



# Ceiling Limit a Potential Instrument of Urban Change-A Descriptive Study on the Series of Amendments in the Development of Bangalore City

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## Abstract

This paper will discuss on land acquisition based on Urban land laws, whether the recognized agent have been effective in administering the ceiling limit. With erratic growth of the city, how has the administrative policy been efficient in managing the demand for land. Whether the amendments are in series, whether the authority has allocated the right space for the right users. With this query the paper discusses the Urban land Acts in the city and series of changes is glimpse upon.

**Keywords:** Land policy, Urban ceiling act.

## Contents


1. Introduction .....	12
2. Methodology .....	12
4. Analysis and Discussion .....	12
5. Discussion .....	14
6. Conclusion .....	15
References .....	15

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## **1. Introduction**

Bangalore Land Policy and City principles lay emphasis on in Urban laws. Bangalore is the capital city of Karnataka and Land Acquisition Act formulated at all India level, also apply to Karnataka state. Hence, Bangalore also follows the approach of Land Acquisition Act of 1894. Along with this Urban Land acquisition, certain development Scheme oriented to Urban Land came into enforcement from October 1959. This came into force for granting of loan to state government in categorize and go for bulky; land acquisition. Urban land Ceiling and Regulation Act is one such guiding law with respect to concentration of urban property. The governmental response to this, is then to decide prices on a no-profit no-loss basis and differentiation between locations is administratively difficult-specially in the case where the buyer has little preference; in the location land allocated. The inefficiencies resulting from the process of the urban land ceilings are quite similar to the assumption is that the public authority knows well, the desirable allocation for land use. The aim of equity is also not served well by such a regulation. Competence of huge level public participation in the process of land acquisition and allocation is a must. Therefore, under such a situation Bangalore city, in symbiotic relationship between urban planning, the urban land and Housing market works more effectively, as the city moves on in a dynamic way. The aim of land policy is to curb price rise through the market. This can really be regarded as an exercise which pushes the supply curve. With the constant tendency of the supply curve of land pushed up, with the fast growth of urban population, the test of land policy is to push it down.

### **1.1. Objectives**

- To understand the overall urban land acts in the city
- To discuss the series of set of laws and improvements in regulations of Urban Land Act

## **2. Methodology**

Study has used simple descriptive analysis referring to comprehensive reports and reviews collected from previous researchers.

## **3. Problem**

In the case of rural land it is moderately easy to designate standard acres like imposition of land ceilings in relation with the productivity of land, but it is difficult to do so with urban land. With city getting prematurely large in area, there is high costs have to be incurred by citizens. Customary policy is to provide the land at cost plus rates to the users who are regarded as deserving in some sense, whether they are public institutions, housing cooperatives or the poor and to auction the rest for the remaining users. Once very large tracts of land are acquired there is no rational way in which prices at different locations can be decided.

## **4. Analysis and Discussion**

To begin with analysis in a sequential manner, the researcher has reviewed the laws and as well discussion is referred immediately. To begin with first act is act of 1894.

### **4.1. Land Acquisition Act of 1894<sup>1</sup>**

This Act can be defined as any land that includes benefit to arise out of land and things attached to the earth or permanently fastened. The powers entrusted with the land all those officers are District collector, Town and country planning, Deputy commissioner, corporation, State government and co-operative society are duly entrusted to implement the act and carry out the functions. There are eight broad classification under which each part in the classification explains the way any additional asset that is created out of natural resource namely land, especially for urban utilization the procedures and formalities has to be negotiated based on the different sections explained as follows. The first part is the preliminary section of the document reveals about the title and commencement of land. It is based on survey conducted and exploration of agricultural land and incase if, the owner is ready to make asset out of his property other than seasonal production if, he is willing to surrender. Section two, explains about the acquisition of land and preliminary investigation. That is powers of officers and payment transactions like damage payment. Along with this in the same section the law underlines about the publication of preliminary notice in order to hear the objections for the acquisition. Here, the Collector is in charge to take over the acquisition. Thereafter, the act underlines for marking measurement and planning for public purpose. Here announcement and notification is made in order to know the names and interests of persons. In the third part of the document the collector makes statement to court for award and compensation in case if, there is objection. Here once the court analysis the cost and awards it re-determines the award and compensation exactly. The fourth part of the document, the act specifies for apportionment and dispute for apportionment is finalized. In part five of the document the act specifies that once dispute and apportionment is finalized then payment of compensation via court is passed. And in case if the individual does not alienate money is deposited in other cases and interest is remitted for the same. Sixth part of the document emphasizes on the temporary occupation of land and solution for the same. The officer in charge the Magistrate to enter and find the difference for compensation. Part seven of the legal document specifies in case land is required for industrial purpose then the case could be well handled in consultation with the previous government enquire and publish for agreement. However, section 39 and 42 does not apply for government land industries. For others restricted based on transfer and purpose. Part eight of the document act indicates on the service caution notice with the direction given to magistrate enforcement for surrender and code of rules to be modified.

This Act of Land acquisition is followed in Karnataka State and the land acquisition department and the Town and Country Planning officials confirmed that act has been applied and the procedures are followed as underlined in

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<sup>1</sup>Government of India, (n.d).

the Act. An element of economic cost is taken into account, usually to confer considerable savings is taken into account.

Procedures in publishing the preliminary and final notifications with Karnataka amendments in Land Acquisition is similar, to the one that is done in neighboring states like Andhra Pradesh, Karnataka and Kerala that are published in daily newspapers. In order to make aware and understand to public the gist of notification is published in regional language as well in official Gazette. The amended act was developed and published in the year 1991.

Amendment section 4 of the Land Acquisition Act, 1894 that substituted was, land in any locality is needed for any public purpose or for a company, a notification stating the purposes, its survey number, if any, and its approximate area shall be published in the Official Gazette and in two daily newspapers circulating in that locality of which at least one shall be in the regional language. The Deputy Commissioner may issue a copy of such notification to the owner, the occupier of the land.

The notification published in the official Gazette shall contain clearly, the description of the land by its boundaries, 'convenient places' includes location of in a village and the Panchayat office within whose jurisdiction the land lies.

Amendment section 6 declaration states the district in which the land is situated, the purposes for which it is needed, its approximate area and survey number if, any and where a plan shall have been made of the land, place where such plan may be inspected.

## **4.2. Discussion**

The above mentioned amendments were discussed with respect to publication and cause notice that is announced in local newspapers. This is the change introduced while rest of the parts and Paras remains the same. The main reason for this is in order to have proof of evidence through public announcement and also to know the interest of the person hearing and as well to minimize the litigation problem.

The [Gupta R G Urban Ceiling Act \(1976\)](#)<sup>2</sup>: this Act is meant to prevent concentration of urban property in the hands of few persons to bring socialization of urban land and to discourage construction of luxurious buildings/houses. The act is applicable to all the urban land, irrespective of land use, viz-residential, industrial, commercial, institutional. Amendment based on section 6,10,11 and 23 were made, like persons holding vacant land in excess of ceiling limit to file statement exempted, after excluding the two categories, except residential as shown in the approved plan of a city, excess land should vest with the government automatically, subject to the payment of compensation, without going into other formalities. Changes in section 11 imposed a payment amount of Rs.10/- per sq.mt for vacant land gained. Although this interest payment is too low, however the amount of compensation is related to the time when it is paid, invested land in excess with a normal rate of interest. Section-23 made a provision for allotment of excess land to any person for any purpose related to business trade.

## **4.3. Land acquisition and Development Scheme**

Based on government orders for the grant of loans to state governments for bulk acquisition and development of land for house building and connected purpose came into enforcement on 20<sup>th</sup> October, 1959.

- Financial assistance under the scheme will be provided to the state governments in the shape of loans with a rate of interest of 4% per annum, to be repayable in 10 annual equated installments, with a moratorium period of five years.
- While making allotment, preference would be given to those who are eligible for aid and under the various housing and slum clearance schemes in the order of priority like, slum clearance scheme, subsidized industrial housing scheme, low income group housing scheme, middle income group housing scheme and rental housing scheme for state govt. employees.
- Decided plots intended for commercial or commercial-cum-residential purposes shall be sold by public auction or open tender except for the above five categories. Other plots are disposed on the pattern as the state government may think (discretion) it is appropriate.
- The state government shall, however, ensure that there is no loss to the project and the entire profit gained by the sale of land for commercial purposes and to persons in higher income groups, would be used for the purpose of reducing the price of land to be utilized for public housing for people falling in the group of LIG and below.
- Other conditions that apply would be that, not more than one plot to an individual, the land would be given on leasehold basis, building should come up within a reasonable period, avoid speculation inland, prohibit misuse of the land, prevent the transfer or resale of plot/house to persons not eligible for the benefits of the scheme.
- The government of India modified the scheme of large scale acquisition, development and disposal on 18.07.67. The scope of the scheme was enlarged to the following extent for flatted factories, to single-storied sheds for group industries, ware-houses, for bus terminals, parking sites for idle trucks, development of districts, community, local and convenient shopping centers, construction of special markets, as cycle market vegetable market.
- The scope of "Large scale Acquisition, Development and Disposal of land" was further enhanced Government order dated 18<sup>th</sup> December 1969, for the implementation of the master plan and the zonal plans.
- The Ministry of works and Housing further modified the scheme, its order dated 5<sup>th</sup> February, 1970, to the extent as given under, allotment of residential plots to persons belonging to Low Income Groups and Middle Income Groups with a decision on size of plots, income category and reservation of plots for members of parliament, councilors of metropolitan council, salaried classes, scheduled castes/tribes etc., registration of

<sup>2</sup> [Gupta R G Urban Ceiling Act \(1976\)](#).

new co-operative house building societies on group housing pattern, allotment of land to owners and tenants of properties in areas which have been declared as clearance areas under the Slum Areas Improvements & Clearance Act, realization of premium/price of plots in installments according to the stage of development.

#### 4.4. Discussion

As underlined by law it can be inferred that there has been violation with respect to holdings of land and as well in the number of owners of plots in a family. There is no doubt the city has been following the above mentioned norms modified in the year 1969 and as well in 1970. However in the year 1976 when the city was administered and planned by City Improvement Trust Board, the Urban Ceiling Act was imbibed and as well there has been fair distribution of land to all those demanded for various activities. But however, subsequently this Ceiling Act of 1976 has been amended and is not followed for the past twelve years. The reason is many private players/marketers have come into, utilization of land with limited space more of vertical rise is of high demand and relaxation in city rules of raising many floors in order to cater to the need of demanding population.

Gupta (1992)<sup>3</sup> based on reference of India's urban population of about 160 millions, total population, lives on 11.2 million acres (4.53 million hectares) of urban land, representing a meager 1.5 percent of the country's total land. Nearly a fourth of the urban population is estimated to be living in substandard conditions. While details of land supply mechanisms constituting this section of the population are not forthcoming, a large percentage is made available through squatting and illegal land subdivisions, particularly do in metropolitan cities which account for the third of the urban population. He has taken references and highlighted the recommendations made by various five year plans and (CULP) Committee on Urban Land Policy. Various Plans suggested taxation measures to make land hoarding unprofitable. Thereby, to curb speculations, public intervention in acquisition and development for housing and other purposes as a solution to generally rising land prices. As a means of making available adequate land, at the right time and at right location. And finally stated that balanced development within and between urban areas as the broad objective of urban planning and land policy. It is noted that rising land prices were a result of speculation and of the generally increasing demand for urban land in response to pressures of population and economic growth. From the empirical study conducted the researcher, has found that it is obvious in the city of Bangalore, with limited supply and concentration of too many activities within limited geographical location has pushed up the price and has ended with limited land supply. Was recommendation of ULP been able to solve on issues on land policy that met during 1965! Query moves ahead to find the suggestion about the act.

#### 4.5. Recommendations of Committee on Urban Land Policy, 1965

The CULP emphasized the need for a long range urban land policy and noted that the "blueprint of land policy must cover a series of coordinated legal, administrative, financial and planning measures" It reaffirmed the social objectives of a land policy as spelt out by the (TCPO) Town and Country Planning of 1961 as: i) To achieve an optimum social use of land, ii) To make available land in adequate quantity at the right time and at reasonable prices for public agencies and individuals iii) To encourage cooperative community efforts and bonafide individual builders iv) To prevent concentration of land ownership in a few hands and safeguards the interests of weaker sections. It went on to distinguish urban land into five categories, *developed urban land within city limits, undeveloped urban land within city limits, land within urban limits, land beyond urban limits and land whose use is frozen for green belt or agricultural purposes*. One of the first central schemes incorporated was the Integrated Urban Development Programme (IUDP) for cities and areas of national importance operating during 1974-79. Loans were given in the form of seed capital for land acquisition, development and disposal.

The scheme was implemented with varying degrees of success but the land acquired was not substantial due to land acquisition delays and organizational problems and much of the allotted land remained vacant Kirtee (1982)<sup>4</sup> in his critical analysis "In defense of the Urban Ceiling Act" believes that the urban land ceiling act has been a major disappointment and that the objectives it was meant to serve have not been realized. Despite all its imperfections and present-day failures the act has the potential to correct many imbalances, irrationalities and contradictions in the social and economic systems which, among other things shape growing cities.

During the past fifty years when this recommendation was enacted the urban land ceiling act, despite its immediate failure and limitations is farsighted. Significant social legislation when implemented vigorously and imaginatively after necessary modifications definitely changes will have the potential to become a major instrument of urban change.

#### 5. Discussion

It is clear that Urban ceiling Act has been able to do justice in its implementation and in its allocation distribution based on land Act of 1894, but with respect to ceiling, the city has not been able to follow the rules. It is all because of high density and existence of dual market for the natural resource for land. It is also observed that with high migration and floating population control has become erratic. Non-availability of communication centres due to high spiraling speculation. There is larger scope for open market negotiation of transaction for land from outside boundaries.

Regulations formulated on site by Bangalore Development Authority Comprehensive Development Plan (1995)<sup>5</sup> Restrictions and rules of the development Authority in the allotment of Site Rules 1984 of Bangalore Development Authority (BDA) has been amended and the Government of Karnataka has brought back the Lease-cum-Sale method. Though Lease-cum-Sale method was in trend for many years, the relevant rule (Rule no 7) was

<sup>3</sup> Gupta, R.C. (1992).

<sup>4</sup> Kirtee, S. (1982).

<sup>5</sup> Bangalore Development Authority Comprehensive Development Plan, (1995).

omitted in the notification dated 23-10-2000. But, the State Government in notification dated 27-4-2005 has reintroduced the Rule No 7.

For administrative justice administration ensures through Lease-cum-Sale method the allottees do not misuse the site and sell it to make quick money. In this case the allottee will not get absolute ownership of the site within short duration. He will enter into Lease-cum-Sale agreement with the BDA and for certain period, he will only be a lessee of the BDA and does not have the authority to sell the property. Further, he has to construct a house as per the approved plan in the allotted site within specified period. Only after the lapse of lease period and on fulfilling the conditions like construction of house, BDA will execute absolute sale deed in favor of allottee. However, the user is entitled to avail housing, was omitted for the purpose of construction of house building.

As stated earlier, this method was omitted from 23-10-2000 and BDA was executing the absolute sale deed to the allottee immediately after the full payment made. This has reduced the work load procedure of administrative office and the allotted has an asset to fall back in case of necessity and emergency. This was due to acquisition of land and difficulties in legal procedures that caused inconvenience and therefore to simplify the procedures changes were made in a discretionary manner.

Misuse is abolition of lease-cum-sale which was done to help the public as land was misused. Though, the site allotment rules prohibits anyone who owns a site or a house from applying for allotment, in case if, already possessed, many landlords, middlemen, and real estate agents started applying for sites through proxy candidates by suppressing the facts. There are many people, slum dwellers who sign the own sign as applications for some money. As soon as the allotment was done, the sites were sold at the prevailing market price making huge profits. This in way contributed to price spiral apart from defeating the very purpose and social cause.

Reintroduction is to avoid this blatant misuse of development, agent sites, lease-cum-sale was re-introduced by government notification dated 27-4-2005. The reintroduced rule (rule 7) reads as follows:

Rule no. 7 indicates the site allotted under the rules shall be deemed to have been leased to the allotted on lease, unless the lease is determined or sites is conveyed in the name of the allotted in accordance with these rules. During the period of lease, the allotted shall pay to the authority before commencement of each year, rent at the rate of Rs 5 per annum, where the area of the sites does not exceed two hundred square meters, Rs 10 per annum where the area of the site exceeds two hundred square meters, but does not exceed five hundred square meters, and Rs 20 per annum, where the area of the site exceeds five hundred square meters. The procedure is as follows: after the payment of the value of site, the authority invites the allottee to execute lease-cum-sale deed in the prescribed form within 60 days which will be registered in the register office. The allottee will be put in possession of the site. The lease-cum-sale agreement contains various conditions like restriction or alienation of property, time-limit to construct house, ground rent payable. The allottee shall construct a building as per the plan approved by the authority within a period of five year from date of agreement.

The authority may extend this period at the request of the allottee. If the allottee fails to complete the construction of house within five years of permitted period, the lease will be cancelled. The authority forfeits 12.5 per cent of the value of the site paid and refunds the balance amount to the allottee. After the expiry of 10 years of agreed lease period, the authority calls upon allottee to get the absolute sale deed executed and registered and provide that the lease has not been cancelled earlier. Though absolute legal title has not passed to the allottee during the lease period, he shall pay taxes, fees, cess payable on the site or building.

Restrictions is imposed on the allotted, site cannot be sold within a period of 10 years from the date of possession. However, the site may be mortgaged in favor of central/state government, financial, institutions to secure loan for construction of building. If the site is sold within a lease period of 10 years, the authority after due notice may cancel the allotment, resume the site and forfeit the amount paid. Surrender of site is if the allottee opts to surrender the site during the lease period for reasons beyond his control like insolvency etc., the authority with the previous government, will compensate the allottees as follows-In case of surrender of vacant site without building, the authority shall pay value of site paid by the allottee together with interest at the rate of 12 per cent per annum. If the building is constructed on the site, the authority shall permit the allottee to sell the property provided he pays interest at 12 per cent per annum to the authority on the value of the site paid.

Complications of title of course, the re-introduction of lease-cum-sale for administrative agency allotted sites is a right thing for the genuine end users. However, looking at the modus operandi of the allottees, they will try to sell the properties by way of GPA / Agreement / Affidavits / Undertaking etc., this has lead to complication of title and delay in administrative process.

## **6. Conclusion**

Urban Land Laws have been followed with respect to land acquisition but ceiling on land has been withdrawn and administration have not been able to manage the domination of demand and as well in determining the limit. The city has become sporadic that it has started growing in its way with changes made in the administration policy during 2000. More domination with respect to private realtors has forced to enter into city, where the city has reached the saturation of further development and as Tier I city among all major metros the utilization for various purposes has exhausted and the need for moving away to Tier II and Tier III is the target of the City. Hence many reputed private realtors have started to enter in order to make the city to look wider in its perspective and as well continue the process of growth in a different manner.

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