

## ANDHRA PRADESH CHIEF MINISTER CHANDRABABU NAIDU STIRS UP A STORM WITH NEW LANDING POOL MODEL

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[http://articles.economictimes.indiatimes.com/2015-01-06/news/57748183\\_1\\_land-pooling-model-capital-region-land-prices](http://articles.economictimes.indiatimes.com/2015-01-06/news/57748183_1_land-pooling-model-capital-region-land-prices)

The government has opted for an ordinance to change the Land Acquisition Act. But down South, Andhra Pradesh CM Chandrababu Naidu is crafting a new land pooling model, claiming it is better than the Central framework for land acquisition. CR Sukumar and Raji Reddy Kesireddy find out how the experiment is unfolding:



Forty-five-year-old marginal farmer Kolli Narendra is yet to come to terms with how his fortunes have changed over the past few months. Many of his relatives in faraway villages, he suspects, even envy that he is a paper 'crorepati' as a result of the fact that he owns a two-acre plot of land in Thullur village on the Krishna riverfront where a brand new capital city is being planned.

His fate changed after Telangana was carved out of Andhra Pradesh in June 2014, leaving the residual state without a capital. When chief minister Chandrababu Naidu and his team searched for a new headquarters, Narendra was fortunate to be in the right place at the right time — Thullur, with some 3,600 acres in its revenue limits, is among those 29 villages that the team identified for building a greenfield capital about 270 km southeast of Hyderabad.

After identifying the boundaries of the capital region which would span at least 30,000 acres initially, Naidu toured several capital cities that were built over the past few decades — Chandigarh, Gandhinagar and Naya Raipur.

He even went to Singapore and managed to secure the Singapore government's assurance for designing the master plan for the proposed capital, which is yet to be named. He has also sought at least Rs 1 lakh crore of assistance from the central government for building the capital city. This was more than enough for igniting the realty market sentiment and for land prices to skyrocket multi-fold in the villages on the Krishna riverfront.

As against some Rs 15 lakh an acre before June 2014, Narendra is now seeing each acre fetching nothing less than Rs 1 crore in most villages in and around the proposed capital region.

Hundreds of farmers on the Krishna riverfront have sold portions of land in the capital region at high prices and their lifestyles have changed dramatically. Many new-generation private sector banks, jewellery and automobile firms and even eateries have opened their shops over the past few weeks, mostly in makeshift forms as they seek to cater to the changed aspirations of the farmers-turned-highnetworth individuals.

Narendra himself spotted a business opportunity and is now a real estate agent like many in the region. "This should help our future generations enjoy comfortable lives," said Narendra, watching the beeline of luxury cars on the riverfront, some of them acquired by his fellow villagers from the proceeds of land sales.

Chief Minister Naidu has announced a land pooling model, claiming it will protect the interests of landowners and residents. Under this model, land parcels would be pooled from owners through a voluntary process with no immediate cash payment to them.

The designated agency of Capital Region Development Authority (CRDA) would develop and hand over a portion of the developed land with infrastructure to the landowners in proportion to their land contribution. Half of the land procured from landowners will be used for common assets like roads, open spaces and social infrastructure. The other half will be shared equally between the landowners and government.

The landowners would be exempted from payment of stamp duty, registration fee and other charges for the developed portion of land. In its share of land, the government proposes to build world-class infrastructure and common amenities including the capital complex within three years. The government proposes to develop the capital in six zones of 800 acre each and hand over the developed land share to the landowners in the zone his land was originally pooled.

A section of farmers' bodies, civil society organisations and opposition parties allege blatant violations by the Naidu government of laws enacted by Parliament to ensure protection and safeguards to landowners and multi-crop farmers.

They fault Naidu's decision to choose an area with fertile multi-crop agricultural lands for the capital. Some advised the government to look at building an administrative capital on government and forest lands. They also accuse the government of ducking the mandatory studies including the social impact assessment before finalising the location for the proposed capital.

Countering this, Naidu insists that the Vijayawada-Guntur-Tenali-Mangalagiri (VGTM) area between Vijayawada and Guntur is most suitable for the proposed capital city since it is centrally located with road, rail and airport connectivity. "Forest and remote areas are not suitable to build a socially vibrant and liveable world-class capital city," he told ET in an interaction on December 5.