



# LAND ACQUISITION AND ITS EVOLUTION

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India is a Socialist Democratic country and its economy is based on agriculture. Land is one of the most important sources of income. Human beings has right to live this land but the ownership of the land varies. Since the early stage did not have any law for the ownership of the land but the time passed then scenario was changed. The legal perspective of land acquisition in India has undergone a remarkable transformation with the exchange of the colonial Land-Acquisition Act of 1894 by the Right to Fair Compensation and Transparency in LARR, 2013. This paper tried to establish the development of land acquisition laws in India and the transformation of new LARR Act. Through an analysis of statutory provisions, judicial interpretation, the study highlights both progressive feature of the act and the persistent gaps in its execution.

**KEY WORDS:** -Land, Acquisition, Transformation, Compensation, Legal.

## **Introduction:-**

Land has always been a fundamental and irreplaceable resource particularly in agrarian and developing economies such as India. As a country with a large rural population and an economy that has long been dependent on agriculture, land holds not just economic value but also immense social and cultural significance. The majority of India's rural population relies on land for their livelihood, whether through cultivation, grazing, or as a base for artisan and small-scale industrial activity. In such societies, land is more than a commodity—it is a critical asset that determines social status, political power, and economic well-being. The ownership and control of land, therefore, play a decisive role in shaping the structure of rural society and its development trajectory. Moreover, land is not a renewable resource; its finite nature intensifies competition among various stakeholders, including the government, the private sector, and local communities.

In the process of economic development, governments in developing nations frequently encounter the challenge of acquiring land for public purposes, such as infrastructure projects, urbanization, industrialization, and other developmental activities. While such projects are crucial for national progress, they often necessitate the displacement of individuals and communities, causing widespread disruption and discontent. In India, this tension between development and displacement is deeply rooted in the legal and historical framework that governs land acquisition, most notably the Land Acquisition Act of 1894. Enacted during the British colonial era, this Act provided the government with sweeping powers to acquire private land for public purposes, often at the expense of the landowners' rights. The language and structure of the Act heavily favored the state and left little room for negotiation or redress for those whose land was taken. (Mishra, Singh, 2024)

**Reasons Behind land acquisition:-**

**a) Compensation conflict:** One of the major issues is the principle of compensations on market value. Compensation package of the land creates violence all over the country. The LAAct of 1894 showed that compensation amount should be equal to the market value of land. Many land owners value their land with comparison to the market values on account of their attributes of land, financial security, farming skills, location of factors or considerations of identity. Following these reason land owners were not agar to sell their land at the cost of market rate. Most of the cases land owners are demand for compensation above market values. Distress sales constitute a bulk of the transactions, and the full value is often concealed to escape stamp duty. Furthermore, any industrial or development project will cause significant appreciation of real estate prices, making it impossible for displaced farmers to buy back land with compensation money if they so wished.

**b) Forced acquisitions:**

Under the 1894 legislation once the acquiring authority has formed the intention to acquire a particular plot of land, to carry out the acquisition regardless of how the person whose land is sought to be acquired is affected. The Land Acquisition Act 1894 has been criticized as being harsh due to the coercive nature of the act of acquisition, the state is authorized to acquire the land without paying heed to the willingness of the owner to part with it.

**c) Absent of safeguards:**

Absent of the actual process of acquisition. Section 5A express a hearing process but this is a one-way process without any discussion or negotiation.

**d) Absent of resettlement and rehabilitation of the displaced:**

In LAAct1894, there was no provision of resettlement and rehabilitation by the acquisition for the displace. Displaced tenants and workers should compensate to avoid undesirable adverse impacts on their livelihood.

**e) Urgency clause:** This section of the clause is most important because here is not concrete defination of urgency and leaves it to the discretion of the acquiring authority. As a result, almost all acquisitions under the Act invoke the urgency clause. This result in the complete dispossession of the land without even the token satisfaction of the processes listed under the Act. (Gupta, 2014)

**Land Acquisition Act, 1894**

The main features of the legislation, which was repealed simultaneously with the enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act, 2013) are described below.

**Public purpose:** The acquisition under the law could be for the use of land not only for the central or state governments or for companies or corporations owned by them but also for privately owned companies. Some specific examples of public purpose were mentioned in the law such as town or rural planning, providing residences to the poor and landless persons, carrying out any educational, housing, health or slum clearance schemes sponsored by Government and provision of land for a corporation owned by government.

**Procedure for acquisition**

**Notification:** The first step was the issuance of a preliminary notification in the Official Gazette informing the public of the proposal to acquire the land. Such notification was intended to alert the public of the government's intention for acquisition and generally resulted in freezing the development of the land as well as its ownership.

**Hearing of objections:** Any person interested in the land notified for acquisition could file an objection within 30 days of the date of publication of the notification and every such person had to be given a hearing by the Collector.

**Declaration:** After hearing the objections and making further inquiry where necessary, the collector was required to make a report with his recommendations on the objections for a decision by the government. After consideration of the report, if the government was satisfied that any particular land was needed for a public purpose, it would issue a declaration to that effect. There was a requirement in the Act as amended in 1984 that the declaration should be made within one year of the initial notification.

**Procedure for compensation:** After the declaration, the Collector proceeded to mark out the land and measure it and then give notice that the government intended to acquire the land and invite claims for compensation for all interests in the land. At the same time, notice had to be given to the occupiers of any of the land and to all persons known to have an interest in the land. After making enquiries on the claims, the Collector made the award, specifying the area of land, compensation to be paid. The award had to be made within a period of two years of the declaration, failing which the entire proceeding was

deemed to have lapsed. If any person did not accept the award on the basis of measurement of land the person to whom it was payable, or to the apportionment of the compensation, he had the right to ask for the matter to be referred to a court.

**Determination of compensation:** The main compensation to be paid to the interested persons was the market value of land that prevailed at the time of the initial notification. To this had to be added interest @ 12 per cent for the period between the publication of notification and the date of award or possession, whichever was earlier. More importantly, the compensation was to be enhanced by 30 per cent of the market value, in consideration of the nature of the acquisition. There was also an entitlement to compensation on account of damage to standing crops or the damage caused to other property at the time of taking possession. There was provision also for payment of reasonable expenses incidental to change of residence or place of business if such a change was necessitated by the acquisition.

**Possession:** After the award had been made, the Collector would take possession of land. In cases of urgency, the Collector would take possession of the land even before the award of compensation once notice had been given of the intention of the government to acquire the land. In cases of urgency, the declaration of acquisition could be made even without hearing of objections. A criticism of the relevant provision is that the law did not define urgency and the determination of what constituted urgency was left to the subjective determination of the government.

### **Changes in the land acquisition law in 2013**

The UPA government sought to remedy the deficiencies mentioned above and in fact do more for the landholder by enacting the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act, 2013). The aim of the legislation was far-reaching in that it sought to redress the imbalance inherent in the procedures laid down in the Land Acquisition Act, 1894, between the interest of individual landholders and the authority of the government acquiring land for a public purpose. The following are the salient features of the LARR Act, 2013.

**Broadening of the concept of “interested persons”:** Persons having interest in the land include not only those with title but also persons with easement and tenancy rights, including sharecroppers, and equally importantly any person whose primary source of livelihood is likely to be adversely affected.

**Purpose of land acquisition:** Land can be acquired for land needed by the government for its own use, including public sector undertakings and for any public purpose including strategic purposes, infrastructure projects, or urbanization or housing projects. Land acquisition under the Act can also be made for public private partnership (PPP) projects and for private companies for public purposes, but prior consent of 70 per cent of landholders is required for the former and 80 per cent for the latter.

**Enhancement of compensation:** The most far-reaching change in the 2013 Act is a steep increase in the compensation to be paid to the landholder for compulsory acquisition of land. For land in rural areas the compensation, including solatium, is four times the value of the average of registered sale deeds and for urban lands, it is twice as much.

**Rehabilitation and resettlement:** The rehabilitation and resettlement package granted by the Act includes a constructed house if a house is lost in the land acquisition. Affected persons are to be provided with one of three options: a job to at least one member of the affected family, or one-time payment of INR five lakh or annuity policies that pay not less than rupees two thousand per month per family for twenty years. Each affected family displaced from the acquired land is also entitled to a subsistence allowance of Rs 3,000 per month for 12 months. Substantially, the same package has to be offered to those who lose livelihood as a result of the acquisition, including the landless. Besides compensation and the R&R package, 26 infrastructural facilities have to be provided in the resettlement area. A private company purchasing land through private negotiations equal to or more than the limits prescribed by government also has liability to provide for an R&R package as may be determined by the Collector. In the case of irrigation projects, as far as possible, affected families owning land lost due to acquisition are to be allotted a minimum area of one acre of land in the command area of the project. Similarly, in the case of urbanization projects, 20 per cent of developed land has to be reserved for allotment on a proportionate basis to those whose land has been acquired, on payment of the cost of acquisition plus the cost of development.

**Social Impact Assessment:** In addition to the stipulation for consent of the majority of landholders, there is a requirement for a social impact assessment of the project, somewhat akin to the environment impact assessment under environmental laws. The social impact assessment begins with a study of all aspects of the project and its impact on the livelihood of affected families and on the facilities and amenities

enjoyed by them. A public hearing and involvement of the local body (panchayat, municipality or municipal corporation) are also mandated.

**Urgency clause:** The LARR Act, 2013, limits the invocation of the urgency clause, whereby possession can be taken even before the award of compensation is made, only to the minimum area required for the defence of India or national security or for any emergencies arising out of natural calamities or any other emergency with the approval of Parliament.

**Food security and agricultural land:** The LARR Act, 2013, provides, as a general rule, that no irrigated multi-cropped land shall be acquired under the Act. Where such land is acquired in exceptional circumstances, the aggregate for all projects shall not exceed prescribed limits for the district or state. Whenever multi-crop irrigated land is acquired, an equivalent area of culturable wasteland has to be developed for agricultural purposes. In the alternative, an amount equivalent to the value of land acquired has to be deposited with the government for investment in agriculture to enhance food security. It is also envisaged that the acquisition of agricultural land, other than irrigated multi-cropped land, must not exceed the prescribed limit in terms of a percentage of the net sown area for the district or state. The limits for acquisition of agricultural land, however, have been made inapplicable for projects that are linear in nature, such as those relating to railways, highways, major district roads, irrigation canals, power lines and the like. (Hoda,2018)

### **CONCLUSION:-**

The Land Reform and Land Acquisition both the policy discuss the meaning and its requirement of the society. Land Reform Policy introduced by the Government for the agricultural development and concern for the farmers but after that the requirement of agricultural production changed into industrial requirement. Both the policy started their journey from the colonial period but number of changes happened in both acts. But Land Reform policy lost its importance and in 2006 when the Singur movement started land acquisition policy became a hot topic for the society. Singur movement and as well as Nandigram Movement both occurred for the same reason but in Singur movement fertile land was finished because fertile land was already given to the Tata Motors and they had started their factory but in Nandigram acquisition was as such did not happen and the possibilities of acquisition and the better experience of Singur incident resulted in vermilion colored cloud spread over Purba Medinipur.

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