

LAND POOLING POLICY

DECODING DELHI'S LAND POOLING POLICY

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About 60 lakh people are expected to be added to Delhi's population by 2021. Thus, the city requires adequate infrastructure to support about 80 lakh people to cover the existing deficit.

This requires the development of about 50,000–60,000 acre of land and a strong financial commitment from the government. Direct acquisition of large tracts of land may not be feasible due to the ever-increasing land prices. Landowners have anyway challenged direct acquisition of land by the Govt. due to less transparency in the process and unfair compensation.



To address these concerns, DDA recently introduced the Land Pooling Policy to facilitate fast and efficient development. The policy is aided by incentives such as high floor area ratio (FAR) and a single window mechanism.

DDA and the government have restricted themselves to being just facilitators and are promoting public-private partnership for the development of urban infrastructure in Delhi. The new land pooling policy is expected to result in the availability of at least 40,000 acre of new land.

Such large-scale development is expected to make Delhi a major property market in the entire NCR region. Developers have already acquired about 20,000 acres of land in outer Delhi areas and are now preparing development plans.

MASTER PLAN DELHI-2021

The Delhi Development Authority (DDA) was established in 1957 to accommodate a growing population, provide adequate infrastructure and oversee planned development in Delhi. In 1962, the first 20-year Master Plan for Delhi was introduced. Thereafter, it was modified extensively to cover the period up to 2001 (MPD-2001 under which Dwarka and Rohini were developed). Currently, the development of Delhi is being governed by the Master Plan 2021 (MPD-2021).

LAND POOLING POLICY

Notified on 5TH Sept 2013 via Gazette No. SO1234, Land Pooling Policy aims to prevent acquisition of land without the owner's consent. In land pooling policy, DDA has enabled developers to directly acquire land from farmers or landowners through partnership instead of forceful acquisition.

Under this policy, land owners (farmers/developers/societies/private entities/etc.) can surrender their land holding into the central pool and become a stakeholder to the development proposed on their land. Once the

land is pooled, the land owner would get back either 48 % or 60% of the total land surrendered within a time bound period (according to the regulations defined in Land Pooling Policy issued by DDA) as developable land and the rest would be retained with DDA for creation of infrastructure and shall be monetized for specific purposes.

For once, the disputes on undervaluation of land for acquisition would be removed and the process would seem fair to every land owner, irrespective of the size of their land holding.

The detailed report on the DDA land pooling policy has been prepared by KPMG, a copy attached herewith as **Annexure 1**.

IMPLICATIONS OF LAND POOLING POLICY (LPP)

As per the land pooling policy dated 05 Sept 2013, extracts attached herewith as **Annexure 2**, the agriculture land parcels owned by land owners/developers will be taken over by DDA and in return DDA will allot a developed plot to the land owner/developer nearly half in size within a time bound manner. The plot returned will be in near vicinity of the original land taken over by DDA and in the residential areas of the Zone already earmarked by the Govt. on which group housing projects can be executed by the developer. DDA has listed out the areas where this policy will be applicable and accordingly hiked the circle rates of such areas to manifolds.

NEED FOR LAND POOLING POLICY (LPP)

Delhi implemented its first land policy in 1961. However, in recent years, the need for a new policy was felt to provide for increasing demand for urban infrastructure and address issues such as transparency in acquisition and assessing the fair market value of land. Further, with significant increase in prices of land, it is financially difficult for DDA to go for a large scale land acquisition. Therefore, a new land policy was introduced in Sept 2013 to protect the interests of all stakeholders, namely landowners and development authorities.

GOVT. CHARGING EXTRA STAMP DUTY FOR LAND POOLING AREAS

The Circle rates of agriculture land till 04 August 2015 were Rs 53 Lakhs per acre. The Govt. has now, vide the notification dated 04 August 2015, a copy is attached below, has increased the minimum rates of land for the purpose of chargeability of stamp duty from 53 Lakhs per acre to Rs 3.5 Crores per acre in the areas selected for Land Pooling in South West District of Delhi. With this hike, the minimum stamp duty per acre (@ 7 % of the total cost) for land pooling areas has been hiked from 3.71 Lakhs per acre to 24.5 Lakhs per acre for land pooling areas. For other agriculture land in the same district where land pooling is not applicable, the circle rate has been hiked from 53 lakhs per acre to only 1.5 Crores per acre.

By hiking the circle rate from 53 lakhs to 3.5 crores per acre for land pooling areas in South West District (L Zone), the Govt. has guaranteed that the Land in these areas will be used for Land Pooling because increasing circle rates imposes additional financial implications on the land buyers buying land in Land Pooling areas.

An extra Rs 20.79 Lakhs per Acre is being charged from land buyers in the areas where land pooling policy is applicable. The land of Rakshit, as shown in the Appendix attached, is also included in these areas of hiked Circle Rates.

1. Circle Rates for agricultural land (per acre): **Rs. 1.5 Crores**

2. Circle Rates for agricultural land falling in villages where Land Pooling Policy is applicable (per acre): **Rs. 3.5 Crores**

(TO BE PUBLISHED IN PART-IV OF THE DELHI GAZETTE EXTRAORDINARY)
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
REVENUE DEPARTMENT, 5, SHAM NATH MARG, DELHI.

No F.1(953)/Regn. Br./Div.Com./HQ/2014/191

Dated the 4th August, 2015

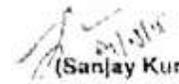
NOTIFICATION

No F.1(953)/Regn. Br./Div.Com./HQ/2014 - In exercise of the powers conferred by sub-section (3) of section 27 the Indian Stamp Act, 1899 (2 of 1899) and rule 4 of the Delhi Stamp (Prevention of Under-valuation of Instruments) Rules, 2007, read with the Ministry of Home Affairs, Govt of India Notification No. S.O. 1726 (No. F. 215/61 Jud-II) dated the 22nd July, 1961 and in supersession of this Department's notification No. F.1(177)/Regn.Br./Div.Com./07/254-279 dated 14.03.2008, the Lt. Governor of the National Capital Territory of Delhi, hereby revises and notifies the minimum rates for the purposes of chargeability of stamp duty on the instruments related to sale/transfer of agricultural land under the provisions of the said Act, as per details given below:-

Sl No.	District	Rates for agricultural land (Rs. Per acre)	Rates for the agricultural land falling in villages where Land Pooling Policy is applicable (Rs. Per acre)
1.	East	1 crore	2.25 crore
2.	North-East	1 crore	2.25 crore
3.	Shahdara	1 crore	2.25 crore
4.	North	1.25 crore	3.0 crore
5.	North West	1.25 crore	3.0 crore
6.	West	1.25 crore	3.0 crore
7.	South West	1.50 crore	3.5 crore
8.	South	1.50 crore	3.5 crore
9.	South-East	1.50 crore	3.5 crore
10.	New Delhi	1.50 crore	3.5 crore
11.	Central	1.25 crore	3.0 crore

These revised rates shall come into force with immediate effect.

By order and in the name of the
Lt. Governor of the National Capital Territory of Delhi,


(Sanjay Kumar)
IAS

Spl. Inspector General (Registration)

No F.1(953)/Regn. Br./Div.Com./HQ/2014/

Dated

Copy to:

1. Secretary to Lt. Governor, Delhi
2. Secretary to Chief Minister, Govt. of NCT of Delhi
3. Secretary to Dy. Chief Minister/ Minister of Revenue, GNCT of Delhi

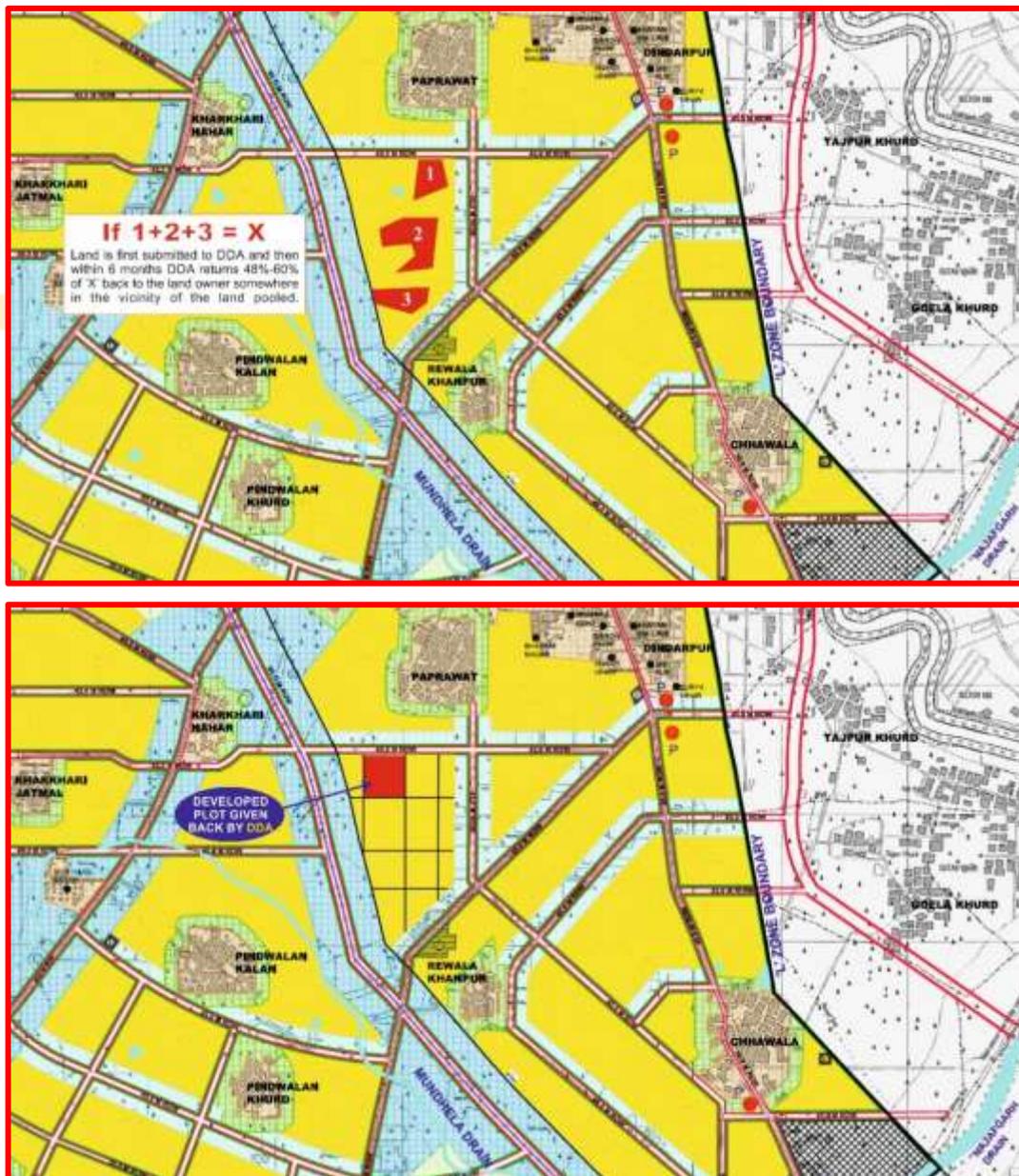
IMPLEMENTATION OF LAND POOLING POLICY IN OTHER STATES

India has successfully implemented the land pooling policy in several states. For instance, Maharashtra, Gujarat, Tamil Nadu, Punjab and Kerala have followed Land Pooling Policy instead of the Land Acquisition Act to develop townships.

Delhi implemented its first land policy in 1961. However, in recent years, the need for a new policy was felt to provide for increasing demand for urban infrastructure and address issues such as transparency in acquisition and assessing the fair market value of land. Further, with significant increase in prices of land, it is financially difficult for DDA to go for a large scale land acquisition.

Therefore, a new land policy was introduced recently to protect the interests of all stakeholders, namely landowners, development authorities, society and private players.

The concept of Land Pooling Policy has been briefly explained diagrammatically below:



INVESTMENT GROWTH

WHY INVEST IN L ZONE, DELHI ?

With the influx of supply of housing units in Delhi after the implementation of land pooling policy, Delhi will certainly become a more preferred address in comparison to satellite towns such as Noida and Gurgaon. Being the national capital, infrastructure development around green field projects will be faster and better here than its neighbours. The increase in supply may rationalize property prices in the entire NCR and make areas under Master Plan Delhi-2021 (Land Pooling areas i.e. L, N, P Zone) affordable and more attractive to investors.

WHAT WOULD HAPPEN TO PLACES LIKE GURGAON AND NOIDA ? WOULD PEOPLE EVEN THINK OF INVESTING IN AREAS OTHER THAN DELHI WHEN THE SUPPLY KICKS IN DELHI ITSELF ?

Kushagr Ansal, Director, Ansal Housing, says, "This is one of the better news which has come out in the sector recently taking into account the dampened market. The Delhi NCR realty market will get an enormous boost from the move. This will immensely promote the development of the regions in the outskirts of Delhi. The only other impact can be a rise in competition and due to all these reasons, the prices will definitely come down specially in the places like Gurgaon, Noida and Ghaziabad."

NDTV News of 5th Nov, 2015, says, "If you are planning to buy accommodation in Delhi or want to invest in property, now is the right time...."

.... The projects come under the land pooling policy which has already been notified. With this affordable housing policy, buyers can get a home in Delhi at the same price as in NCR towns like Noida, Gurgaon and Ghaziabad....

.... There are number of developers and group housing societies which have launched projects under the land pooling policy and offer very lucrative schemes to the customers....

MoneyMantra.com says "With rise in supply of land in Delhi, property rates in NCR may go down upto some extent. At the very least, prices of properties would not rise as fast as they increased during last few years."

PRIME LOCATION OF RAKSHIT LAND IN LAND POOLING AREAS

Our Land is located in the most prime areas that are coming under Land Pooling Policy and also very close to Dwarka and IGI Airport. Once land pooling is operationalised, the company will surrender land to DDA and in return will get a developable plot on which our exclusive housing project will be constructed.

SECURITY OF INVESTING WITH RAKSHIT

Once the participants have paid their full Floor Space Index (FSI) Cost, the company awards them a certificate that the land for the FSI for which they have paid the money for is available with the company as per the Land Pooling Policy.

CONCLUSION

Until recently, only DDA had a stronghold over urban infrastructure. However, opening the domain to the private sector is a significant step toward changing the way it is managed. In the future, we expect private sector participation to increase significantly in the development of Indian cities.

Land acquisition is among the most important issue being faced by Delhi to develop urban infrastructure. We believe that the recent land pooling policy is a welcome step toward addressing this issue and expediting the development of urban infrastructure. In addition to allowing private participation, the land pooling policy also includes promising features such as tradable FAR and single window clearance mechanism.

“The addition of this huge new supply may help keep a check on the property prices in Delhi and surrounding region such as Gurgaon, Noida, Ghaziabad and Faridabad over medium term.”

-Extract from ‘KPMG Report’ on Land Pooling Policy

“House prices across the National Capital Region (NCR) are likely to fall by 15-20 per cent over the next couple of years, after the government on Tuesday cleared the decks for land pooling in the outskirts of Delhi.”

-Extract of Business Standard News of 28th May, 2015

P.T.O.

ANNEXURES

- 1) **ANNEXURE 1:** [KPMG Report on Land Pooling Policy](#)
- 2) **ANNEXURE 2:** [Land Pooling Policy Gazette by Govt. of India](#)
- 3) **ANNEXURE 3:** [Draft Regulations for Operationalisation of Land Pooling Policy](#)

APPENDIX

LOCATION ADVANTAGE OF RAKSHIT LAND

- Land in close proximity to 80m Proposed Expressway (UER 1)
- Land in close proximity to 100m Expressway (UER 2)
- 5 Min drive to 2nd Diplomatic Enclave in Dwarka
- 3 Min drive to upcoming DDA Golf Course & Football Stadium
- 3 Min from upcoming Dwarka Gurgaon Expressway
- 10 Min drive to IGI Airport
- Very close proximity to proposed Metro Line

