

## Land conversions made simpler in Gujarat

The state government has come out with a new policy that will make it easy to convert agricultural land to commercial non-agricultural land.

This is expected to boost the construction sector, now stagnating in Gujarat.

The new policy announced Friday will apply to land that cannot be sold under the Tenancy Act, as well as indivisible land.

However, government permission will be required for the sale, gift, lease, mortgage, division, or transfer of such land.

Called the 'Simplification of Conversion Procedure of New Tenure and Indivisible Land to Old Tenure', the government resolution will reverse the decades-old policy that restricts use of agricultural land for non-agricultural purposes.

'New tenure' is land handed over decades ago to poor farmers, who were barred from selling these plots, as these were supposed to have been their only source of livelihood.

Though conversion to old tenure was permitted after a specified period, it involved a tedious bureaucratic procedure that took years. Now the conversion will be done at the district level itself.

The policy aims to make deals hassle-free, subject to payment of a pre-determined premium.

Under the new policy, conversion can be made on payment of 80 percent of the premium on the land's market value as per the official rates effective April 1.

This will apply to both rural and urban areas.

Premium will not be levied for conversion of new tenure agriculture land to old tenure agriculture land in rural areas, though a 50 percent premium will be charged for such conversion in urban areas.

District administrations have been empowered to sanction all transactions up to Rs.10 million against the earlier limit of Rs.5 million.

Last year, the government permitted automatic conversion of 15-year-old new tenure land. The latest development is in line with this.

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