
Standing Committee on  
Urban & Rural Development.

## NOTE OF DISSENT

We agree with the broad formulations of the report but do not agree with the conclusion of the Committee that the Urban Land (Ceiling & Regulation) Act, 1976 be repealed. We think that a serious attempt should have been made by the Government to amend the principal act in consonance with its original stated objectives.

Sd/-  
Shabana Azmi, M.P.  
18.12.1998

Sd/-  
N.R. Dasari, M.P.  
18.12.1998

## APPENDIX I

AS INTRODUCED IN LOK SABHA

**Bill No. 56 of 1998**

### THE URBAN LAND (CEILING AND REGULATION) REPEAL BILL, 1998

A  
BILL

*to repeal the Urban Land (Ceiling and Regulation) Act, 1976.*

WHEREAS it is considered necessary to repeal the Urban Land (Ceiling and Regulation) Act, 1976;

AND WHEREAS Parliament has no power to make laws for the States with respect to the aforesaid matter except as provided in articles 249 and 250 of the Constitution;

AND WHEREAS in pursuance of clause (2) of article 252 of the Constitution resolutions have been passed by the Legislatures of the States of Haryana and Punjab to the effect that the aforesaid Act should be repealed in those States by Parliament by law.

BE it enacted by Parliament in the Forty-ninth Year of the Republic of India as follows:—

Short title,  
application  
and  
commencement.

1. (1) This Act may be called the Urban Land (Ceiling and Regulation) Repeal Act, 1998.

(2) It applies in the first instance to the whole of the States of Haryana and

Punjab and to all the Union territories and it shall apply to such other State which adopts this Act by resolution passed in that behalf under clause (2) of article 252 of the Constitution.

(3) It shall come into force in the States of Haryana and Punjab and in all the Union territories at once and in any other State which adopts this Act under clause (2) of article 252 of the Constitution, on the date of such adoption; and the reference to repeal of the Urban Land (Ceiling and Regulation) Act, 1976 shall, in relation to any State or Union territory, mean the date on which this Act comes into force in such State or Union territory.

33 of 1976

2. The Urban Land (Ceiling and Regulation) Act, 1976 (hereinafter referred to as the principal Act) is hereby repealed.

**Repeal of Act  
33 of 1976.**

3. The repeal of the principal Act shall not affect—

**Savings.**

(a) the vesting of any vacant land under sub-section (3) of section 10 with respect to which the competent authority has—

(i) by notice in writing under sub-section (5) of that section ordered any person to surrender or deliver possession of such land to the State Government or to any person duly authorised by the State Government in this behalf; or

(ii) taken possession of such vacant land under sub-section (6) of that section,

and the use of such land for the purposes of the principal Act has commenced:

Provided that where such use for the purposes of the principal Act has not commenced, then the State Government shall restore such land to the person from whom it was taken over and the amount paid shall be liable to be refunded:

Provided further that where such land was subject to any encumbrance before vesting absolutely in the State Government under sub-section (3) of that section, such land shall be restored with all the encumbrances from which it was freed under that sub-section as if no declaration had been made under that sub-section:

Provided also that no such land shall be restored unless the amount paid has been refunded to the State Government;

(b) any exemption granted by the State Government under sub-section (1) of section 20.

## STATEMENT OF OBJECTS AND REASONS

The Urban Land (Ceiling and Regulation) Act, 1976 was passed when Proclamation of emergency was in operation with a laudable social objective in mind. The said Act was passed pursuant to resolutions passed by the State legislatures under clause (1) of article 252. Unfortunately public opinion is nearly unanimous that the Act has failed to achieve what was expected of it. It has on the contrary pushed up land prices to unconscionable levels, practically brought the housing industry to a stop and provided copious opportunities for corruption. There is wide spread clamour for removing this most potent clog on housing.

2. Parliament has no power to repeal or amend the Act unless resolutions are passed by two or more State legislatures as required under clause (2) of article 252.

3. The Legislatures of Haryana and Punjab have passed resolutions empowering Parliament to repeal the Act in those States. The Act in the first instance will be repealed in those States and in the Union territories and subsequently if any State Legislature adopts this Act by resolution, then from the date of its adoption the Act will stand repealed in that State.

4. The proposed repeal along with some other incentives and simplification of administrative procedures is expected to revive the stagnant housing industry and provide affordable living accommodation for those who are in a state of underserved want and are entitled to public assistance. The repeal will not, however, affect land on which building activity has already commenced. For that limited purpose, exemptions granted under section 20 of the Act will continue to be operative. Amounts paid out by the State Government will become refundable.

5. The Bill seeks to achieve the above purpose.

NEW DELHI;  
*The 4th June, 1998*

RAM JETHMALANI

LOK SABHA

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A  
BILL  
to repeal the Urban Land (Ceiling and Regulation) Act, 1976.

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*(Shri Ram Jethmalani, Minister of Urban Development)*



## APPENDIX II

### LIST OF 64 URBAN AGGLOMERATIONS WHERE URBAN LAND (CEILING & REGULATION) ACT 1976 IS APPLICABLE

Name of the State	Categories of urban agglomerations			
	A	B Population above 10 Lakhs	C Population 3 to 10 Lakhs	D Population 2 to 3 Lakhs
1	2	3	4	5
1. Andhra Pradesh	—	Hyderabad	Vishakapatnam Vijayawada	Guntur Warangal
2. Assam	—	—	—	Guwahati
3. Bihar	—	—	Patna Dhanbad Jamshedpur	Ranchi
4. Gujarat	—	Ahmedabad	Rajkot Vadodra Surat	Jamnagar Bhavnagar
5. Karnataka	—	Bangalore	Mysore Hubli- Dharwar	Mangalore Belgaum
6. Madhya Pradesh	—	—	Gwalior Indore Bhopal Jabalpur	Ujjain Durg-Bhilai Nagar Raipur
7. Maharashtra	Greater Bombay	Pune	Ulhasnagar Sholapur Nagpur	Thane Nasik Sangli Kolhapur
8. Orissa	—	—	—	Cuttack
9. Punjab	—	—	Amritsar Ludhiana	Jullundar

1	2	3	4	5
10. Rajasthan	—	—	Jaipur Jodhpur	Bikaner Ajmer Kota
11. Uttar Pradesh	—	Kanpur	Bareilly Meerut Agra Allahabad Lucknow Varanasi	Moradabad Dehradun Gorakhpur Aligarh Saharanpur
12. West Bengal	Calcutta	—	—	Asansol Durgapur
<b>Union Territory of :—</b>				
1. Delhi	Delhi	—	—	—
2. Chandigarh	—	—	—	Chandigarh
3. Pondicherry	—	—	—	Pondicherry
Total	3	5	27	29

### APPENDIX III

## PROGRESS IN IMPLEMENTATION OF URBAN LAND (CEILING AND REGULATION) ACT, 1976

Sl. No.	Name of States	No. of Statements of excess vacant land. Section-6	No. of Statements scrutinised. Section-8	No. of Statements finally disposed of. Section-9	Estimate of excess vacant land after scrutiny. (Section-10(1))	Extent of vacant land acquired and vested. Section-10(3)	Extent of vacant land Physically acquired. Section-10(5)
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	36,664	32,748	32,748	13,364.37	6,122.98	2,403.94
2.	Assam	2,135	1,522	695	149.60	71.63	24.66
3.	Bihar	1,091	433	288	235.45	23.92	19.16
4.	Gujarat	43,460	42,700	33,023	32,513.00	4,357.00	1,802.00
5.	Karnataka	34,083	27,979	23,017	9,744.27	2,903.74	1,603.60
6.	Madhya Pradesh	22,578	18,024	12,419	16,007.73	6,878.27	2,094.70
7.	Maharashtra	80,191	55,846	40,896	53,833.25	4,563.89	1,294.43
8.	Orissa	721	664	557	124.60	70.42	49.08

1	2	3	4	5	6	7	8
9.	Punjab	6,432	5,808	5,208	2,042.76	128.00	72.69
10.	Rajasthan	9,994	9,982	5,019	27,812.69	3,632.28	788.23
11.	Uttar Pradesh	121,270	100,952	91,837	58,606.17	20,619.56	8,815.13
12.	West Bengal	32,716	16,937	2,382	5,007.00	244.31	70.36
13.	Pondicherry	1,267	889	635	269.49	41.67	20.46
14.	Delhi	9,173	7,974	7,829	344.67	25.80	1.99
15.	Chandigarh	210	98	67	13.63	—	—
16.	Cantonment area	4,297	4,297	3,661	606.18	362.67	21.79
	Total	406,282	327,280	260,281	220,674.86	50,046.14	19,082.22

**APPENDIX IV**

**PROGRESS IN IMPLEMENTATION OF URBAN LAND (CEILING & REGULATION) ACT 1976 AND EXTENT OF LAND THE USE OF WHICH HAS NOT COMMENCED AS SPECIFIED IN THE ACT**

Sl. No.	Name of State	Estimates of excess vacant land after scrutiny Section 10(1)	Extent of land exempted under Section 20 of the Act	Extent of vacant land acquired and vested Section 10(3)	Extent of vacant land physically acquired. Section 10(5)	Extent of land taken possession but the use for the purpose specified in the Act not Commenced
1	2	3	4	5	6	7
1.	Andhra Pradesh	13,364.37	1,760.70	6,122.98	2,403.94	876.68
2.	Assam	149.60	3.90	71.63	24.66	N.A.
3.	Bihar	235.45	9.20	23.92	19.16	0.24
4.	Gujarat	32,513.00	27,755.00	4,357.00	1,802.00	1,074.00
5.	Karnataka	9,744.27	8,336.67	2,903.74	1,603.60	683.31
6.	Madhya Pradesh	16,007.73	4,922.65	6,878.27	2,094.70	N.A.

1	2	3	4	5	6	7
7.	Maharashtra	53,833.25	4,548.12	4,563.89	1,294.43	1,168.93
8.	Orissa	124.60	39.01	70.42	49.08	39.81
9.	Punjab	2,042.76	493.00	128.00	72.69	2.39
10.	Rajasthan	27,812.69	430.25	3,632.28	788.23	87.29
11.	Uttar Pradesh	58,606.17	2,804.68	20,619.56	8,815.13	4,174.48
12.	West Bengal	5,007.00	1,012.57	244.31	70.36	65.24
13.	Pondicherry	269.49	38.18	41.67	20.46	N.A.
14.	Delhi	344.67	125.12	25.80	1.99	N.A.
15.	Chandigarh	13.63	6.29	—	—	N.A.
16.	Cantonment areas	606.18	223.20	362.67	21.79	N.A.
	Total	220,674.86	52,508.54	50,046.14	19,082.22	8,172.37

**APPENDIX V**

**DETAILS OF EXEMPTIONS GRANTED UNDER SECTION 20 OF THE URBAN LAND  
(CEILING & REGULATION) ACT, 1976**

Sl. No.	Name of States	Number of applications received	Number of exemptions granted	Extent of land exempted (in Hectares)
1	2	3	4	5
1.	Andhra Pradesh	5,717	3,379	1,760.70
2.	Assam	6	4	3.90
3.	Bihar	200	2	9.20
4.	Gujarat	50,000	28,781	27,755.00
5.	Karnataka	8,117	5,962	8,336.67
6.	Madhya Pradesh	6,492	1,711	4,922.65
7.	Maharashtra	12,275	4,732	4,548.12

1	2	3	4	5
8.	Orissa	260	128	39.01
9.	Punjab	3,209	439	493.00
10.	Rajasthan	833	230	430.25
11.	Uttar Pradesh	28,104	1,951	2,804.68
12.	West Bengal	5,903	2,167	1,012.57
13.	Pondicherry	24	24	38.18
14.	Delhi	6,357	4,052	125.12
15.	Chandigarh	32	20	6.29
16.	Cantonment areas	622	502	223.20
	Total	128,151	54,084	52,508.54



APPENDIX VI

SCHEMES SANCTIONED UNDER SECTION 21 OF THE URBAN LAND  
(CEILING & REGULATION) ACT, 1976

Sl. No.	Name of States	Number of declarations	Number of schemes received	Number of schemes approved	Number of dwelling units envisaged in the approved schemes	Extent of land covered under the approved schemes (in Hects.)
1	2	3	4	5	6	7
1.	Andhra Pradesh	381	156	54	2,524	419.25
2.	Assam	561	—	—	—	—
3.	Bihar	—	—	—	—	—
4.	Gujarat	6,567	4,373	1,875	227,048	3,344.00
5.	Karnataka	37	21	1	57	4.45
6.	Madhya Pradesh	72	49	16	1,551	33.75

1	2	3	4	5	6	7
7.	Maharashtra	3,874	3,874	914	206,380	1,015.34
8.	Orissa	2	2	2	12	1.06
9.	Punjab	80	51	—	—	—
10.	Rajasthan	143	32	23	1,837	64.81
11.	Uttar Pradesh	1,672	952	49	40,886	423.85
12.	West Bengal	65	1	1	524	2.54
13.	Pondicherry	—	—	—	—	—
14.	Delhi	55	—	—	—	—
15.	Chandigarh	—	—	—	—	—
16.	Cantonment area	142	122	49	2,313	18.37
	<b>Total</b>	<b>13,651</b>	<b>9,633</b>	<b>2,984</b>	<b>483,132</b>	<b>5,327.42</b>

## APPENDIX VII

### STATEMENT CONTAINING STATE-WISE VIEWS EXPRESSED BY THE STATES IN CHIEF MINISTERS' CONFERENCE

#### Andhra Pradesh

1. The State Govts. Should have the flexibility to design and alter the law relating to Urban Land Ceilings according to their needs.
2. In order to arrive at a meaningful solution, a Committee of the Chief Ministers should be constituted to study various aspects of the Act.
3. The Act should be concise and simple and should deal with the determination, acquisition and distribution of the surplus land.
4. The ceiling limit should have a linkage with the size of the family. The definition of the term 'Vacant Land' must be simplified.
5. The scope of the Act should not be widened.
6. The rate of compensation should be increased to market rate or a major percentage of it.
7. The allotment of surplus land, taken over, should be designed to relieve the pressure on housing, urban amenities and the allotment policy should be decided by the State Govt.
8. The grant of exemption to develop land primarily for housing for the weaker sections should be left to the State Govt. instead of the land holders.
9. The sale of land by sick industrial units should be permitted as per approved schemes and it should also be ensured that sale proceeds are utilised for the intended purpose.

10. Municipal laws may be more appropriate framework for vacant land tax.
11. The Registration of builders/developers is appropriate but the Urban Land Ceiling Act is not the relevant framework.
12. Restriction on the discretionary powers of the State Govts. may lead to difficulties in the implementation of the Act.

### **Assam**

1. The Act should provide for a procedure for preparation of authentic maps of urban agglomeration areas.
2. Legal remedy should be devised in the Act, so that encroachment over the land may be discouraged.
3. Provisions should also be made in the Act to debar any court from interfering with the process of eviction from the acquired land.
4. The followers of the Mitkshara Hindu Law and those of their Deyabhanga Hindu Law should be treated at par. At present, the Act appears to be favourable towards Mitkshara Hindu Law.
5. The power for making alternations in the Urban agglomeration area should be given to the State Govt. without taking any prior or *post facto* approval of the Central Government.

### **Bihar**

1. Provisions should be made in the Act so as to encourage construction of LIG and MIG houses.
2. There should be a restriction on transfer of urban land, but not to the extent as may create difficulties for the land holder.
3. The scope of exemption on discretionary grounds should be reduced.
4. The acquisition procedure should be simplified.

5. There should be restriction on transfer of agricultural land so that it may not be used for non-agricultural purposes.
6. Land held by trusts/societies should not be exempted.
7. The term 'Undue Hardship' and 'Public Interest' should be well defined.
8. Urban Vacant Land should be taxed.
9. The activities of private builders/property agents should be regulated.

### Goa

No comments as the ULC Act is not applicable.

### Gujarat

1. The ULC Act should be repealed and should be made by the State Govt. taking into account their needs. The Central Govt. may, however, provide broad frame-work within which the State Govt. can make their laws and also amend the same, if necessary.
2. In the re-classification of urban agglomerations, the ceiling limit as applicable to an urban agglomeration should not be changed with the change in Category of an urban agglomeration.
3. The rate of compensation should be increased.
4. Housing Societies should be given 5 years time to complete the construction.
5. Lands held by the Trusts should be governed by the existing provisions.
6. Granting of exemption on account of 'undue hardship' and 'in public interest' should continue.
7. The question of tax on urban vacant land should be examined by the Finance Commission.

## Haryana

1. The rate of compensation should be with reference to the market rate of the land.
2. It would not be desirable to put any impediment in the growth of small and medium towns before they reach an optimum level of development by imposing the provisions of ULC Act.
3. The Act should be concentrated in a few large urban centres where the problem is more acute.
4. The urban agglomerations should be re-classified in Categories 'A', 'B' and 'C'. Category 'A' should have population more than 50 lakhs. Category 'B' between 25—50 lakhs and Category 'C' between 10—25 lakhs as per 1991 census figures.
5. Other suggestions for amendments are acceptable.

## Himachal Pradesh

The State Govt. should be allowed to have their own Act on Urban Land Ceiling after taking into account their requirements.

## Karnataka

The suggestions regarding amendment are, by and large, acceptable subject to some modifications namely.

1. There should be 4 categories of urban agglomerations A, B, C and D. Category A towns should have population above 60 lakhs, Category B between 20—60 lakhs, Category C between 10—20 lakhs and Category D between 5—10 lakhs as per 1991 census figures.
2. The compensation should be paid in such a manner so as to avoid litigation.
3. In case, a person develops his land after obtaining exemption under Section 21, 50 per cent of the total dwelling units should be upto 60 sq.m. size and not 40 sq.m. size, as proposed.

4. The construction of the dwelling units should be allowed to commence 3 years from the date of approval of scheme and should be allowed to be completed within 5 years from the date of commencement. Thereafter, the discretion may be given to the State Govt. to grant extension by another 5 years.
5. The land holder should be allowed to take the help of two or more developers jointly.
6. The flats constructed in a group housing society should be of the size of 350 sq.m. instead of 300 sq.m. as proposed.
7. The land holder may also be permitted to sell his land after he pays the prescribed contribution to the Shelter Fund.

### **Madhya Pradesh**

1. The amendments should be in accordance with the recommendations of National Commission on Urbanisation.
2. At present, the objections in respect of the returns filed, are invited twice. Firstly, at the time of issuing draft statement and secondly, before notifying the final statement. This causes delay and, therefore, the Gazette notification should be at the final stage only.
3. The competent authorities should be empowered to take *suo-moto* action in case a person does not file the return.
4. The powers to give punishment should vest with the Competent Authority.
5. The land required for public purposes should be acquired under ULC Act instead of Land Acquisition Act and the Competent Authority should be empowered in this regard.
6. The definition of the terms 'Agriculture', 'Urban Agglomeration', 'Land Appurtenant' and 'Vacant land' are acceptable.
7. The proposal regarding construction of a small house on the farm land is acceptable.
8. The inclusion of new areas in an urban agglomeration is acceptable.

9. The transfer of vacant land or land with building should be permissible without NOC from the Competent Authority.
10. The proposal regarding protection of genuine agriculturists is acceptable.
11. The rate of compensation should be increased and the mode of payment can be 40 per cent cash and the balance in redeemable bonds.
12. The proposal regarding holding of land by religious/charitable trusts, housing cooperative societies, educational, scientific and cultural institutions are acceptable.
13. The societies should not hold the land beyond the ceiling limit.
14. The sick industrial units should not be permitted to sell their vacant land rather it should vest with the State Govt., because, the land is allotted to the industries at concessional rates.
15. Deletion of Section 20 is acceptable in principle.
16. Section 21 should be deleted, because, all excess vacant land should vest with the State Govt. The excess vacant land should rather be allotted under Section 23 for its development as per Master Plan.
17. The proposal regarding appeal, review and revision are acceptable. However, there is no need for review and revision by Govt. officers.
18. The revenue accruing under the Act should be utilised first by the Competent Authority for purchasing excess vacant land and the balance may be used for constructing weaker section housing.

### **Maharashtra**

1. New urban areas should be decided by the State Govt. as population cannot be the only criteria in this regard.
2. Rate of compensation is very low and it should be increased.



3. Charitable trusts should continue to hold excess land as per the existing provisions of the Act.
4. The clause dealing with the granting of exemptions in the cases of undue hardship or in the public interest should not be deleted. Discretionary powers should remain with the State Govt.
5. An individual may be allowed to hold 50 per cent land if he surrenders 50 per cent of the land free of cost to the Govt.

### **Meghalaya**

The ULC Act is not applicable, hence, no comments on the suggestions on amendment.

### **Orissa**

1. The horticulture farms should also be considered for exemption from the provisions of the ULC Act.
2. The rate of compensation should be increased and it should have a direct link with the market price of the surplus land.
3. The voluntary organisations for various social objectives, registered under the relevant Act, should be allowed to hold vacant land in excess of ceiling.
4. The provision of granting of exemption on grounds of undue hardship and in the public interest should continue.
5. In case, a part of a village is covered under the peripheral area of an urban agglomeration, either the whole of the village should be covered or the whole should be exempted.

### **Pondicherry**

1. The Act may be restricted to three categories namely A, B and C as per the proposal. Any town having population less than 5 lakhs should not be covered by the Act, even if the town is covered at present.
2. Poultry farming, dairy farming, breeding of live-stock should be treated as activities of farming.

3. The rate of compensation should be increased.
4. Section 20 regarding granting of exemption in the public interest or on account of undue hardship should not be deleted.
5. Section 21 should not be revived, as this will permit developers to enter into the fray. If at all, it should be revived so as to allow development through cooperative housing societies.

### **Punjab**

1. The rate of compensation should be increased.
2. The granting of exemption on payment of contribution to Shelter Fund would make the implementation of the Act easier.
3. For imposing vacant land tax, the State Govt. should be given full freedom to decide the notified land value.
4. Such value should be related to floor area ratio as well as to the percentage of maximum permissible plotable area.
5. The land allotted by the Govt. agencies should not be covered by the ULC Act. In case, it is to be made applicable, 50 per cent of the tax receipt, to be retained by the local bodies, should actually go to the agencies which developed and sold the land/units.
6. Private Enterprise should be encouraged. A builder/coloniser who owns or assembles the urban land with the object of setting up a licensed colony should be given exemptions on reasonable terms and conditions.

### **Rajasthan**

1. Any Legislation on land should be enacted by the concerned State Govt. as the 'land' is a State subject.
2. The local conditions in a State differ widely and the State Govt. should be free to deal with such situation.

3. The Central ULC Act should be repealed and the State Govt. should be empowered to enact their own law.
4. There should not be a uniform rate of compensation.
5. Sick industrial units should not be allowed to sell their excess vacant land.
6. The power to grant exemption in the public interest or on account of undue hardship should not be taken away from the State Govt.
7. The re-development of land proposed for housing activities for the poor will not really benefit the common good.
8. The tax proceeds on urban vacant land should not go to the local bodies and this aspect should be examined by the Finance Commission first.

### **Tripura**

The State Govt. is not in favour of bringing any other urban areas under the Urban Land Ceiling Act.

### **Uttar Pradesh**

1. The State Govt. may be empowered to issue guidelines taking into account their special circumstances. The Central Govt. should only issue broad guidelines.
2. A person intending to sell his vacant land/built-up property should not be required to obtain a NOC from Competent Authority. Rather permission should be granted on the basis of an affidavit.
3. The land allotted by the Government for industrial purposes should not be covered under the provisions of the ULC Act.
4. There should not be any Gazette notification for the final statement of excess vacant land. Rather it should be published in local newspapers.
5. The Competent Authority should be empowered to initiate *suo-moto* action for declaring excess vacant land held by a person.

6. The term 'building' should be defined in the Act.
7. The State Govt. should have powers to confiscate the building on the vacant land.
8. The Act should not be made applicable to more towns.
9. Regarding rehabilitation of sick industrial units, the excess vacant land should be sold as per BIFR recommendations by the State Govt. and the sale proceeds should be given as loan to the sick industrial unit. The sick industrial unit should not be allowed to sell the vacant land.
10. The State Urban Land Tribunal should not be set up. Rather this power should be given to the concerned Divisional Commissioner. In case, there is no Divisional Commissioner, the appeal should be made to an Officer appointed by the State Govt.

### **West Bengal**

1. The State Govt. should have the powers to constitute any new urban agglomeration without the previous approval of the Central Govt.
2. The land used for agricultural purposes should be exempted subject to the condition that the land holder should seek permission of the competent authority before transferring such land. In case, such land is used for a purpose other than agriculture, the provisions of the ULC Act should be made applicable.
3. The amount of compensation should be paid in lumpsum, but, the payment of interest, in case of delay, should be avoided. If it cannot be avoided, it should be payable @ 5 per cent per annum from the date on which possession is taken over by the State Govt.
4. The suggestions for amendment in respect of Section 19 are acceptable except that in case of group housing society, the buildable area for any number should not be more than 200 sq.m.

5. The sick industrial units should not be permitted to sell their surplus lands, rather their surplus land should vest in the State Govt. who may sell the same and may sanction soft loan for their rehabilitation. Similar provisions should be there in case of shifting of industries from non conforming zone. There is no objection to the deletion of Section 20. However, the excess vacant land should vest in the State Govt. and if a person requires more land the State Govt. may allot such vested land in appropriate cases.
6. A person should be granted exemptions under Section 21 for developing land for construction of dwelling units only. He should not be granted exemption to develop his land in any manner, merely on the payment of contribution to Shelter Fund. There is no objection to tax on vacant land and creation of Shelter and Urban Development Fund.
7. Activities of the private builders/property agents should be regulated.
8. The land having ponds and tanks should be treated as vacant land.
9. The calculation of the vacant land should be in accordance with the Supreme Court judgement given on 22.10.91, which says that the vacant land and the land underneath a building having a dwelling unit, the construction of which started after the appointed day, should be clubbed together.
10. The State Govt. should be empowered to dispose of the vested lands for any purpose, which may subserve the common good on such terms and conditions as the State Govt. may deem fit to impose.
11. Legal proceedings on vacant land in an urban agglomeration should be out of the jurisdiction of lower court including High Court so that acquisition process does not get delayed.
12. No objection to other suggestions on amendment.

## APPENDIX VIII

### AMENDMENT PROPOSALS FRAMED ON THE BASIS OF CHIEF MINISTERS' CONFERENCE

#### Explanation 'A' under Section 2(O)

##### Existing Provision:

This Section defines the term 'Urban Land' but excludes the land mainly used for the purpose of agriculture. Explanation 'A' under this Section specifies the term 'Agriculture' and excludes among other things, raising of grass'.

##### Proposed Amendment

It is proposed that agriculture should include growing of such plants and crops as may be notified by the State Govt. from time to time.

#### Explanation 'B' under Section 2 (O)

##### Existing Provision

This Explanation specifies that a building which is in the nature of 'Farm House' shall be deemed to be mainly used for the purpose of Agriculture.

##### Proposed Amendment

It is proposed that the Farm land in the areas zoned as Agriculture in the Master Plan shall not be treated as Urban Vacant Land so long as such land is being used for the purpose of agriculture as stated under Explanation 'A' of the Section. However, land measuring not more than 100 sq. mtrs. shall be allowed to be used for non-agricultural purposes also on the said farm land.

## **Explanation 'C' under Section 2(O)**

### **Existing Provision**

As per this Explanation, only such land shall be treated as agricultural land which is specified in the Master Plan as such.

### **Proposed Amendment**

It is proposed that the land should continue to be treated as being used mainly for the purpose of Agriculture, even if the Master Plan does not so specify, provided:—

- (a) It was being used for agricultural purpose during the past five consecutive years before the amendment of the Act.
- (b) It is so entered in the land or revenue records.
- (c) In order to ensure the proposed use of such land for agricultural purposes, it is further proposed that:
  - (i) such land can be sub-divided or transferred for agricultural purposes only with the prior approval of the competent authority.
  - (ii) if such land is to be used for a purpose other than agriculture, it should be deemed to be urban vacant land and shall be subject to the provisions of the ULC Act.

## **Section 2 (g)**

### **Existing Provision**

Land Appurtenant means:

- (a) Where building regulations exist, the open space required to be kept for the enjoyment of building as per Building Regulations but not exceeding 500 sq. mtrs.
- (b) Where no Building Regulations exist 500 sq. mtrs. contiguous to the land occupied by the building.
- (c) Where a building is constructed before the commencement of the Act and has a dwelling unit, an additional 500 sq. mtrs.

### Proposed Amendment

Land Appurtenant should be defined as under:

- (a) In relation to any building which is situated in an area having Building Regulations, the minimum extent of land required to be kept as open space for the enjoyment of such building.
- (b) In relation to the building situated in an area having no Building Regulations, an extent of the land equal to the covered area of the building or 500 sq. mtrs. whichever is less, contiguous to the land occupied by such building.

### Section 2(n) (A) (i)

#### Existing Provision

It specifies various Urban Agglomerations in Schedule-I to the Act divided into four Categories namely 'A', 'B', 'C' and 'D'.

The population limits for different categories were determined on the basis of 1971 Census and 64 Urban Agglomerations are being covered.

#### Proposed Amendment

It is proposed to implement the ULC Act in Urban Agglomerations of 'A', 'B' and 'C' categories which will be as follows:—

Category 'A'	Towns/cities with a population more than 20 lakhs (8)
Category 'B'	Towns/cities with a population between 10-20 lakhs (10)
Category 'C'	: Towns/cities with a population between 5-10 lakhs and such other towns/cities as may be notified by the State Govt. from time to time (27).

*Explanation* : Existing Urban Agglomerations having a population of less than 5 lakhs as per 1991 Census will, however, continue and would be treated as Category 'C' Urban Agglomeration.

**Note** : Figures in the brackets are of number of agglomerations.



The population would be based on the 1991 Census. Any change in the population figure before the next Census would not be taken into account for change in the Category of Urban Agglomeration.

### **Section 2(n) (A) (ii) and 2 (n) (B)**

#### **Existing Provision**

It provides that State Govt. can include any area having regard to its location, the population of which is more than one lakh, in an urban agglomeration with the prior approval of the Central Govt.

#### **Proposed Amendment**

- (i) Any area having a population of not less than 2 lakhs as per 1991 Census may be included in an urban agglomeration by the State Govt. with prior approval of the Central Govt.
- (ii) Where an urban area, within the peripheral limit of an urban agglomeration lies in a city/town where the ULC Act does not apply, the State Govt. may include such as area in an urban agglomeration and appoint a competent authority for the purpose.

*Explanation* : The State Govt. shall retain their power to expand the municipal limits of an existing urban agglomeration as per the procedure laid down in relevant Act, Bye-laws etc. applicable to such areas.

### **Section 2(q)**

#### **Existing Provision**

This Section defines the term 'Vacant land' as land in an Urban Agglomeration excluding:

- (I) Agricultural land;
- (II) Land on which construction of a building is not permissible under the Building Regulations;
- (III) Land occupied by any building which had been constructed on the appointed day plus land appurtenant to such building.

### **Proposed Amendment**

It is proposed that the term 'Vacant Land' should include any land in an urban area except the following:—

- (i) Agriculture land.
- (ii) Land on which there is a building which has been constructed with the approval of the appropriate authority, including land appurtenant.
- (iii) Land on which construction is not permissible at all under the master plan/development/zonal plan e.g. land earmarked as green. Such land shall, however, be subject to ULC Act if its land use is changed under the Master Plan/Development Plan/Zonal Plan or any construction activity on such land takes place.
- (iv) Land which is not under any use because of say pond, well, septic tank etc., such land shall be subject to the provisions of the Act if any construction, in any form, takes place on such land at a later stage.

### **Section 2(r)**

#### **Existing Provision**

New Section.

#### **Proposed Amendment**

The term 'building' has not been defined in the Act-It is proposed that the term 'building' for the purpose of this Act should be the same as defined in the Municipal Bye-laws in an urban Agglomeration where such a building is located. Where there are no Municipal Bye-laws, the term should be the same as defined in the National Building Code.

### **Section 4**

#### **Existing Provision**

The Section provides for ceiling limits on vacant land which a person can hold in an urban agglomeration depending on its category.

These limits are as follows:—

Category of Urban Agglomeration	Ceiling limits (in sq.mtrs.)
A	500
B	1000
C	1500
D	2000

#### **Proposed Amendment**

No amendment is proposed.

#### **Section 4(2) read with Section 7**

#### **Existing Provision**

Vacant land is calculated after clubbing of all the vacant land held by a person in two or more Urban Agglomerations whether in one State or more.

#### **Proposed Amendment**

Vacant lands held by a person within a State/Union Territory only should be clubbed.

#### **Section 4(9)**

#### **Existing Provision**

The existing provision provides that land occupied by a building, having a dwelling unit therein, shall be taken into account for the purpose of calculation of total vacant land held by a person.

#### **Proposed Amendment**

Supreme Court has decided in a case that only such land, occupied by a building, should be taken into account on which construction of the building stated after the appointed day because the land under a building, the construction of which started on or before the appointed day is already excluded from the definition of the term 'vacant land'.

In view of the above judgement, it is proposed to amend Section 4(9) to the effect that land occupied by a building, construction of which started after the appointed day, should be taken into account for the purpose of calculating total vacant land held by a person.

### **Section 8 and 10**

#### **Existing Provision**

The draft statement of excess vacant land, prepared under Section 8 and the final statement prepared under Section 10, are required to be notified in the Gazette.

#### **Proposed Amendment**

We may amend Section 8 and 10 requiring the publication of draft statement and the final statement in at least two local newspapers. Only final statement may be notified in the Gazette.

### **Section 11(5)**

The Section provides that maximum amount payable in respect of land acquired under ULC Act shall be rupees Two Lakhs.

#### **Proposed Amendment**

It is proposed to remove such a limit and the actual amount of compensation should be payable.

### **Section 12**

#### **Existing Provision**

The Section provides for an appeal to a one Member Urban Land Tribunal against the order of the competent authority passed under Section 11 (relating to compensation) or Section 30 (relating to construction of a building).

#### **Proposed Amendment**

Proposed to be deleted.

### **Section 13**

#### **Existing Provision**

This Section provides for second appeal in the High Court against the order of the Urban Land Tribunal relating to the compensation aspect. (Sec. 12)

**Proposed Amendment**

Proposed to be deleted.

**Section 14****Existing Provision**

This section provides that 25 per cent of the amount or Rs. 25,000/- whichever is less, shall be paid in cash and the balance in negotiable bonds redeemable after the expiry of twenty years carrying an interest @ 5 per cent per annum.

**Proposed Amendment**

- (a) It is proposed that the entire amount of compensation be paid in lumpsum within 60 days from the date when the physical possession of the excess vacant land is taken by the State Govt.
- (b) When the amount of such compensation is not paid within the prescribed time limit, the State Govt. shall pay the amount of compensation with interest thereon @ 9 per cent per annum from the time of taking over possession until it shall be so paid.
- (c) Provided that if such compensation or any part thereof is not paid within a period of one year from the date on which the possession is taken, interest @ 15 per cent per annum shall be payable from the date of the expiry of the said period of one year on the amount of compensation or part thereof which has not been paid before the date of the expiry of one year.
- (d) Provided further that where a stay has been taken either by the party himself or by any other person on his behalf against the implementation of any of the provisions of the Act which results in delay in making use of the land, no interest on account of such delay would be payable. However, interest would be payable on the enhanced amount of compensation, as may be decided by the Appellate Authority in the appeal.

- (e) The amount of compensation in respect of the land acquired under ULC Act would be paid out of the Consolidated Fund of the State/UT as the case may be.

### **Section 19(1) (iv)**

#### **Existing Provision**

This clause exempts the land held, in excess of the ceiling limit, by any public charitable or religious trusts (including wakf) which is required and used for any public charitable or religious purposes:

Provided that the exemption under this clause shall apply only so long as such land continues to be required and used for such purposes by such trust.

#### **Proposed Amendment**

- (i) Public charitable/religious trusts can hold vacant land beyond the ceiling limit so long as such land is required and is being used for public charitable/religious purposes and subject to the conditions as may be prescribed in the Rules.
- (ii) The land held by such trusts will not be transferred to anyone by way of sale, gift, lease, mortgage or otherwise. In case it is so done, such land will be subject to the provisions of this Act and the transaction will be treated as null and void.

In the Rules it may be provided that the accounts of such trusts will be subject to audit by the authority specified by the State Govt. to audit such cases, failing which by such as agency as may be prescribed by the competent authority under Urban Land (Ceiling & Regulation) Act, 1976. The audit of a trust shall be completed as early as possible after the close of the financial year but not later than 6 months. A certificate from the auditor, as prescribed, is to be given to the Competent Authority within the above time limit to the effect that the land held by the trust was required and used for public charitable/religious purposes during the period of audit.

### **Section 19 (1) (v)**

#### **Existing Provision**

This clause exempts the land held, in excess of the ceiling limit, by any Cooperative Society being a land mortgage bank or a housing cooperative society.

**Proposed Amendment**

The vacant land beyond the ceiling limit may be held by any cooperative society, being a land mortgage bank or a housing cooperative society, registered or deemed to be registered under any law relating to cooperative societies, provided that:—

- (a) Exemption under this clause in relation to a land mortgage bank shall not apply to any vacant land held by it otherwise than in satisfaction of its dues.
- (b) Housing cooperative society shall hold vacant land for housing purposes only, the land use of which according to the Master Plan/Development Plan/Zonal Plan is residential.
- (c) The housing cooperative society can hold the vacant land subject to the following conditions:—
  - (i) The Housing Cooperative Society can hold the total vacant land to the extent such that maximum buildable area for any member of the society does not exceed 300 sq.mtrs.
  - (ii) The Housing Cooperative Society shall be required to complete the construction of dwelling units on such land in accordance with the approved plans within a period of 5 years from the date of the amendment takes place or from the date such land is held by the society, whichever is later. After 5 years the State Govt. may grant extension of time for a period not exceeding 5 years, keeping in view the circumstances of each case. During extended period, the society will be required to pay vacant land tax @ 3 per cent per annum to be calculated as per the notified land value, in the first year of extension. This rate will further increase by 1 percent every year. If construction is not completed within a total period of 10 years the exemption under this clause will be deemed to be withdrawn and provision of ULC Act will automatically become applicable on such land. No compensation shall however be paid to the society for the structure raised on such land.

**Section 19 (1) (vi)****Existing Provision**

This clause exempts the land held, in excess of the ceiling limit, by any such educational, cultural, technical or scientific institution or club as may be approved by the State Govt.

**Proposed Amendment**

Vacant land, in excess of the ceiling limit may be held by any non-profit making institution which is engaged in educational, cultural, technical, scientific, sports or health activities, as may be approved by the State Govt. by general or special order, on an application made to it in this behalf by such institution, provided:

- (i) The land held by such institution will not be transferred by way of sale, gift, lease, mortgage or otherwise to anyone and in case it is so done, the land will be subject to the provisions of ULC Act and the transaction so entered into will be null and void.

**Section 19(1) (vii)****Existing Provision**

This clause exempts the land held, in excess of the ceiling limit, by any society registered under the Societies Registration Act, 1860 or under any other law, which is used for any non-profit and non-commercial purposes.

**Proposed Amendment**

Proposed to be deleted.

**Section 19 (1) (xi)****Existing Provision**

New Section.



### **Proposed Amendment**

The buildings or places of archaeological, historical or cultural importance will be outside the purview of the Act provided:—

- (1) Such buildings or places are declared as such sites by the Archaeological Survey of India or under a State Monument Act or under any other relevant law applicable in the State.
- (2) Such buildings or places shall continue to be maintained as such sites and shall not be used for any other purpose.

### **Section 19(1) (xii)**

#### **Existing Provision**

New Provision.

### **Proposed Amendment**

- (1) An industrial undertaking/unit shall be exempted to hold vacant land in excess of the ceiling limit if such land is in an area where the land use in the Master Plan/Development Plan/Zonal Plan is industrial, subject to the condition that:—
  - (a) Such land is required for an industry as may be permitted in the area, by the State Govt. However, where an industry is already existing, vacant land beyond the ceiling limit shall be held by it if there is a specific approval of the State Govt. for the continuance of the industry in that area;
  - (b) Such land will be utilised exclusively for industrial purposes or for the housing of the staff of that industry;
  - (c) Where such land is proposed to be transferred by way of sale, gift, lease or otherwise, to another party for industrial purposes, the vacant land holder will be required to pay a sum equal to 50 per cent of the value of such land calculated at the land rate notified by the State Govt. in respect of such land, to the shelter fund, if the transfer is approved by the State Govt.
- (2) Where the land use in respect of the land, held by an industry, is changed to any other use other than industrial, such land may be redeveloped as per the changed land use and in accordance with a scheme duly approved by the State

Govt. as provided for under Section 21 and after obtaining necessary clearances from the concerned Deptts. of the State Govt.

- (3) In case the industrial undertaking/unit, as referred to in sub-clause (2) above, prefers to set up an industry in an area where the Master Plan/development Plan so permits, it may be allowed to sell the vacant land to the extent, the sale proceeds of which is sufficient to purchase land for the industry elsewhere. The quantum of such land, to be purchased, will be determined by the State Govt. The balance of the sale proceeds will be deposited with the State Govt. and shall be credited to the 'Shelter Fund' The remaining land will be subject to the provisions of this Act.
- (4) Where an industrial undertaking, whether Public or private, holding vacant land beyond the prescribed ceiling limit, has been declared as sick, the surplus vacant land held by such an industry, may be transferred by way of sale, if it is in accordance with the rehabilitation package recommended by the Board for Industrial and Financial Reconstruction or by any other agency prescribed by the Central or State Govt. on such terms and conditions as the State Govt. may deem fit to impose. The quantum of the land to be sold would be specified by the BIFR or any other agency as may be prescribed by the Central/State Govt.
- (5) Where an industrial undertaking, public/private, proposes to shift elsewhere due to its activities being hazardous in nature or due to its location being in non-conforming zone, or due to any other reason as may be approved by the State Govt. permission under ULC Act may be granted to sell, so much of the excess vacant land, the sale proceeds of which would be sufficient to purchase land in the confirming zone. The quantum of land permitted to be sold, and that to be purchased, will be decided by the State Govt. The remaining land will be subject to the provisions of this Act.
- (6) Where an individual or a financial institution has to disposed of the land, mortgaged to it, for realisation of its dues, the permission may be granted subject to the condition that the sale proceeds will be used in the following manner.
  - (i) Amount equal to 50 per cent of the notified land value in respect of surplus land shall be deposited to the

Shelter Fund provided that such contribution to the Shelter Fund has not been paid earlier by the mortgagee.

- (ii) The balance amount, if any will be adjusted towards settlement of the dues payable to the financial institutions and any balance thereafter shall be paid to the mortgagee.

## **Section 20**

### **Existing Provision**

This Section empowers the State Govt. to grant exemption on account of either.

- (i) Public interest or
- (ii) Undue hardship

On such terms and conditions as may be imposed by the State Govt. If any of the terms and conditions is violated, the exemption may be withdrawn.

(The terms 'public interest' and undue hardship have not been defined in the Act.)

### **Proposed Amendment**

Proposed to be deleted.

## **Section 21**

### **Existing Provision**

At present Section 21 of Urban Land (Ceiling & Regulation) Act provides that a person holding vacant land in excess of the ceiling limit may be permitted to develop his land for the construction of dwelling units for the accommodation of weaker sections of the society in accordance with the scheme approved by an authority specified by the State Govt.

### **Proposed Amendment**

The State Govt. shall grant exemption under this section to the excess vacant land holder for the purpose of developing the excess vacant land for residential, commercial and institutional purposes as may be required under the master plan/development plan provisions.

### **A—Where the land use is residential**

The excess vacant land holder may submit a scheme within a period of six months from the date his vacant land has been declared as excess through a notification under Section 10(3) either himself or through a developer, for construction of dwelling units on such land. The scheme will be considered and approved by the State Govts. or by such authority as the State Govt. may notify. The broad parameters of the scheme will be as follows:—

- (1) 50 per cent of the total number of maximum permissible dwelling units will be upto 40 sq. mtrs. Size and the remaining 50 percent can be higher size.
- (2) The dwelling units upto 40 Sq. Mtrs. size will comprise at least 30 percent of the maximum permissible buildable area.
- (3) The other details of the scheme may be such as prescribed in the Rules. This detail would be:—
  - (a) The vacant land holder will arrange to sell 40 sq. mtrs. size dwelling units through draw of lots at a price predetermined by the State Govt.
  - (b) The eligibility criteria and the manner in which the draw will be held will be prescribed by the State Govt.
  - (c) The higher size dwelling units will be sold by the vacant land holder in the open market at the market rate. However, permission to sell these dwelling units will be given only after the dwelling units upto 40 sq. mtrs. size are completed and allotted.
  - (d) The construction of the dwelling units will be completed within 5 years from the date the scheme is approved by the State Govt.
  - (e) After 5 years the State Govt. may grant extension of time, keeping in view the circumstances of each case, for a period not exceeding 5 years.
  - (f) During the extended period the vacant land holder will be required to pay vacant land tax @ 3 per cent per annum of the notified land value in respect of such land. This rate will increase by 1 per cent every year. If construction is not completed within the total period

of 10 years, the exemption will be treated as withdrawn and the excess vacant land will revert to the State Government and the compensation shall be paid as provided in the Act. No compensation shall be paid in respect of the structure raised on such land.

The excess vacant land holder will also have the choice to develop the land as per the Master Plan/Development Plan norms and not in accordance with the scheme stated as above. In such cases, he may apply for exemption after his vacant land is notified as excess vacant land under Section 10(3) of the Act, by contributing to the Shelter Fund. The rate of contribution to the Shelter Fund will be 30 per cent of the notified residential land value in respect of such land for FAR 100. The rate of contribution will increase proportionately if there is an increase in the FAR, permitted for such land.

The exemption will be granted subject to the condition that such land will be developed within a period of 5 years from the date the exemption is granted.

Extension may be granted by the State Govt. keeping in view the circumstances of each case for a period not exceeding 5 years. However, during the extended period land will be subject to vacant land tax.

The amount of contribution to the Shelter Fund will be paid by vacant land holder in lump-sum or in instalments spread over a period not exceeding 5 years and carry the interest as per the bank rate prevailing at that time.

Where amount of contribution to Shelter Fund and interest thereupon has not been paid within 5 years, no extension of time will be granted by the State Govt. and the exemption will be treated as withdrawn. The excess vacant land will revert to the State Govt. The compensation will be paid as prescribed under the Act. No compensation shall however, be paid for the structure raised on such land.

Where the vacant land holder has deposited the contribution to the Shelter Fund within 5 years and was also granted extension of time not exceeding 5 years, fails to develop his land, the exemption will be treated as withdrawn and the vacant land will revert to the State Govt. The compensation will be paid as per the provisions in the Act. No compensation will be paid for the structure raised on such land.

The amount of contribution to the Shelter Fund already deposited shall be refunded to the vacant land holder but without interest.

**B—Where the land use is Institutional**

A person having excess vacant land, the land use of which as per Master Plan/Development Plan/Zonal Plan is institutional, may be granted exemption to develop such land for institutional purposes subject to the condition that:—

- (a) The purpose of the institution is approved by the State Govt. and the scheme is in accordance with the provisions of Master Plan.
- (b) A contribution to the Shelter Fund @ 30 per cent of notified institutional land value for FAR 100 will be payable. This contribution will increase proportionately if there is an increase in FAR. The amount of contribution can however, be paid in 5 annual instalment together with interest as per prevailing bank rate.
- (c) The institution shall start functioning within 5 years from the date the exemption is granted.
- (d) After 5 years, the State Govt. may grant extension of time provided the amount of contribution to the Shelter Fund and interest thereon, if any, has been fully paid, for a further period not exceeding 5 years keeping in view the circumstances of each case. During the extension, such land will be subject to vacant land tax as in case of residential land.
- (e) If the contribution to the Shelter Fund has not been paid within 5 years or the functioning of the Institute does not start within 10 years as the case may be, the exemption will be deemed to have been withdrawn.
- (f) The compensation in respect of excess vacant land will only be payable. No compensation for any structure raised on such land will be payable.
- (g) The amount of contribution to the Shelter Fund already paid shall be refunded but without interest.

**C—Where the land use is Commercial**

A person having excess vacant land, the land use of which as per Master Plan/Development Plan/Zonal Plan is commercial, may be granted exemption to develop such land for commercial purposes subject to the conditions that:—

- (a) The land shall be developed for commercial purposes as per the approved plans within 5 years from the date of exemption granted for such land.
- (b) The contribution to the Shelter Fund @ 30 per cent of notified commercial land value for FAR 100 will be payable. This contribution will increase proportionately if there is an increase in FAR. The amount of contribution can however be paid in 5 annual instalments together with interest as per prevailing bank rate.
- (c) The construction shall be completed within 5 years from the date the exemption is granted.
- (d) After 5 years, the State Govt. may grant extension of time provided the amount of contribution to the Shelter Fund and interest thereon, if any, has been fully paid, for a further period not exceeding 5 years keeping in view the circumstances of each case. During the extension such land will be subject to vacant land tax as in case of residential land.
- (e) If contribution to the Shelter Fund has not been paid within 5 years or the construction work is not completed within 10 years as the case may be, the exemption will be deemed to have been withdrawn.
- (f) The compensation in respect of excess vacant land will only be payable. No compensation for any structure raised on such land will be payable.
- (g) The amount of contribution to the Shelter Fund already paid shall be refunded but without interest.

## **Section 22**

### **Existing Provision**

It provides that if a building is demolished or is destroyed due to natural causes which are beyond the control of human agency and as a consequence thereof such land along with any other land, become vacant, the provisions of ULC Act would be applicable. However, if such land is required for redevelopment in accordance with Master Plan, and the competent authority is satisfied, the person concerned may be permitted to develop the land subject to the terms and conditions which may be imposed by the competent authority.

### **Proposed Amendment**

If a building is demolished or is destroyed due to natural causes beyond the control of human being, including cases where the building was redeveloped after obtaining exemption, the land so available after such demolition/destruction shall be treated as vacant land and be subject to the provisions of ULC Act. After permitting land within the ceiling, the remaining land will be treated as excess vacant land irrespective of the fact, how much built up land was there prior to demolition/destruction.

The excess vacant land holder will have the option either to develop such excess vacant land in accordance with the scheme under Section 21 or retain the excess vacant land by paying contribution to the Shelter Fund as prescribed by the State Govt. under Sec. 21

## **Section 23**

### **Existing Provision**

It provides that the State Govt. may allot, in excess of the ceiling limit, the land acquired under ULC Act or any other law, to any person for any purpose relating to or in connection with any industry or for providing residential accommodation to the employees of any industry, subject to such terms and conditions as it deems fit. If any of the conditions imposed is violated the State Govt. may cancel the allotment and such land shall vest in the State Govt.

### **Proposed Amendment**

(a) It shall be competent for the State Govt. to allot, by order, any vacant land which is deemed to have been acquired by the State Govt. under this Act or under any other law, for the following purposes at



a price equal to the notified land value plus development charges on such land and any other charges which the State Govt. may provide for:—

- (i) To group housing society for construction of flats, in accordance with a scheme as approved under Sec. 21.
- (ii) To any industry/public sector undertaking for providing residential accommodation to its employees as per a scheme approved under Sec. 21.
- (iii) To a society for public purposes like school, hospital, dispensary subject to the conditions which the State Govt. may deem fit to impose.
- (iv) For any other purpose, the State Govt. may deem fit to allot.

(b) The land may be allotted subject to such terms and conditions as the State Govt. may deem fit to impose. While allotting land for residential purposes, conditions may also be imposed that no person shall hold vacant land beyond the prescribed ceiling limit as a result of such allotment. The land allotted for other purposes shall be subject to the terms and conditions of allotment. If any such conditions is violated or it is found that land is not being used for the purpose for which it was allotted, such land will revert to the State Govt.

## **Section 26 and 27**

### **Existing Provision**

Section 26 provides for intimation for transferring the vacant land within the ceiling limit.

Section 27 provides for prior permission for transferring any urban or urbanisable land with a building if such transfer takes place within 10 years from the date of construction of such building or from the commencement of the ULC Act whichever is later. It is also provided that if within 60 days permission is not refused, it would be deemed to have being granted.

### **Proposed Amendment**

Section 26 and 27 are proposed to be made one section as under:—

“A person can transfer the vacant land held by him within the ceiling limit and/or the land with building to any person provided the buyer seeks a no objection certificate from the Competent Authority

to the effect that his total land holding will not exceed the prescribed ceiling limit as a result of such transfer whether it is by way of sale, gift, lease or otherwise. In case of refusal of granting NOC is not communicated to the applicant (buyer) under intimation to the seller within 60 days of making an application, the NOC will be deemed to have been granted.

### **Section 28**

#### **Existing Provision**

It provides that the registering officer shall not register the sale of vacant land or land with building unless necessary formalities under sections 26 and 27 as the case may be, are completed.

#### **Proposed Amendment**

No registering officer shall register any document of sale, mortgage, gift, lease or otherwise transfer unless the buyer has obtained or deemed to have obtained a no objection certificate under ULC Act from the competent authority to the effect that his total holdings including, vacant land and built-up property the document of which is proposed to be registered, will not exceed the ceiling limit prescribed under ULC Act as a result of this transfer.

### **Section 33**

#### **Existing Provision**

This Section provides for appeal against the orders of the Competent Authority, except those against which appeal lies to the Urban Land Tribunal (Orders issued under Section 11 and Section 30). It is also provided that every order passed by the Appellate Authority shall be final.

#### **Proposed Amendment**

Any person aggrieved by an order made by the Competent Authority under this Act or the revisionary orders passed by the State Govt. may, within 30 days of the date on which the order is communicated to him, prefer an appeal to the State Urban Land Tribunal.

Each State Govt. shall constitute a State Urban Land Tribunal by notification in the Official Gazette. The Tribunal will consist of:—

- |                  |  |
|------------------|--|
| (a) Chairperson: | Being of the rank of a judge in the High Court (Sitting—part-time or full time.) |
|------------------|--|

(b) Two Judicial Member : Being of the rank of Distt. Judge. (Retired or serving).

The State Urban Land Tribunal may entertain the appeal after the expiry of the said period of 30 days if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

The State Urban Land Tribunal after giving appellant an opportunity of being heard, pass such orders thereon as it deems fit, as expeditiously as possible.

Appeal against the order of the State Urban Land Tribunal would lie only in the Supreme Court of India.

#### **Section 34**

##### **Existing Provision**

It empowers the State Govt. to revise an order of the Competent Authority against which no appeal has been preferred.

##### **Proposed Amendment**

##### **Review and Revision**

The State Govt. on its own motion or otherwise may call for and examine the records of any order passed or proceeding taken under the provisions of this Act and against which no appeal has been preferred under Section 33, for the purpose of satisfying itself as to the legality or propriety of such orders or as to the appropriateness of such procedure, and may review the order passed by the competent authority or any other action and revise the same if it deems necessary. Such a revision shall be made by a team of two officers one from Administration Deptt. and the other from the Law Deptt. of the State Govt.

Provided that no such revisionary order shall be made except after giving the person affected a reasonable opportunity of being heard in the matter.

#### **Section 38**

##### **Existing Provision**

It provides for fine and for punishment as follows:—

- (i) If a person fails to file the statement under Section 6 within the specified time without reasonable cause or excuse, he shall be punishable with imprisonment for a term which may extend to two years or with fine upto Rs. 5000/- or with both.

- (ii) After the conviction as above, if he still fails to file the statement, he shall be punishable with fine which shall be @ Rs. 500/- per day.
- (iii) If a person has filed a statement which he knows or has reasonable belief to be false, he shall be punishable with imprisonment of two years or with fine or Rs. 1000/- or with both.
- (iv) If a person contravenes any of the provisions of the Act for which no penalty has been specified in the Act, he shall be punishable with imprisonment for a term not exceeding 2 years or with a fine upto Rs. 1000/- or with both.

### **Proposed Amendment**

The amount of fine prescribed under clause (1) and (4) of this Section may be modified as under:—

- |  |  |
|--|--|
| (i) If return is not filed under Section 6 within the prescribed time without assigning any reasons.     | If a person fails to file the Statement under Section 6 within the specified time without reasonable cause or excuse, he shall be punishable with imprisonment for a term which may extend to two years or with fine upto Rs. One lakh or with both. |
| (ii) If he fails to file the return over thereafter.   | After the conviction as above, if he still fails to file the statement, he shall be punishable with fine which shall be @ Rs. 2000/- per day.  |
| (iii) If he files statement which he knew or had reasonable belief to be false.                          | If a person has filed a statement which he knows or has reasonable belief to be false, he shall be punishable with imprisonment of two years or with fine of Rs. 20,000/- or both.   |
| (iv) If a person contravene any other provision for which no penalty has been prescribed in the ULC Act. | If a person contravenes any of the provisions of the Act for which no penalty has been specified in the Act, he shall be punishable with imprisonment for a term not exceeding 2 years or with a fine upto Rs. 20,000/- or with both.                |

**Section 48****New Proposal**

The provisions of Vacant Land Tax will be applicable to the vacant land whether within the ceiling or beyond the ceiling. A person holding vacant land within the ceiling limit will be required to develop his land as per approved plans within a period of 5 years from the date he acquires the vacant land or the date of amendment whichever is later. Where the land is in excess of the ceiling limit and exemption has been granted under Section 20/21, the vacant land holder will be required to develop within 5 years from the date of such an exemption for the purpose and in the manner as may be prescribed in the exemption order.

If the land, whether within ceiling limit or beyond the ceiling limit as the case may be, is not developed within 5 years, such land will be subject to vacant land tax from sixth year @ 3 per cent per annum of the notified land value, in case the extension of time has been granted by the State Govt. This rate will increase by 1 per cent every year. The maximum period of extension would be 5 years. In case of excess vacant land the extension will be governed by the provisions of Section 21. In case of vacant land within the ceiling limit, the vacant land tax will continue till the construction is completed atleast upto 50 per cent of the permissible FAR.

**Section 49****New Proposal**

All revenues accruing from the provisions of the Act shall be credited to the 'Shelter and Urban Development Fund' to be set up by each State Govt. The proceeds of the Vacant Land Tax, shall be credited to the Fund after deducting the cost of collection of the Tax at the rate of 5 per cent of the amount of Vacant Land Tax. The sale proceeds of the EWS housing financed out of Shelter Fund will also be credited to it.

The fund will be maintained by the State Govt. and the details of its management and the norms of its utilisation will be worked out by the State Govt.

Atleast 50 per cent of the proceeds of collection in the Fund will be used for financing EWS housing or for providing urban infrastructure for slums and EWS neighborhoods in the Urban Agglomeration from which funds are collected. The remaining amount will be utilised by pooling at the State level for development of basic services, infrastructure, amenities and facilities in the urban areas, for housing schemes for EWS in Urban areas, and for slum improvement upgradation and relocation programme.

### **Section 50**

#### **New Section Regulating the Activities of the Property Agents**

##### **Proposal**

The State Government shall notify suitable rules for regulating the activities of property agents.

### **Section 51**

#### **New Proposal**

The State Government shall take appropriate action to licence the private builders/developers and to formulate a regulatory framework by notifying suitable rules for the purpose.

## APPENDIX IX

### COMMITTEE ON URBAN AND RURAL DEVELOPMENT (1998-99)

#### Extract of the Minutes of the 15th Sitting of the Committee held on Wednesday, the 22nd July, 1998

The Committee sat from 1500 hrs. to 1630 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

#### PRESENT

Shri Kishan Singh Sangwan — *Chairman*

#### MEMBERS

#### *Lok Sabha*

2. Shri D.S. Ahire
3. Dr. Shafiqur Rahman Barq
4. Shri Padmanava Behera
5. Shri Sriram Chauhan
6. Shri Shivraj Singh Chouhan
7. Shrimati Malti Devi
8. Shri Ramkrushna Suryabhan Gavai
9. Shri Vinod Khanna
10. Shri Subhash Maharia
11. Shri Chandresh Patel
12. Shri Rameshwar Patidar
13. Shrimati Jayanti Patnaik
14. Shri Mullappally Ramachandran
15. Shri Gaddam Ganga Reddy
16. Shri Ramjidas Rishidev

17. Shri I.M. Jayaram Shetty
18. Shri Vithal Baburao Tupe
19. Dr. Ram Vilas Vedanti

*Rajya Sabha*

20. Shrimati Shabana Azmi
21. Shri Nilotpal Basu
22. Shri Jhumuklal Bhendia
23. Dr. M.N. Das
24. Shri Onkar Singh Lakhawat
25. Prof. A. Lakshmisagar

SECRETARIAT

- |                           |   |                    |
|---------------------------|---|--------------------|
| 1. Shri S.C. Rastogi      | — | Director           |
| 2. Shrimati Sudesh Luthra | — | Under Secretary    |
| 3. Shri P.V.L.N. Murthy   | — | Assistant Director |

2. At the outset the Chairman, welcomed Shri Jhumuklal Bhendia and Dr. M.N. Das, MPs (Rajya Sabha) who were nominated to the Committee w.e.f. 17.7.1998.

3. Thereafter, the Committee took up for consideration Memorandum No. 10 regarding the request of Minister of Urban Affairs & Employment (Shri Ram Jethmalani, MP) to appear before the Committee in connection with the Urban Land (Ceiling and Regulation) Repeal Bill, 1998. After deliberating at length the Committee decided to postpone the consideration of the Memorandum to their next sitting to be held on 23rd July, 1998.

4. Some members drew the attention of the Committee to a letter received by them from the Minister of Urban Affairs and Employment on the Urban Land (Ceiling and Regulation) Repeal Bill, 1998. They pointed out that the said letter, which was reportedly addressed to all the members of the Committee amounted to influencing the members of the Committee in the discharge of their functions as members of the Committee. They felt that writing of such letters by the Minister was not desirable.



It was also pointed out by them that the language of the said letter gave an impression that the Committee were delaying the consideration of the Urban Land (Ceiling and Regulation) Repeal Bill, 1998, thereby affecting its passage during the current session of Lok Sabha. After some discussion the Committee took strong objection to the writing of the letters to the individual members of the Committee by the Minister of Urban Affairs & Employment regarding the Urban Land (Ceiling & Regulation) Repeal Bill, 1998. They also took objection to the language of the letter dated 20th July, 1998 written by the Minister to the Chairman seeking his permission to address the Committee. The Committee decided that their displeasure might be conveyed to the Minister in an appropriate manner.

- |    |      |      |      |
|----|------|------|------|
| 5. | **** | **** | **** |
| 6. | **** | **** | **** |
| 7. | **** | **** | **** |

8. The Committee deferred the question of deciding future course of action in respect of the following Bills to their sitting to be held on 23rd July, 1998:

- |      |      |      |      |
|------|------|------|------|
| (i)  | **** | **** | **** |
| (ii) | **** | **** | **** |

(iii) The Urban Land (Ceiling & Regulation) Repeal Bill, 1998.

*The Committee then adjourned to meet again on 23rd July, 1998  
at 1500 hrs.*

## APPENDIX X

### COMMITTEE ON URBAN AND RURAL DEVELOPMENT (1998-99)

#### Extract of the Minutes of the 16th Sitting of the Committee held on Thursday, the 23rd July, 1998

The Committee sat from 1500 hrs. to 1630 hrs. in Committee Room 139, Parliament House Annexe, New Delhi.

#### PRESENT

Shri Kishan Singh Sangwan — *Chairman*

#### MEMBERS

#### *Lok Sabha*

2. Shri D.S. Ahire
3. Dr. Shafiqur Rahman Barq
4. Shri Padmanava Behera
5. Shri Sriram Chauhan
6. Shri Ramkrushna Suryabhan Gavai
7. Shri Vinod Khanna
8. Shri Subhash Maharia
9. Shri Subrata Mukherjee
10. Shri Chandresh Patel

#### *Rajya Sabha*

11. Shrimati Shabana Azmi
12. Shri Nilotpal Basu
13. Shri Jhumuklal Bhendia
14. Shri N.R. Dasari
15. Shri Onkar Singh Lakhawat

16. Prof. A. Lakshmisagar
17. Shri O.S. Manian
18. Dr. Mohan Babu
19. Shri Suryabhan Patil Vahadane

SECRETARIAT

1. Shri S.C. Rastogi — *Director*
2. Shrimati Sudesh Luthra — *Under Secretary*
3. Shri P.V.L.N. Murthy — *Assistant Director*

I. *Further Consideration of Memorandum No. 10*

2. The Committee resumed consideration of Memorandum No. 10 regarding request of Minister of Urban Affairs & Employment (Shri Ram Jethmalani, MP) to address the Committee in connection with the Urban Land (Ceiling & Regulation) Repeal Bill, 1998.

After discussing the matter the Committee decided that it was not necessary at present to permit the Minister to address the Committee. However, after the official evidence was over, if it was felt that he might be permitted to address the Committee, the Chairman might decide the matter accordingly.

II. *Consideration and adoption of draft Action Taken Reports*

- |         |      |      |
|---------|------|------|
| 3. **** | **** | **** |
| 4. **** | **** | **** |
| 5. **** | **** | **** |

III. *Future Course of action on the Bills referred to the Committee*

6. The Committee then considered the future course of action in respect of the following three Bills:—

- |           |      |      |
|-----------|------|------|
| (i) ****  | **** | **** |
| (ii) **** | **** | **** |

(iii) The Urban Land (Ceiling & Regulation) Repeal Bill, 1998.



## APPENDIX XI

### COMMITTEE ON URBAN AND RURAL DEVELOPMENT (1998-99)

**Extract of the Minutes of the 21st Sitting of the  
Committee on Urban & Rural Development held  
on Wednesday, the 11th November, 1998**

The Committee sat from 1500 hrs. to 1550 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

#### PRESENT

Shri Kishan Singh Sangwan— *Chairman*

#### MEMBERS

*Lok Sabha*

2. Shri D.S. Ahire
3. Shri Sudip Bandyopadhyay
4. Dr. Shafiqur Rahman Barq
5. Shri Padmanava Behera
6. Shri Sriram Chauhan
7. Shri Ramkrushna Suryabhan Gavai
8. Shri Akbar Ali Khandokar
9. Shri Vinod Khanna
10. Shri Bir Singh Mahato
11. Shrimati Jayanti Patnaik
12. Shri Mullapally Ramachandran
13. Shri Nikhulananda Sar
14. Shri I.M. Jayaram Shetty
15. Shri Daya Singh Sodhi
16. Shri Vithal Baburao Tupe
17. Dr. Ram Vilas Vedanti



## APPENDIX XII

### COMMITTEE ON URBAN & RURAL DEVELOPMENT (1998-99)

#### Minutes of the Twenty Second sitting of the Committee on Urban & Rural Development held on Monday, the 30th November, 1998.

The Committee sat from 1500 hrs. to 1700 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi

#### PRESENT

Shri Kishan Singh Sangwan — *Chairman*

#### MEMBERS

#### *Lok Sabha*

2. Shri D.S. Ahire
3. Dr. Shafiqur Rahman Barq
4. Shri Sriram Chauhan
5. Shri Vinod Khanna
6. Shri Subhash Maharia
7. Shri Rameshwar Patidar
8. Smt. Jayanti Patnaik
9. Shri Gaddam Ganga Reddy
10. Shri Daya Singh Sodhi
11. Shri Vithal Baburao Tupe
12. Dr. Ram Vilas Vedanti

#### *Rajya Sabha*

13. Smt. Shabana Azmi
14. Shri Nilotpal Basu
15. Shri Onkar Singh Lakhawat
16. Shri Suryabhan Patil Vahadane

## SECRETARIAT

1. Smt. Sudesh Luthra — *Under Secretary*
2. Shri P.V.L.N Murthy — *Assistant Director*

REPRESENTATIVES OF MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT  
(DEPARTMENT OF URBAN DEVELOPMENT)

1. Smt. Kiran Aggarwal — *Secretary*
2. Shri Hemendra Kumar — *Additional Secretary*
3. Shri J.P. Murty — *Joint Secretary*

2. At the outset the Chairman welcomed the representatives of the Ministry of Urban Affairs & Employment (Department of Urban Development) to the sitting convened to discuss the various provisions of Urban Land (Ceiling & Regulation) Repeal Bill, 1998.

3. The representatives of the said Department explained the reasons for bringing the said Repeal Bill. They also explained in detail the reasons for including proviso (a) and (b) to Clause 3 of the said Bill. They then explained to the various queries put by members on the provisions of the said Bill.

4. The Committee then decided that the representatives of Save Bombay Committee—a Non-Governmental Organisation whose memorandum on the said Bill has already been received might also be invited for evidence on 3rd December, 1998.

*The Committee then adjourned to meet again on 1st December, 1998 at 1500 hrs. in Committee Room 'E' Parliament House Annexe, New Delhi.*



## APPENDIX XIII

### COMMITTEE ON URBAN & RURAL DEVELOPMENT (1998-99)

**Extract of the Minutes of the Twenty Third sitting  
of the Committee on Urban & Rural Development  
held on Tuesday, the 1st December, 1998**

The Committee sat from 1500 hrs. to 1730 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi

#### PRESENT

Shri Onkar Singh Lakhawat — *In the Chair*

#### MEMBERS

#### *Lok Sabha*

2. Shri D.S. Ahire
3. Dr. Shafiqur Rahman Barq
4. Shri Padmanava Behera
5. Shri Sriram Chauhan
6. Shri Vinod Khanna
7. Shri Subhash Maharia
8. Smt. Jayanti Patnaik
9. Shri Chatin Singh Samaon
10. Shri Vithal Baburao Tupe

#### *Rajya Sabha*

11. Smt. Shabana Azmi
12. Shri Nilotpal Basu
13. Dr. M.N. Das
14. Shri N.R. Dasari
15. Dr. Mohan Babu

## SECRETARIAT

1. Shri P.K. Grover — *Deputy Secretary*
2. Smt. Sudesh Luthra — *Under Secretary*
3. Shri P.V.L.N — *Assistant Director*

REPRESENTATIVES OF MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT  
(DEPARTMENT OF URBAN DEVELOPMENT)

1. Shri Hemendra Kumar — *Additional Secretary*
2. Shri J.P. Murty — *Joint Secretary*

## DEPARTMENT OF LAW &amp; JUSTICE

- Shri A. Vijay Kumar — *Asst. Legislative Counsel*

## WITNESSES

1. Dr. P.S.N. Rao, Assistant Professor, School of Planning & Architecture
2. BINITY—A Voluntary Consumer Organisation  
Shri G.C. Mathur, Convenor—Managing Trustee
3. *Confederation of Indian Industries*
  - (i) Shri Adi Godrej, Chairman
  - (ii) Shri S. Sen, Deputy Director General
  - (iii) Shri Deepak Roy, Director
  - (iv) Ms. Indrani Kar, Director
  - (v) Ms. Parvati Krishan, Executive Officer
4. *Federation of Indian Chambers of Commerce and Industries*
  - (i) Shri Sushil Ansal, Chairman
  - (ii) Shri N.K. Bahri, Vice-President
  - (iii) Shri Y.P. Srivastava, Deputy Secretary General
  - (iv) Shri G.R. Gogia, Director

In the absence of Chairman, the Committee chose Shri Onkar Singh Lakhawat to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure & Conduct of Business in Lok Sabha.



## APPENDIX XIV

### COMMITTEE ON URBAN AND RURAL DEVELOPMENT (1998-99)

#### Minutes of Twenty Fourth sitting of the Committee on Urban & Rural Development held on Wednesday, the 2nd December, 1998

The Committee sat from 1500 hrs. to 1630 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi

#### PRESENT

Shri Onkar Singh Lakhawat — *In the Chair*

#### MEMBERS

#### *Lok Sabha*

2. Shri D.S. Ahire
3. Shri Sudip Bandyopadhyay
4. Dr. Shafiqur Rahman Barq
5. Shri Sriram Chauhan
6. Shri Vinod Khanna
7. Shri Subhash Maharia
8. Shri Bir Singh Mahato
9. Shri Subrata Mukherjee
10. Smt. Jayanti Patnaik
11. Shri Vithal Baburao Tupe
12. Dr. Ram Vilas Vedanti
13. Shri K. Venugopal

#### *Rajya Sabha*

14. Smt. Shabana Azmi
15. Dr. M.N. Das
16. Shri N.R. Dasari

17. Shri C. Apok Jamir
18. Prof. A. Lakshmisagar

## SECRETARIAT

- |                         |   |                           |
|-------------------------|---|---------------------------|
| 1. Shri P.K. Grover     | — | <i>Deputy Secretary</i>   |
| 2. Smt. Sudesh Luthra   | — | <i>Under Secretary</i>    |
| 3. Shri P.V.L.N. Murthy | — | <i>Assistant Director</i> |

REPRESENTATIVES OF MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT  
(DEPARTMENT OF URBAN DEVELOPMENT)

- |                        |   |                      |
|------------------------|---|----------------------|
| 1. Shri Ashok Pahwa    | — | Secretary            |
| 2. Shri Hemendra Kumar | — | Additional Secretary |
| 3. Shri J.P. Murthy    | — | Joint Secretary      |

## DEPARTMENT OF LAW &amp; JUSTICE

- |                     |   |                           |
|---------------------|---|---------------------------|
| Shri A. Vijay Kumar | — | Asst. Legislative Counsel |
|---------------------|---|---------------------------|

*Witnesses*

1. Shri K.C. Jain, Advocate, Supreme Court, New Delhi
2. Gujarat Chambers of Commerce and Industry, Ahmedabad  
Shri Utkarsh B. Shah, President
3. The Textile Manufacturers' Association, Amritsar  
Shri Suneel Sehgal

In the absence of Chairman, the Committee chose Shri Onkar Singh Lakhawat to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure & Conduct of Business in Lok Sabha.

2. At the outset, the Chairman welcomed the representatives of the Ministry of Urban Affairs & Employment (Department of Urban Development) and Department of Law & Justice.

3. The Committee then took evidence of the following Individuals/Organisations at the time indicated against each. Before they were asked to depose before the Committee, the Chairman welcomed them and drew attention of each of the Witnesses to the provisions of

## Direction 55(1) of the Directions by the Speaker.

Name	From	To
1. Shri K.C. Jain, Advocate Supreme Court, New Delhi	1500 hrs.	1550 hrs.
2. Gujarat Chambers of Commerce & Industry, Ahmedabad	1555 hrs.	1620 hrs.
3. The Textile Manufacturers' Association, Amritsar	1620 hrs.	1630 hrs.

4. A verbatim record of the proceedings was kept.

5. The Committee then decided that Shri Satish Magar of Pune whose memorandum on the said Bill was received on the day might also be invited for evidence.

*The Committee then adjourned to meet again on 3rd December, 1998 at 1500 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.*

## APPENDIX XV

### COMMITTEE ON URBAN & RURAL DEVELOPMENT (1998-99)

#### Minutes of the Twenty-Fifth sitting of the Committee on Urban & Rural Development held on Thursday, the 3rd December, 1998

The Committee sat from 1500 hrs. to 1730 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

#### PRESENT

Shri Onkar Singh Lakhawat — *In the Chair*

#### MEMBERS

##### *Lok Sabha*

2. Shri D.S. Ahire
3. Dr. Shafiqur Rahman Barq
4. Shri Vinod Khanna
5. Shri Subhash Maharia
6. Shri Bir Singh Mahato
7. Shri Subrata Mukherjee
8. Shri Mullappally Ramachandran

##### *Rajya Sabha*

9. Smt. Shabana Azmi
10. Shri Nilotpal Basu
11. Shri Jhumuklal Bhendia
12. Shri N.R. Dasari
13. Prof. A. Lakshmisagar
14. Shri Suryabhan Patil Vahadane

## SECRETARIAT

1. Shri P.K. Grover — *Deputy Secretary*
2. Smt. Sudesh Luthra — *Under Secretary*
3. Shri P.V.L.N Murthy — *Assistant Director*

REPRESENTATIVES OF MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT  
(DEPARTMENT OF URBAN DEVELOPMENT)

1. Shri Ashok Pahwa — *Secretary*
2. Shri Hemendra Kumar — *Additional Secretary*
3. Shri J.P. Murty — *Joint Secretary*

## DEPARTMENT OF LAW AND JUSTICE

Shri A. Vijay Kumar— Asst. Legislative Counsel

## WITNESSES

1. Shri K.R. Saklikar, Advocate, High Court, Mumbai
2. Bombay Environmental Action Group  
Shri Shyam Chennani, Hony. Secretary
3. Smt. Mrinal Gore, Ex-MP
4. Nivara Hakk Suraksha Samiti, Mumbai
  - (i) Shri P.K. Das, Joint Convenor
  - (ii) Shri Gurbir Singh
5. YUVA, Mumbai  
Shri Minar Pimple
6. Council of Architecture, New Delhi  
Shri P.R. Mehta

In the absence of Chairman, the Committee chose Shri Onkar Singh Lakhawat to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

2. The Committee then on the suggestion of the some members decided to invite the representatives of Council of Architecture,



New Delhi for giving oral evidence on the 'Urban Land (Ceiling & Regulation) Repeal Bill, 1998' after the evidence of other NGOs/individuals was over.

3. Thereafter the Chairman welcomed the representatives of the Ministry of Urban Affairs & Employment (Department of Urban Development) and Department of Law & Justice to the sitting of the Committee.

4. The Committee then took evidence of the following Individuals/Organisations at the time indicated against each. Before they were asked to depose before the Committee, the Chairman welcomed them and drew attention of each of the witnesses to the provisions of Direction 55(1) of the Directions by the Speaker.

Name	From	To
1. Shri K.R. Saklikar, Advocate, High Court, Mumbai	1500 hrs.	1540 hrs.
2. Bombay Environmental Action Group, Mumbai	1540 hrs.	1600 hrs.
3. Smt. Mrinal Gore, Ex-MP	1620 hrs.	1630 hrs.
4. Nivara Hakk Suraksha Samiti, Mumabi	1620 hrs.	1655 hrs.
5. YUVA, Mumbai	1655 hrs.	1710 hrs.
6. Council of Architecture	1720 hrs.	1730 hrs.

5. A verbatim record of the proceedings was kept.

6. The Committee then decided to postpone the sittings of the Committee scheduled to be held on 4th and 7th December, 1998 in connection with examination of the said Bill and hold the sitting on 8th December, 1998 to further continue the examination of the said Bill.

*The Committee then adjourned to meet again on 8th December, 1998 at 1500 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.*

## APPENDIX XVI

### COMMITTEE ON URBAN & RURAL DEVELOPMENT (1998-99)

#### Minutes of the Twenty-Sixth sitting of the Committee on Urban & Rural Development held on Tuesday, 8th December, 1998

The Committee sat from 1500 hrs. to 1730 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

#### PRESENT

Shri Onkar Singh Lakhawat — *In the Chair*

#### MEMBERS

#### *Lok Sabha*

2. Dr. Shafiqur Rahman Barq
3. Shri Padmanava Behera
4. Shri Sriram Chauhan
5. Shri Ramakrushna Suryabhan Gavai
6. Shri Vinod Khanna
7. Shri Subhash Maharia
8. Shri Subrata Mukherjee
9. Smt. Raneer Narah
10. Shri Ramjidas Rishidev
11. Shri Nikhilananda Sar
12. Shri Vithal Baburao Tupe
13. Shri K. Venugopal

#### *Rajya Sabha*

14. Smt. Shabana Azmi
15. Shri Nilotpal Basu
16. Shri Jhumuklal Bhendia

17. Shri N.R. Dasari
18. Shri C. Apok Jamir
19. Shri A. Lakshmisagar
20. Shri Suryabhan Patil Vahadane

SECRETARIAT

1. Shri P.K. Grover — *Deputy Secretary*
2. Smt. Sudesh Luthra — *Under Secretary*
3. Shri P.V.L.N. Murthy — *Assistant Director*

REPRESENTATIVE OF DEPARTMENT OF LAW AND JUSTICE

- Shri T.K. Vishwanathan — *Additional Secretary*

REPRESENTATIVES OF THE MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT  
(DEPARTMENT OF URBAN DEVELOPMENT)

1. Shri Ashok Pahwa — *Secretary*
2. Shri Hemendra Kumar — *Additional Secretary*
3. Shri J.P. Murthy — *Joint Secretary*
4. Shri S.K. Singh — *Director*
5. Shri Lajpat Rai — *Asstt. Settlement Commissioner*

INDIVIDUAL/EXPERT

Shri Satish Magar

In the absence of Chairman, the Committee chose Shri Onkar Singh Lakhawat to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure & Conduct of Business in Lok Sabha.

*I. Evidence of Shri Satish Magar (Individual)*

2. At the outset, the Chairman welcomed the witness and drew his attention to the provisions of direction 55 (1) of the Directions by the Speaker.

3. The Committee then took evidence of Shri Satish Magar— (individual) on the provisions of the Urban Land (Ceiling & Regulation) Repeal Bill, 1998.

*The Witness them withdrew.*

*II. Evidence of Representatives of Ministry of Urban Affairs and Employment (Department of Urban Development)*

4. Thereafter, the Chairman welcomed the representatives of the Ministry of Urban Affairs & Employment (Department of Urban Development) and drew their attention to the provisions of direction 55(1) of the Direction by the Speaker. He also welcomed the representative of Department of Law & Justice to the sitting of the Committee.

5. The Committee then took the evidence of the representatives of the Ministry of Urban Affairs and Employment (Department of Urban Development) on the provisions of the aforesaid Bill.

6. A verbatim record of the proceedings was kept.

*The Committee then adjourned to meet again on 11th December, 1998 at 1500 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.*

## APPENDIX XVII

### COMMITTEE ON URBAN & RURAL DEVELOPMENT (1998-99)

#### Minutes of the Twenty Ninth sitting of the Committee on Urban & Rural Development held on Tuesday, the 15th December, 1998

The Committee sat from 1700 hrs. to 1915 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

#### PRESENT

Shri Kishan Singh Sangwan — *Chairman*

#### MEMBERS

#### *Lok Sabha*

2. Dr. Shafiqur Rahman Barq
3. Shri Padmanava Behera
4. Shri Sriram Chauhan
5. Shri Ramakrushna Suryabhan Gavai
6. Shri Vinod Khanna
7. Shri Subhash Maharia
8. Shri Chandresh Patel
9. Shri Nikhilananda Sar
10. Shri Daya Singh Sodhi
11. Shri Vithal Baburao Tupe
12. Dr. Ram Vilas Vedanti

#### *Rajya Sabha*

13. Smt. Shabana Azmi
14. Shri Nilotpal Basu

15. Shri Jhumuklal Bhendia
16. Prof. A. Lakshmisagar
17. Shri Suryabhan Patil Vahadane

## SECRETARIAT

1. Shri S.C. Rastogi — *Director*
2. Smt. Sudesh Luthra — *Under Secretary*
3. Shri P.V.L.N. Murthy — *Assistant Director*

## REPRESENTATIVES OF DEPARTMENT OF LAW AND JUSTICE

1. Shri T.K. Vishwanathan — *Additional Secretary*
2. Shri A. Vijay Kumar — *Assistant Legislative Counsel*

REPRESENTATIVES OF THE MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT  
(DEPARTMENT OF URBAN DEVELOPMENT)

1. Shri Ashok Pahwa — *Secretary*
2. Shri Hemendra Kumar — *Additional Secretary*
3. Shri J.P. Murthy — *Joint Secretary*
4. Shri S.K. Singh — *Director*
5. Shri Lajpat Rai — *Asstt. Settlement Commissioner*

2. At the outset, the Chairman welcomed the members to the sitting of the Committee.

3. The Committee then held a general discussion on the Bill and considered it clause by clause.

4. After deliberating on the subject, the Committee decided to recommend that subject to the following observations, the Urban Land (Ceiling & Regulation) Act, 1976 might be repealed:—

- (i) land already vested with the Government whether used or not should not be resorted to the person from whom it was taken over;

- (ii) Government should ensure that the repeal would not adversely affect the availability of shelter to the people belonging to EWS/LIG categories. The Government should issue necessary guidelines to State Governments, in this regard;
- (iii) All legal proceedings under Urban Land (Ceiling & Regulation) Act pending in any court of law in the country should abate with the repeal of the Act.
- (iv) Necessary provisions regarding (i) and (iii) above should accordingly be made in the repeal Bill.

*[The representatives of Ministry of Urban Affairs & Employment (Department of Urban Development) and Ministry of Law, Justice and Company Affairs were then called in]*

5. Thereafter, the members sought some clarifications on the provisions contained in the Repeal Bill from the representatives of the Ministries of Urban Affairs & Employment (department of Urban Development) and Law, Justice and Company Affairs who explained the provisions of the Bill and clarified the various points raised by the members.

*The Committee then adjourned to meet again on Thursday, 17th December, 1998.*

## APPENDIX XVIII

### COMMITTEE ON URBAN & RURAL DEVELOPMENT (1998-99)

#### Minutes of the Thirty First Sitting of the Committee on Urban & Rural Development held on Friday, the 18th December, 1998.

The Committee sat from 1500 hrs. to 1630 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

#### PRESENT

Shri Kishan Singh Sangwan — *Chairman*

#### MEMBERS

#### *Lok Sabha*

2. Shri D.S. Ahire
3. Dr. Shafiqur Rahman Barq
4. Shri Padmanava Behera
5. Shri Sriram Chauhan
6. Shri Shivraj Singh Chouhan
7. Shri Vinod Khanna
8. Shri Subhash Maharia
9. Shri Chandresh Patel
10. Shri Rameshwar Patidar
11. Shri Vithal Baburao Tupe
12. Dr. Ram Vilas Vedanti

#### *Rajya Sabha*

13. Smt. Shabana Azmi
14. Shri Nilotpal Basu
15. Shri N.R. Dasari



16. Shri Onkar Singh Lakhawat
17. Shri Suryabhan Patil Vahadane

## SECRETARIAT

1. Shri S.C. Rastogi — *Director*
2. Smt. Sudesh Luthra — *Under Secretary*
3. Shri P.V.L.N. Murthy — *Assistant Director*

2. At the outset, the Chairman welcomed the members to the sitting of the Committee.

3. The Committee then took up for consideration the draft Report on 'The Urban Land (Ceiling & Regulation) Repeal Bill, 1998'.

4. After some discussion the Committee adopted the draft Report on 'The Urban Land (Ceiling & Regulation) Repeal Bill, 1998'.

5. Shrimati Shabana Azmi and Shri N.R. Dasari, members submitted a note of dissent.

6. The Committee, then authorised the Chairman to finalise the Report after getting it factually verified from the concerned Ministry and present the same to the Houses of Parliament.

*The Committee then adjourned to meet again at 1400 hrs.  
on Tuesday, the 5th January, 1999.*