

## CASE OF BANGALORE MYSORE INFRASTRUCTURE CORRIDOR PROJECT DELAY DUE TO LAND ACQUISITION

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**Abstract:** Land acquisition in India refers to the process by which the union or a state government in India acquires private land for the purpose of industrialization, development of infrastructural facilities or urbanization of the private land, and provides compensation to the affected land owners and their rehabilitation and resettlement. The process of land acquisition in India has proven unpopular with the citizenry. The amount reimbursed is fairly low with regard to the current index of prices prevailing in the economy. Furthermore, due to the low level of human capital of the displaced people, they often fail to find adequate employment. The consequences of land acquisition in India are manifold. The empirical and theoretical studies on displacement through the acquisition of land by the government for development projects have so far focused on the direct and immediate adverse consequences of land acquisition. The paper also focuses on Bangalore Mysore infrastructure corridor project delay due to land acquisition problems.

**Keywords:** Land acquisition in India, Bangalore Mysore infrastructure corridor.

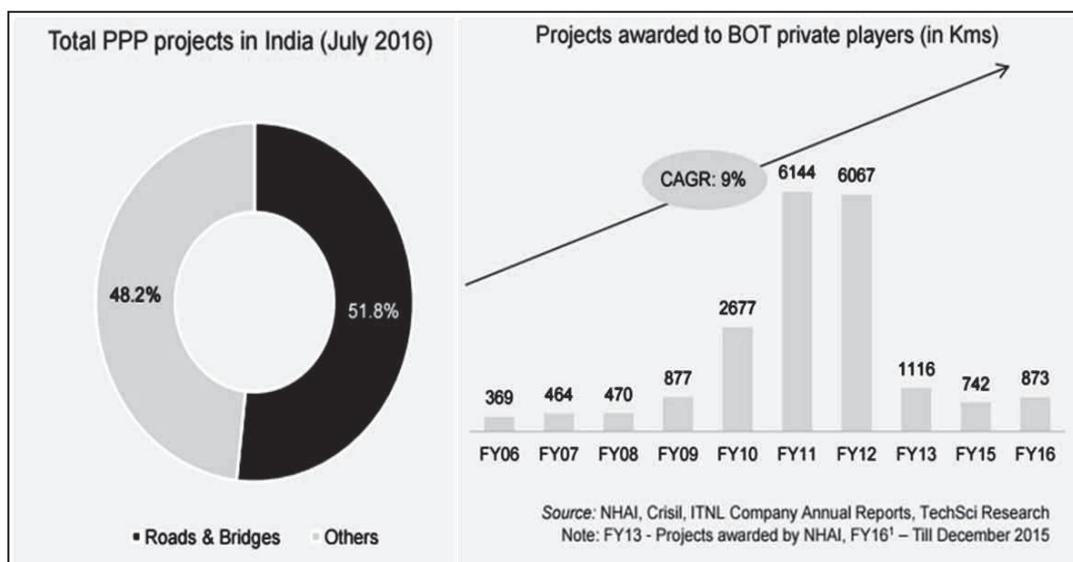
**Introduction:**

**Land acquisition issues in India :** There have been a rising number of political and social protests against the acquisition of land by various industrialists. They have ranged from Bengal, Karnataka, and Uttar Pradesh in the recent past. The acquisition of 997 acres of land by Tata motors in Bengal in order to set up a factory for the cheapest car in India was protested (Singur Tata Nano controversy). At least a decade before the Singur episode similar events occurred in West Bengal, although the opposition parties and other civil society organizations remained silent at that time. Similarly, the Sardar Sarovar Dam project on the river Narmada was planned on acquired land, though the project was later canceled by the World Bank.

- As of 31st July, 2016, there were 1,270 PPP projects in India, of which 658 were related to roads & bridges accounting for a value of USD670 million

- Project awarded under BOT is 20 percent of the total awarded projects in the year FY16
- As many as 112 projects of the National Highways Authority of India (NHAI) are running late on account of factors like delays in land acquisition and regulatory hurdles.
- 112 projects of NHAI are delayed beyond the scheduled date of completion. These include projects currently under implementation also.

The Land Acquisition Act of 1894 allowed the government to acquire private lands. It is the only legislation pertaining to land acquisition which, though amended several times, has failed to serve its purpose. Under the 1894 Act, displaced people were only liable for monetary compensation linked with market value of the land in question, which was still quite minimal considering circle rates are often misleading (Singh 2007).

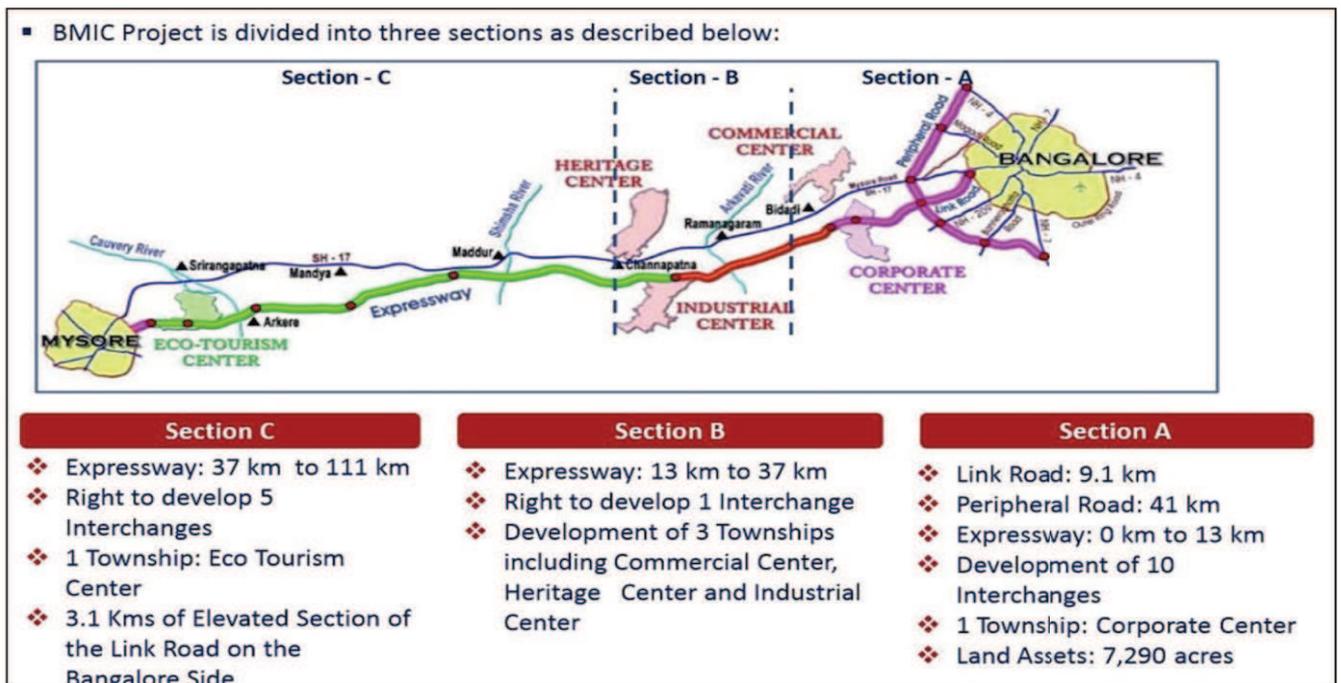


Case

**study of project delay due to land acquisition:**

Bangalore Mysore Infrastructure Corridor. The Bangalore Mysore Infrastructure Corridor (BMIC) was envisaged, as early as 1988, with the twin objectives of (i) connecting Bangalore and Mysore (two rapidly growing cities in Karnataka) with an expressway and (ii) developing the infrastructure around the periphery of Bangalore city and around the expressway. The project was awarded by Karnataka (a state government within whose jurisdiction the stretch was) on a “Build Own Operate Transfer “ (BOOT) basis to Nandi Infrastructure Corridor Enterprises Ltd (NICE) in October 1998 on negotiation basis, after an unsuccessful round of bidding for the project. The project was awarded after negotiation, based on the feasibility study carried out by NICE. The project scope included construction of the expressway between Bangalore and Mysore and five townships along the expressway (Raghuram and Sundaram, 2009 forthcoming). The clearance from Karnataka SPCB required public hearings. The first public hearing was held on 9 March 2000 in

Bangalore and subsequent hearings were to be conducted at Mandya and Mysore. These hearings were postponed due to lack of information among the public regarding the project. Conceding to the request of various organizations, the Deputy Commissioner, Bangalore Urban District promised to release necessary documents in the public domain. Hearings were then conducted on 30 June in Mysore, 3 July in Mandya, and 5 July in Bangalore. On 1 August 2000, the Karnataka State Pollution Control Board (KSPCB) issued a NOC to the project contingent on several conditions. On 8 August 2001 the MoEF gave a clearance to the road/expressway component of the project, subject to meeting the specified conditions. The approval did not go well with the environmentalists. They believed that 2,968 acres (1,327 hectares) of the Badamanavarthi Kaval forest in Bangalore Urban District, and 4,075 acres (1,822 hectares) of the Handigundi and Chikkamanagude forests in Bangalore Rural District would be destroyed as a part of the project. These were one of the few



Source: <http://www.skyscrapercity.com>

remaining natural forests of the Bangalore region. Many environmentalists claimed that rare species of flora and fauna were affected. The executive summary report provided by NICE, which was the only document in public domain, did not mention anything about this impact. Contamination of water (in lakes in the vicinity) was another challenge that the project was facing. NICE had entered into an agreement with Bangalore Water Supply and Sewerage Board (BWSSB) for use of more than 150

MLD of water which was 1/4th of the amount of the water supplied to Bangalore city. Thus, the project was expected to adversely affect supply of water to the city. In addition, there were ongoing disputes on the Cauvery river water between Tamil Nadu and Karnataka. BMIC was expected to receive 85 MLD of waste water free for non potable use, depriving farmers who used it for various agricultural purposes. This decision was also a region with extensive irrigation network based on the River Cauvery basin.

In January 2008, BWSSB decided not to permit NICE to shift water and sewerage lines into four locations as it could have affected the water supply and sanitation in the city. Shifting of the pipeline was essential for the completion of the alignment in the prevalent form. In spite of repeated request from NICE, the pipelines were not shifted stating technical opinions. On 24 January 2008, the High Court of Karnataka directed the BWSSB to shift the water and sewage pipelines in four locations so that NICE could complete the peripheral road, which was part of the BMIC project. The notice for land acquisition was served under the Karnataka Industrial Areas Development Board (KIADB) Act and the purpose was stated as industrial use. Some farmers contested that the notice was vague in its message as the exact use was not stated. A single bench (when a single judge carries out the hearing) of the High Court of Karnataka decided in favor of these farmers. However, the division bench (when two judges carry out the hearing against the judgment of a single judge bench) of the High Court and subsequently, the Supreme Court (highest court of appeal in India) decided that it was difficult for the government to state the purpose for each land parcel for such vast land acquisition. Thus the government was well within its right to acquire land by mentioning broad usage of the land.

The amount of land acquired was also not clear. The government order (GO) of 1995 identified 18,313 acres (7,414 hectares) as the land requirement for the project. In 1997 the FA specified 20,193 acres (8,186 hectares) of land while the formal award of the contract to NICE in 1998 specified 23,846 acres (10,659 hectares). By 2004, KIADB had notified 29,258 acres (12,631 hectares) for land acquisition. The discrepancy in land requirement created both political and legal obstructions for the project. One of the possible reasons for the varying requirement was that the land acquisition plan was based on a communication sent by NICE and not on the approved drawings/maps of the project. Another

reason could be the collusion of vested interests. The decision to notify or denotify a plot could have been taken depending on the personal gain that could be made by the politicians and the administrators. This rent seeking was facilitated by the absence of any detailed project report which gave the decision makers absolute discretion. The project created further controversies when the more than half a dozen top officials, who awarded the project, accepted employment offers from the private party after their retirement and within few years of the award itself.

**Alternative proposals to land acquisition.** : One of the alternative proposals to land acquisition is leasing the land from landowners for a certain lease period. Proponents cite how land acquisition policies by Governments unwittingly encourage rampant land speculation making the projects expensive since huge portion of investment would be need to be allocated for land acquisition costs. According to them, policies of land acquisition gave way to political cronyism where land is acquired cheaply by securing favors from local governments and sold to industries at steep markup prices. Leasing land may also support sustainable project development since the lands need to be returned to the landowners at the end of the lease period in a condition similar to its original form without considerable environmental degradation. When the land is leased then anybody who has to otherwise give up land or livelihood will be compensated for its growing valuation over time. In this model, the landowner lends her land to the government for a steadily-increasing rent, or through an annuity-based system as currently practiced in Haryana and Uttar Pradesh.

Some industries already follow the model of leasing lands instead of acquiring it. Energy development projects such as oil & gas extraction usually lease lands. Renewable energy projects such as Wind Power farms projects often lease the land from land owners instead of trying to acquire the land which could make the projects prohibitively expensive.

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