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Pro farmer, pro industry land acquisition act

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TOP TAX SYSTEM

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Pro farmer, pro
industry

Land

acquisition

act

by Varma



Pro farmer, pro industry land acquisition act

Varma suggests a new land acquisition act which is pro farmer, pro industry and pro development, and which leads to faster economic growth.

My suggestions for new land acquisition act consist of 6 segments

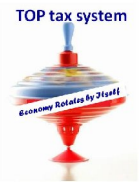
1. Land acquisition
2. Categorisation of Land allotment
3. Time table for completion of projects
4. Compensation
5. Rehabilitation
6. Land management

Before you read the suggestions for pro farmer, pro development land acquisition act here is the brief description of the fallout of the old act.

1] The horrors of archaic and anarchic British period land acquisition act

Since independence lakhs and lakhs of acres of agriculture land have been forcibly acquired for various purposes from the farmers and tribal people by successive state governments and Central government without giving them sufficient compensation and rehabilitation; destroying the livelihood of millions of those farmers, tribals and farm workers; displacing them from their habitats and forcibly making them migrate to other places in search of livelihood. The grief, sorrow and trauma suffered by these people is insurmountable and unparalleled in the history of human civilization and it is the biggest damage inflicted on them by the so called democratic leaders produced by the modern democracy in the name of development meant for the selected few. In the process the first generation contractors, the industrialists and political leaders of free India have helped themselves transform from millionaires to billionaires. Some of them got rakings in the Forbes magazine. But the status of the farmers remains the same all these years without any visible improvement in their lives. In fact the plight of farmers worsened further and the testimony to this fact is the ever increasing farm suicides every year and from every part of the country. The contractors, industrialist and businessmen are becoming the lawmakers and they are doing everything to protect and expand their empires and they are doing nothing to provide even basic services to the majority of the citizens.

The farmers won't get jobs in the industries which are built on their lands, they won't get corporate medical treatment in the hospital that are built on their lands, they won't get subsidised power for their homes even if they lose their lands for power plants, they won't get concessions on tickets in railways and at toll gates on highways which are constructed on their lands, their children won't



get seats in the colleges and universities which are established on their lands. But the industrialists who got lands and the political leaders who helped them get the lands at cheap or nominal value are enjoying all concessions, tax write-offs, subsidies, one time settlements on loan defaults, special privileges and VIP treatments. The net result derived from the 58 years of rule in the world's largest democratic nation is such that the 99% of country's wealth has precipitated into the hands of the super rich who constitute just 1 % of the population.

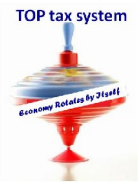
Since independence lakhs of acres have been acquired from farmers and handed over to the private industrialists and government companies on the platter for nothing while giving pittance to farmers. Only half of the acquired land has been fully utilized by these industrialist and government companies. As there were no strict stipulations on allottees either for proper and full utilization of the land or for the timely completion of the projects in the specific period of time, the industrialists used only small portions of acquired land and sat on the large portions of remaining land for longer period of time when the value of the land appreciated to higher level. They are converting these lands into real estate properties and earning huge profits. Here are a few examples how land acquisition has become farce and fraud on the farmers. For industrialists, acquiring land on the pretext of setting up industries is only to become landlords - the modern Zamindars. The industrialists and corporate houses are competing with each other, without any concrete plans, detailed project reports and more importantly sufficient funds, to acquire huge tracts of land far in excess of for what they actually need but only to sell later for huge profits.

A ray of hope for farmers came at last in the form of "The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013" which was passed and enacted into law in 2013.

The salient features of this farmer friendly act are

- 1] Prior consent from 80% of affected farmers is necessary for private companies
- 2] Prior consent from 70% of affected farmers is necessary for government and private PPP projects
- 3] The projects should be completed within 5 years of allotment of land and in case if the project is not started within 5 years of allotment the allotted land would be taken back and added to government land bank.
- 4] Social Impact Assessment- SIA is necessary before acquiring land which protects the interests of farm workers who depend on agriculture.

Farmers' joy, brought with the new act LARR to save their land from draconian Land Acquisition Act [LAA] 1894 of colonial rule, is short lived with the promulgation of the Land Acquisition Ordinance "The Right to Fair Compensation



and Transparency in Land Acquisition, Rehabilitation and Resettlement Act [Amendment] ordinance 2014” on December 31, 2014 by the present government. The new bill “The Right to The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement [Amendment] Bill 2015” passed by Lok Sabha with anti farmer amendments to the farmer friendly LARR act is even worse than the colonial Land Acquisition Act 1894.

This new act is inimical to the farmers’ interests as it 1] removes the requirement, established under the previous LARR – 2013, of 80% consent of affected farmers for acquiring land for private projects, 2] removes the requirement, established under the previous LARR– 2013, of 70% consent of affected farmers for acquiring land for government and private PPP projects, 3] removes the SIA which protects the livelihood of farm workers who depend on agriculture 4] increases the time period for completion of project works on the acquired land by industrialists from previous 5 years to 15 years.

What happened in the land acquisition process so far?

Lakhs of acres have been acquired forcibly from the farmers for industries, SEZs, infrastructure projects etc. But only small portion of this land was utilized out of the total acquired land so far.

I will give you some examples on how land is being acquired indiscriminately from poor farmers

I live in Visakhapatnam where 20,000 acres of land was acquired for the construction of steel plant in 1982. Since then 33 years have elapsed. Only half of that land was utilized till now with the remaining 10,000 acres of land still being vacant. Five years back 65 acres of high valued land [my estimation value of this land is about Rs 100 crores] has been allotted to one of the leading industrialist houses of India for the purpose of constructing hospital or research institute. But only boundary wall was completed during all these 5 years and apparently the actual work for the construction of the hospital/research institute has not yet begun as of this date.

Elsewhere in the same district thousands of acres have been acquired for SEZ in 2004. According to my information 15,000 acres of land is not utilized so far.

According to my knowledge, 27,000 acres of land has been acquired from poor farmers and fishermen in Prakasam and Guntur districts for VANPIC [Vadarevu, Nizampatnam Ports and Industrial Corridor] project. Not a single industry or project has come up or completed on this land. Instead of utilizing this already



acquired land for construction of new capital for Andhra Pradesh state, the present government is acquiring thousands of acres of three crops per year and highly fertile land in the Guntur district abutting Krishna River for construction of the new capital. At least 1,00,000 acres of high yielding agriculture land, known as the granary of Andhra Pradesh, will become into a concrete jungle in due course of time. Had the government selected the VANPIC lands for the construction of new capital the underdeveloped Prakasam district would have developed while saving the granary and greenery of the state.

A new airport in Vizianagaram district is being planned by the State government. For this new airport the government has initially proposed to acquire 15,000 acres of land and after wide resentment and dissent from farmers the required extent has been reduced to 6,000 acres.

No airport among the top 10 airports of the world was constructed on more than 4000 acres of land.

I will give you the details here

1. Singapore Changi airport – 3250 acres
2. Incheon Intl airport – 3500 acres
3. Munich airport – 3900 acres
4. Hong Kong Intl airport -3000 acres
5. Tokyo Intl airport – 2700 acres
6. Zurich airport – 2200 acres
7. Central Japan Intl – 2000 acres
8. London Heathrow – 3035 acres
9. Amsterdam Intl airport –
10. Beijing Intl airport – 3700 acres

I think this is the same situation in all states with the same story of acquiring lands and under utilising them later.

My suggestions for pro farmer, pro industry and pro development land acquisition act which includes 6 segments

1. Land acquisition
2. Categorisation of Land allotment
3. Time table for completion of projects
4. Compensation
5. Rehabilitation
6. Land management



1] Guidelines for acquiring lands

Land acquisition should be made into two categories

- 1] Lands needed at specific locations a] Defence b] sea ports c] barrages and irrigation canals d] roads e] railway lines f] space programs g] mining h] drinking water pipelines, sewer pipes, electrical poles/towers and transmission lines
- 2] Lands for not specific location projects – housing projects, industries, SEZs, air ports, industrial corridors, dams, hospitals, universities, colleges, schools, townships, new capitals, power projects etc.

1. Essential requirement for projects which need lands at specific locations. Lands can be acquired without any consent from the farmers only for the infrastructure projects which are absolutely necessary for the purposes like a] Defence b] sea ports c] barrages and irrigation canals d] roads e] railway lines f] space programs g] mining h] drinking water pipelines, sewer pipes, electrical poles/towers and transmission lines. These projects need land at specific locations

Land acquirement can be made compulsory without the farmers' consent for the infrastructure projects only under 7 categories mentioned above.

2. Lands for projects which do not need specific location. Lands for this category of projects can be acquired only with farmers' consent. Preference should be given first to barren, underutilized and government lands if they are available. Farmers assent should be made compulsory for acquiring lands for purposes other than the categories mentioned above. Consent of 80% of affected farmers in the land acquisition should be made compulsory for housing, industries, SEZs, air ports, industrial corridors, dams, hospitals, universities, colleges, schools, townships, new capitals, power projects etc.

3. 80 % of affected farmers, who have given consent, should own at least 70 % of total acquired land. This rule is absolutely necessary to prevent foul play by unscrupulous industrialists. To increase the consent percentage of affected farmers they buy a few acres in the proposed land acquisition area, divide into small units and register the land in the name of their benami.

4. Utmost care should be taken to avoid acquiring high fertile, irrigated and more than 2 crops per year lands. These types of lands can be acquired only when there is no available dry and rain fed land.

5. Government should take strong measures and prepare master plans for full utilization of already acquired lands for various government companies, institutions, railways, universities etc. Lakhs of acres of unutilized land are still available with those companies and institutions. The government should take steps first to fully utilize those vacant lands before resorting to land acquisition from farmers



6. Similarly lakhs of acres of unutilized lands are available at private companies, private institutions, organisations and trusts which acquired lands either on their own or from government. 2 years time can be given to them to utilize the land available with them. The government should acquire the unutilized lands from private companies, organisations, institutions and trusts before resorting to forcible land acquisition from farmers. “Protect the farmers and punish the land grabbers and land squatters” should be the policy of the central government.

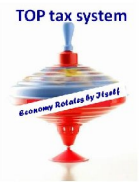
7. Urban land ceiling act should be enacted for acquiring lands in urban areas for the purpose of providing housing for poor and slum dwellers, for constructing vegetable markets, fruit markets, hospitals, shops for handloom weavers, tailors and rural artisans to sell their products; community halls, hostels for working women, public toilets, shelters for homeless and sewage treatment plants.

8. The government should stop black marketing of house sites/plots. The black marketing of vacant house plots has made the houses and flats very costlier and the prices reached the sky in cities and metropolitans. Half of the cost of the house/flat involves land cost. This high price of flats/houses is beyond the purchasing capacity of majority of people who live in cities.

9. Government should acquire vacant house/commercial plots in urban areas from individuals, companies, and business houses etc, who have more than 600 square yards of plots and which are lying vacant for more than 2 years from the date of purchase. Individuals, companies, and business houses can own vacant house/commercial plots up to 600 square yards for any period of time without constructing houses/apartment/commercial establishments. But they should not hold more than 600 square yards of vacant house/commercial plots in urban areas without constructing houses/apartment/commercial establishments for more than 2 years from the date of purchase. Note: - This 600 square yards limit should not be calculated from one plot and limited to one city only. This limit should be for the combined area for all plots the Individuals, companies, and business houses hold in the entire country.

10. If this new act is enacted then people/companies/business houses will either start selling the additional vacant plots over the limit of 600 square yards or start construction of new houses/apartments/commercial establishment on their vacant lands.

11. In the first case if they start selling vacant plots there will be lakhs of plots available nationwide for sale. This will result in falling of prices of house/commercial plots from sky level to ground level and within the buying capacity of middle class and low income group people. With falling prices of house sites the prices of flats/houses will also come down to half level from present level. This will also enable middle class and low income group people buy flats or plots at reduced prices. With falling prices for urban properties the



Government can buy vacant lands at cheap prices, without resorting to forcible land acquisition from farmers, for constructing houses for poor and slum dwellers, community halls, hostels for working women, public toilets, shelters for homeless and sewage treatment plants; for constructing vegetable markets, fruit markets and shops for handloom weavers, tailors and rural artisans to sell their products.

12. In the second case if the owners of vacant plots/ house sites/ commercial sites start constructing houses/ apartments/ commercial establishment on vacant land to escape from land acquisition by the government there will be huge supply of house/flats in the country which results in falling house rentals to ground level. This will be huge relief for middle class and low income group people who reside in rented houses

13. To encourage people to construct new houses/apartment/commercial establishments, the government should give 100% tax exemption to investments on new brand houses/flats/apartments/commercial establishments. People will start construction of new houses or apartments on their vacant plots instead of buying new plots for not only getting tax exemptions on their earnings but also to evade either selling/acquisition from the government. The focus shifts from buying and hoarding plots to buying and constructing houses/ apartment. This will propel huge demand for cement, steel, paints, cables, sanitary products, furniture, electric equipment etc. This will increase economic growth rate and decrease unemployment and housing problem.

14. By amending the forest act the government should de-notify the forest cover from present level of 23% to 20%. Out of this total forest cover area 50 % of forest area is either barren or bush land. There is no use with barren land of forest cover. The reduction of 3% of barren forest area will not harm much to the environment but it will help the government in a great way provide housing for all. There is no meaning at all if the government cannot provide housing for all. If the government spends 1% of GDP value every year on the enrichment and fostering of high canopy trees on barren forest land it will compensate more than the loss caused due to reduced barren forest cover area. It is foolish to acquire agriculture lands while damaging national food security for housing and other projects when there is barren land is available that is enough for providing housing for all and every one. With this 3 % of land release from forest cover, 2 crore acres of land will become available with the government. This land can be utilized for housing projects to cover all people who have no houses in their name so that there will be no slums and pavement dwellers in the entire country. This land can also be utilized for hospitals, medical colleges, community halls, public toilets, tourism, parks, playing grounds, universities, new capital cities, sewage treatment projects, garbage storage, disposal and utilization etc,



15. Until full utilization of this land is completed the government should not resort to forcible land acquisition from farmers.

2] Guidelines for allotment of lands

Time, know-how, project reports, funds should be the main criteria for getting lands from the government.

1. Land should be allotted to the respective stakeholders in the most transparent manner in nationwide E- auction.
2. Only those stakeholders, who have concrete plans, detailed project reports and sufficient funds and who are ready to launch projects immediately upon the allotment of land, should be allowed to participate in the e-auction to get lands from the government.
3. There should be two categories for land allotment - one for commercial purposes another for public purpose. Land should be E-auctioned at national level for different categories and allotted to the respective stakeholders, who quote the highest price for land, for setting up of industries or commercial establishments.
4. If the land is to be allotted for the usage of public purposes or utilities like hospitals, universities, colleges, power plants, housing and drinking water projects, the e-auctions should be in the reverse bidding process. For example if the government wants to allot land for power projects the bidder, who quotes the lowest price for the supply of each Mega watt of power generated, should be given the land. Another example for allotment of lands for public service – if the government wants to allot land for the construction of hospitals the bidder, who quotes the lowest charges for scanning tests, ICU charges, medicines and hospital charges, should be given the land.
5. The land agreements signed between the government and the allottees should be made public and put on government websites for general public. People should have absolute right to know how much of land was allotted, to whom it was allotted, for what purpose it was allotted and the terms and conditions for allotment.
6. There should be fixed time table for various categories to complete the projects from the date of allotment. If the project is not started within six months of land allotment date, the land should be taken back by the government and re-auctioned at national level.
7. No change of land use from the original purpose should be allowed. The lands, which are allotted for the specific purpose, should be used only for that specific purpose.

3] Time table for completion of projects

I suggest the following time schedules for completion of projects if the land is taken from the government by the entrepreneurs

S.no	Industry/project/institution	Time period [maximum]
1	University/college/educational institution	2 years
2	1000 bed hospital/medical college	2 years
3	bridges/flyovers	1 year
4	National highways up to 50 KMs	1 year
5	Power projects less than 1000 mw cap	2 years and 6 months
6	Power projects more than 1000 MW and up to 5000 mw	3 years and 6 months
7	Steel plants up to 3 million tons	3 years
8	Steel plants more than 3 million	4 years
9	Airports/ sea ports	2 years
10	Railway lines up to 50 Kms	2 years
11	Oil refineries up to 3 million	2.5 years
12	Oil refineries more than 3 million	3.5 years
13	Mining projects	1 year
14	Hotels/tourism projects/film industry/commercial establishments	2 years
15	Housing projects	2 years

Note: - Railway line projects should be divided into subsections for giving contracts. Each sub-section should not be more than 50 Kms. Similarly laying of new national highways or expansion of present national highways should be divided into sub-sections for awarding contracts. Each sub-section should not be more than 50 Kms.

Heavy penalty should be levied if the completion of the projects is delayed on the allotted lands. A penalty of 1 % value of the total project cost should be levied for delay of each month. If the delay is one year for 1000 crore valued project the penalty would be Rs 120 crores.

4] Compensation

The government should divide farmers into two categories for giving compensation in case they lose lands in the land acquisition process 1] Genuine farmers 2] part time farmers



1. Genuine farmers are those who depend solely on agriculture and who do not have other sources of income. Genuine farmers should be divided into three categories a] small farmers with less than 5 acres b] medium farmers with more than five and less than 10 acres c] big farmers with more than 10 acres
2. Part time farmers are those who own lands and who also have other sources of income, like central government and state employees, pensioners, political leaders, MLAs, MPs, mayors, corporators, chairpersons; the heads or members of government or private institutions, boards, trusts, organisations; contractors, industrialists, business men, professions and all others who have more than Rs 3 lakhs per annum.

My suggestions for giving compensation to farmers who lose their lands

S.No.	Category of farmers	compensation	Monthly pension
1	1a [small farmer]	6 times the market value	2000 per acre
2	1b[medium farmer]	5 times the market value	1000 per acre
3	1c [big farmer]	4 times the market value	500 per acre
4	2 Part time farmers	2 times the market value	nil

3. If tribal people are affected or displaced by the mining projects, 10% of revenues collected by e-auctioning of the mines should be equally distributed to the displaced families every year with the maximum limit of Rs 1 crore per family per year. The minimum amount that should be paid to the displaced families from the mining area is Rs one lakh per family per year apart from constructing fully fledged residential colonies with all basic services and amenities.

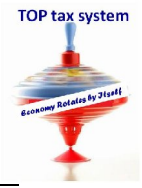
4. To facilitate easy categorisation of farmers, for transferring agriculture subsidies and to transfer funds directly to farmers' accounts in case of land acquisition, natural calamities like floods, untimely rains and famines, the government should give a land savings account to each person of the county to hold immovable property rights in the digital form in these accounts.

To know more about land savings account, which is a part of new banking system developed by Varma, click on the links given below

https://www.researchgate.net/publication/270573488_Land_Savings_Account_Module_developed_by_VARMA

http://works.bepress.com/tax_reforms/27/

https://www.academia.edu/12324865/Banking_for_all_and_for_everything



Guidelines and suggestions for acquisition of land for constructing new highways, express highways and expanding existing national highways

Build the national highways in quick time

There is a strong link between time and money especially when planning and implementing such huge infrastructure projects. To avoid cost over runs and also corruption I suggest the following suggestions and regulations that are to be incorporated in the contract schedules before awarding works to contractors.

1] If corruption is entirely removed in awarding contracts and padding up of project cost is not allowed then the cost for laying 4 lanes national high way would be Rs 8 crore per KM (excluding land cost) and Rs. 12 crore (excluding land cost) for 6 lane national highways.

2] The acquisition of land for the national high ways should be made by the State Government through which the proposed highway construction takes place.

3] The construction of national highways should be in the hands of Central Government and maintenance of highways should be in the hands of State Government. The road taxes collected from trucks, heavy vehicle, vans, and buses can be used for maintenance of roads by the State Governments.

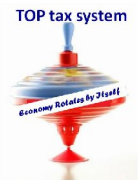
4] To get additional revenues for maintenance of roads each segment of road can be allocated to corporate houses to brand the high ways in name of their products and giving franchise rights to set up hoardings at important junctions.

5] If the two lane highway is to be upgraded to 4 lane 7.5 acres per KM is enough. If 2 lane high way is expanded to 6 lane high way 15 acres per KM is enough
 $1000 \times 30 \text{ meters} = 30,000 / 4000 \text{ sq.meters} = 7.5 \text{ acres per KM length of road}$

6] The compensation to the farmers should always be in two parts. One is cash payment at the rate of 4 times the value of land's market value. And the second compensation is, the State government should acquire 20 % extra land than what is actually required for widening, and allot the acquired additional land to the farmers along the sideways of national high way in proportion to the land they have surrendered for this purpose.

For example if a farmer loses 5 acres of land he gets monetary compensation for 4 acres and gets 1 acre land along the side of the national highway. If the farmer loses 1 acre land in acquisition, the farmer gets compensation for 80 cents of land and gets 20 cents of land along one side of national highway.

7] The farmer not only gets high compensation but also gets a high commercial valued land along the side of the high way. The farmers will come forward on



their own to give their lands on their own to build the highway projects. They will become partners in these projects.

8] Every year 6000 KMs of 4/6 lane national highways can be added to the existing road work

9] The to-be laid road lengths should be divided into 30 km segments, rail over-bridges, river bridges and fly-overs.

10] For example the 6,000 Km road length should be divided into 200 segments each and in addition to these segments contracts for construction of bridges at rivers, railway lines and junctions should be auctioned separately.

11] Giving and taking bribes, deliberate attempt of padding up of project cost and colluding with co-bidders at the time of bidding and in the construction stage should be made a highly serious crime and non bailable offence. A separate law should be enacted in the Parliament to give the government an absolute right to attach and confiscate all properties of the offender if he is found guilty

12] The contractor should complete his work within 12 months from the date of awarding the contract.

13] A penalty of 5 % of project should be levied per every month of delay over the given time of 12 months.

14] It should be made mandatory for the contractor to film every section, every part of the construction work every day and send it to the high way authority and put it on website.

15] If the project work is completed within the contract time of 12 months then additional 5% of project work should be given to the contractor as a bonus. The contractors, who finished the projects within the stipulated time of 12 months, should be given first priority in the next year projects.

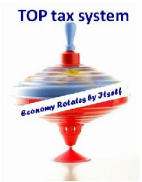
16] Before the contractor begins his work he should open a bank account in any nationalised bank and should spend every rupee on this project from this account only. This account should not be closed till the completion of the project.

17] All payments towards expenditure from this account to recipients' accounts should be made either through online transfers or by cheque.

18] All payments towards raw materials, machinery, rentals, man power, service charges etc. should be made only through this account. No cash payments should be allowed for payments throughout the execution of this project.

19] The expenditure balance sheet should be put on the website for general public to know the status of project work and the spending on the project work on each day.

20] The expenditure balance sheet should be updated and put on the website every day. People should have the absolute right to know how their hard earned money is being spent for what and by whom. In this way the transparent spending and implementation of the road projects will eliminate corruption. This



transparency in execution of the project will also ensure the highest quality of work.

21] This brings in a new era of accountability and transparency in spending of public money. People should also become the partner, administrator and watchdog in spending their own money.

22] The contractor should construct and complete the whole project on his own and he should not be allowed to sub-contract the whole project to third party. Small pieces of works can be given to third parties but payments should be paid for the subcontracts from the main contractor's account only.

5] Rehabilitation

If there is a need to relocate a village or habitat in the land acquisition process for essential services like defence, sea ports, railway lines and roads, it should be mandatory for construction of new township with all basic services for all the families to be displaced or affected before the land acquisition process actually begins.

6. Land management

Proper land management will be helpful to both land owners and governments [central and states] if government takes the following steps

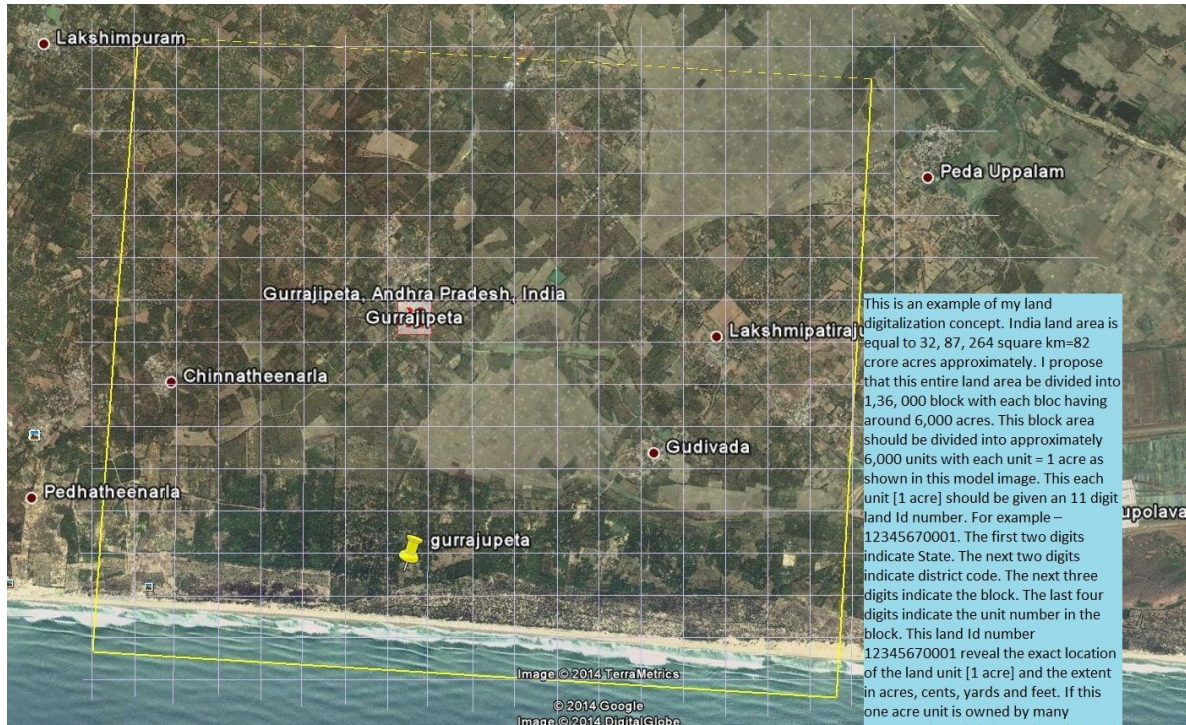
- A] Digitalization of entire land area of the country
- B] Digitalization of land records
- C] Digitalization ownership rights
- D] Land savings account for each person of the country
- E] Transfer of ownership rights in digital form

A. Digitalization of entire land area of the country

Digitalization of land area - This is an example of land digitalization module. India's land area is equal to 32, 87, 264 square km=82 crore acres approximately. I propose that this entire land area be divided into 1,36,000 blocks with each bloc having around 6,000 acres. This block area should be divided into approximately 6,000 units with each unit = 1 acre as shown in this model image below. This each unit [1 acre] should be given an 11 digit unique land Id number. For example the Id number 12345670001. The first two digits indicate State. The next two digits indicate district code. The next three digits indicate the block. The last four digits indicate the unit number in the block. This land Id number 12345670001 reveals the exact location of the land unit [1 acre] and the extent in acres, cents, yards and feet. If this one acre unit is owned by many persons, the unit [1 acre] can be

noted in 0001/001 up to 0001/100. That means this unit 0001 [1 acre] is owned by many persons as plots or flats.

Here is an example of a small area of digitalized land of India



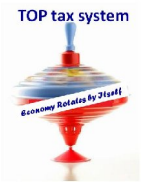
Each square area in the above map will have a unique Id number with category of land attached.

B. Digitalization of land records

The land records of all state and central government should be digitalized with unique Id numbers of each acre of country's entire land area and the person or a group of persons who own each unique Id number land.

The land should be divided into 10 categories. The entire land area will fall into these 10 categories. For example here are see Id numbers with different categories of land. The digitalization of land area and land record will make it easy for the government to know which person/company/institution/trust holds how much land and for what purpose they are using in the entire country.

1. Agriculture land = A, This unique Id number 12345670001-A reveals that it is agriculture land
2. 12345670002-D is defence land
3. 12345670003-F is forest land
4. 12345670004-G is government land



5. 12345670005-I is industrial land of private companies owned by groups of people
6. 12345670006-H is housing land
7. 12345670007-T is Temple land
8. 12345670008-R is railways land
9. 12345670009-C is commercial land belonging to individuals
10. 12345670010-P this land belongs to private institutions owned by a group of people like trusts, organisations etc, used for any purpose other than agriculture and industries

Note: - G means government land belonging to either state or central government used for Industries, roads, dams, canals, universities, colleges, parks, schools, institutions, trusts etc.

In some cases the same unique Id number of one acre may split into many parts and hold different categories of land owned by different sets of people or government

C] Digitalization of ownership rights in land savings accounts

Each person should be given land savings account. This land savings account can be used to store a person's properties bought anywhere in the country in digital forms. The entire land area of the country should be recorded in these accounts belonging to persons, government, organisations, trusts, institutions etc, in their respective land savings accounts

D] Land savings account for each person of the country

The land savings account will come in handy for the government to pay compensation for farmers when they lose lands in the land acquisition process. The land savings account will make it easy for the government to know who real farmer is and who part time farmer is.

This is LSA, the part of multi-dimensional savings account in the restructured banking system developed by VARMA (Land Savings Account/LSA) shall be used for registration, storage and usage of ownership rights of all immovable properties like lands, flats, plots, commercial establishments, and etcetera. The ownership rights of these assets will be transferred from one person's LSA to another person's LSA while purchasing/selling/donating of these immovable properties.



E] Transfer of ownership rights in digital form

Land Savings Account/LSA is useful in transferring ownership rights of immovable properties in digital form without any need for paper documents. The Land Savings Account of each person shall be utilised as the de-mat account of that person's ownership rights of immovable properties like lands, plots, flats, assets, factories and other establishments in the entire country. While purchasing or selling, the transfer of ownership rights of these assets/properties from one person to another person shall be made from one person's LSA to another person's LSA through banks/service centres. So the transfer of assets like lands, plots, flats, structures and other establishments will take place in physical form upon the transfer of ownership right of that asset in digital form from one LSA (seller) to another LSA (buyer). The total land record of the country should be dematerialised according to extent, location, mapping and ownership. The land belongs to people will be recorded in their respective LSAs. Similarly the land that belongs to Government, Government organisations, companies should be recorded in their respective accounts.

Repeat- The purchase of lands, plots, flats or other properties should be made through Land Savings Account (LSA), the sub account of Main Savings Account (MSA) operated by banks. If any person buys land, plot, flat or any other property anywhere in India the extent and nature of the property will be credited in his Land Savings Account and the same property will be debited from the seller's Land Savings Account (LSA). Whenever he/she sells any property that is credited in his LSA, the same will be debited from his/her Land Savings Account and the same property will be credited in the buyer's Land Savings Account (LSA). The credit in the LSA means purchase of immovable property and debit means selling of immovable property. The immovable properties will be in dematerialised form and the ownership rights can be transferred from one account to another account just like money transfers and shares. Just like shares there will be no paper documents for properties. Unlike cash transfers the buyer's presence and signature/authentication shall also be needed for any property transaction. A bank statement of the second folder (LSA) of any person's Main Savings Account will hold the entire ownership rights of that person's all immovable properties in the entire country. The People can get these bank statements of their properties at any time at banks in addition to weekly, monthly or yearly statements by post or e-mails or both. They will get phone messages and email statements immediately after each property transfer.



There will be no multiple selling of the same property to different people and unauthorised selling/purchase and illegal occupation of other person's property without his/her knowing/consent will not be possible.

Advantages of Land Savings Account:-

1. Land ceiling act

In the present system rich people are having huge tracts of agriculture lands in different districts and States making mockery of the land ceiling act. The registrations of lands, flats, plots and other properties are being made by the registration departments and land records are maintained by revenue departments.

With the land savings account, land ceiling act can be strictly enforced on individuals and no individual can have more than 20 acres of land in the entire country. Every individual will have only one Main Savings Account consisting of separate sub account called Land Savings Account for all immovable properties like lands, plots, flats, etc., All immovable properties, situated wherever in the country, along with all details of Survey numbers, boundaries, description, nature, map, geo location, village, district, state, extent and date of selling/buying of each property of each person will be recorded and maintained in Land Savings Account (LSA).

The Land Savings Account will be operated and maintained by banks just like money savings accounts. Debits and Credits of all properties will be made in the Land Savings Account while a person buys or sells his property. The total extent of land recorded in all Land Savings Accounts belonging to people, Governments, departments, organisations, companies, institutions etc., will remain exactly the same even after countless number of debits and credits each day. The Land Savings Account will show an individual's exact ownership rights of his/her all immovable properties. The total land extent in each Land Savings Account will never cross the upper limit of 20 acres (as envisaged in TOP Tax system) strictly adhering to land ceiling act. There can be absolutely no multiple selling of same property to different people. It will become impossible for any individual to own huge extent of lands (beyond land ceiling act) under different names in different locations of the country. TOP Tax system ensures that the land ceiling act can be implemented in totality to perfection making Government's task easier in pushing forward land reforms and allocating land to landless poor.

There will be no paper documents for all movable and immovable properties. Hence no separate registration and revenues departments are needed in the suggested TOP Tax system. Only land survey department would suffice to mark and clear boundary disputes.

2. Farm subsidies; - In present system 90% of total farm subsidies are being gobbled up by rich farmers (10%), while the small and marginal farmers (90%) are



Pro farmer, pro industry land acquisition act

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getting only 10% of total farm subsidies. This anomaly can be totally checked in TOP Tax system where Land Savings Account is a sub account of Main Savings Account operated by banks. According to records in Land Savings Accounts, the total farm subsidies (100%) would reach the small and marginal farmers while keeping away rich farmers from all subsidies. Here rich farmers means industrialists, contractors, professionals, celebrities, individuals, politicians, business class, salaried class (govt. or private) etc., whose annual incomes are more than 3,00,000 (other than agriculture income).

3. Farm loans; - In the present system getting farm loans by farmers is cumbersome, laborious, time consuming and bribery ridden exercise. Farmers need to go from one department to another department to get land documents, evaluation and encumbrance certificates, revenue certificates etc., after paying heavy bribes. Farmers are being forced to take loans from private lenders who charge high interest rates.

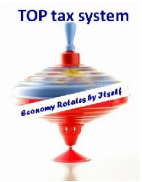
But Land Savings Account will make money borrowing by farmers from banks so much easy, instant, smooth, timely and time saving exercise. By using Land Savings Accounts the branch managers can sanction farm loans instantly based on land records in the LSAs.

4. Interest rates on farm loans

In the suggested TOP Tax system the interest rates on farm loans, up to Rs.10,000,00, will be only 2% per annum and 4% per annum beyond Rs. 10,000,00.

5. Land acquisition and compensation;- If an individual or company acquires land of more than 20 acres of land for industry, studios, real estate or any other purpose, land tax of 10,000 per acre per annum needs to be levied. If land is acquired for SEZs the farmers should be paid not only the market price of the land but also Rs 1,000 per acre per month for rest of his/her life and thereafter to his/her legal heir. It is easier for local panchayats, municipalities, corporation to collect house tax, vacant plot/land tax and properties tax as all the details of a person's properties are recorded in his/her Land Savings Account (LSA).

6. Land transfer/registration/stamp duty;- Under the "TOP Tax system" there will be no stamp duties on all immovable properties The registration charges for purchasing any property i.e. land, plot, flat, house or other commercial establishments will be same and equal all over India irrespective of the place and market value of property. The registration charges would be only Rs. 1,000 per acre, Rs. 1,000 per 300 square yards of plot or Rs 1,000 per 1000 square feet of flat and multiples thereof. These registrations of land transfers can be made in any bank and anywhere in India. It is needless to say that the loss of stamp duties would be compensated by the "TOP Tax" which is compulsory on any money transfers. If a person buys a property (land, plot, flat, house, commercial establishment) for Rs. 10 lakhs, a TOP tax of Rs. 40,000 will be deducted from his



MSA or SSA while transferring the cash to the sellers account. If he/she buys the same property for Rs. 1 crore the deducted TOP tax will be Rs. 4 lakhs. In the case a person transfers a property as a gift to his/her son/daughter or any other person, trust or organisation the TOP tax deducted will be nil as there is no cash transfer made. That means there will be no need for separate registration and revenue departments for registrations and handling of all immovable properties.

Selling and buying of land properties should be done by this accounts only. There will be only one Land Savings Account for one person to buy any immovable property anywhere in India.

This paper is extracted from “Banking for all and everything” that is available on the link

https://www.academia.edu/12324865/Banking_for_all_and_for_everything

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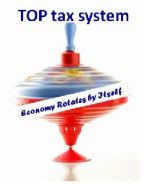
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