
LAND ACQUISITION LAWS IN INDIA WITH SPECIAL REFERENCE TO LARR ACT, 2013

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ABSTRACT

India's rapid economic growth and urban expansion have necessitated land acquisition for various development projects. The Land Acquisition Act of 1894, inherited from colonial times, underwent significant reforms with the enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (LARR) Act in 2013. The LARR Act aimed to prioritize the rights of affected landowners and communities, introducing provisions for consent and social impact assessment.

However, criticisms emerged regarding delays and complexities in project implementation under the LARR Act. Consequently, several states passed amendments exempting certain projects from its provisions. This paper examines the impact of the LARR Act on infrastructure, industrialization, and urbanization, alongside state-specific amendments in states like Gujarat, Maharashtra, and Telangana.

Keywords: *Economic Growth, Gujarat, Land Acquisition, Landowners, Urbanization.*

1. INTRODUCTION

India's economy is growing rapidly. According to the 2011 Census, the rate is expected to reach 31.16 percent. Major changes in land use are occurring in metropolitan areas as a result of the rapid urbanization caused by population increase and economic expansion. When large areas of land are necessary, the government must acquire them compulsorily under land acquisition legislation.

2. HISTORY OF LAND ACQUISITION IN INDIA

Land acquisition laws in India have evolved significantly over time, reflecting the country's changing social, economic, and political landscape. The history of these laws can be traced back to the colonial era when the British government enacted the Land Acquisition Act of 1894¹. This legislation empowered the government to acquire land for public purposes such as building roads, railways, and other infrastructure projects. However, it often led to injustices as landowners were inadequately compensated and had limited recourse to challenge the acquisition.

In independent India, the need for equitable land acquisition laws became increasingly apparent. The Land Acquisition Act of 1894 underwent several amendments, but it remained largely unchanged until the enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act (LARR) in 2013². This landmark legislation aimed to address the shortcomings of its predecessor by prioritizing the interests of affected landowners and ensuring fair compensation, rehabilitation, and resettlement measures.

Under the LARR Act, the consent of the majority of affected families was made mandatory for land acquisition in certain cases, particularly for projects undertaken by private companies. Moreover, the Act introduced provisions for social impact assessment to evaluate the potential consequences of land acquisition on affected communities. These measures marked a significant

¹ Land Acquisition Act, 1894, No.1, Acts of Parliament, 1894 (United Kingdom)

² The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, No. 30, Acts of Parliament, 2013 (India)

departure from the earlier approach, which often marginalized the rights of landowners and communities.

However, the LARR Act faced criticism from various quarters, including concerns about delays in project implementation and the perceived burden on the acquisition process. In response, the government introduced amendments to the Act in 2015 and subsequently repealed it in 2018. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Act, 2018, sought to streamline the land acquisition process and exempt certain categories of projects from consent and social impact assessment requirements.

3. IMPACT OF THE LAND ACQUISITION ACT

The Land Acquisition Act has the following different effects:

3.1 Impact of the LARR Act, 2013 on infrastructure projects: Laws pertaining to railroads, national highways, metro trains, petroleum pipelines, electricity, etc. are no longer subject to the requirements of the LARR Act, 2013. Therefore, infrastructure projects covered by the enactments specified in the Fourth Schedule will not be subject to the obligation of the social effect assessment. These requirements would still apply to a number of infrastructure projects, including main and minor district roads, airports, logistics parks, and state highways³.

3.2 Impact of the LARR Act, 2013 on Industrialization: Policymakers in the nation agree that India has to resurrect manufacturing if it is to dramatically increase GDP growth, end poverty, and bring the population's standard of living up to a respectable level. Apart from the increased worry that the recently implemented social impact assessment system may delay government land purchases for industrial enterprises, the requirement to secure the approval of 70% of

³ Anwarul Hoda, *Land use and Land Acquisition laws in India*, INDIAN COUNCIL FOR RESEARCH ON INTERNATIONAL ECONOMIC RELATIONS (Dec. 10, 2023, 4:30 PM), <https://www.econstor.eu/bitstream/10419/203695/1/1028060394.pdf>

landholders impacts PPP initiatives even more. The LARR Act's Chapter II on social impact assessments has raised concerns about potential delays in acquisition⁴.

3.3 Impact of the LARR Act, 2013, on urbanization: In India, there is a lot of unplanned urbanization on the outskirts of big towns and in the rural areas that separate them. Acquisition will be facilitated by the LARR Act's increase in compensation. Furthermore, it is anticipated that acquisition will be made easier by the distribution to landowners (upon payment of development and acquisition costs) in proportion to the land acquired. Although the relation to affordable housing by amending the Act.

4. LAND ACQUISITION POLICIES IN VARIOUS STATES POST 2013

While the Rajya Sabha still hasn't passed the land bill of 2015, several states—Andhra Pradesh, Gujarat, Haryana, Maharashtra, Tamil Nadu, and Telangana—have already passed laws amending the LARR Act of 2013 that exempt or enable the exemption of land acquisition for the five categories listed in the bill from the requirements of social impact assessments and prior consent.

States	Land Acquisition Policies
Haryana	The state government may de-notify land acquired under the Land Acquisition Act of 1894 for any public purpose, provided that the government deems it expedient to do so. This may include compensating the landowners for any damages they may have suffered as a result of the acquisition.
Andhra Pradesh	The Land Acquisition Act of 2017 aims to accelerate the process of acquiring land for infrastructure projects. This will help avoid delays in the land purchase process and

⁴ *Id.*

	facilitate it. The amendment stipulates that if a purchase is made for less than 100 acres, the buyer must pay 150% of the price set by the government ⁵ .
Telangana	The government, which wants to buy one lakh acres to finish all outstanding irrigation projects in the state, is greatly assisted by the new Act. Additionally, it seeks to eliminate hold-ups in the purchase of land and to quickly compensate displaced parties. The Telangana Act does not restrict government payments to fifty percent of the land compensation value; rather, it allows the government to make whatever lump sum payment may be stipulated in the rules.
Tamil Nadu	The Act outlines the protocols to be followed when purchasing land, how to carry out a social impact assessment study, and how to rehabilitate and relocate impacted households. Per the regulations, the District Collector, who appoints officials from the Revenue, Agriculture and Public Works Departments, will receive the request for the acquisition of the land. Prior to filing their report, these officials would visit the plot of land in the field. The Tamil Nadu government would designate or create a State Social Impact Assessment Unit in relation to the Social Impact Assessment Study.
Maharashtra	A land acquisition law that would have permitted the state to purchase land even in the absence of the landowner's agreement by paying four or five times the ready reckoner rate has been shelved by the Maharashtra administration. On March 11, 2018, thousands of farmers staged a walk from Nashik to Mumbai in protest against the state government's disregard for their concerns. They primarily wanted the Forest Land Rights Act, 2006, to be put into effect, as this grants farmers rights, and they wanted the state to refrain from taking land by force in order to build the eight-lane Samruddhi corridor between Mumbai and Nagpur and the high-speed Mumbai-Ahmedabad train project ⁶ .

⁵ Sribala Vadlapatla, *Amendment to Andhra Land Act gets President consent*, TIMES OF INDIA (Dec. 15, 2023, 6:00 PM), <https://timesofindia.indiatimes.com/city/vijayawada/amendment-to-andhra-land-act-gets-president-consent/articleshow/64381981.cms>

⁶ Krishna Kumar, *Maharashtra government puts off land acquisition bill*, ECONOMIC TIMES (Dec. 16, 2023, 7:30 PM), <https://economictimes.indiatimes.com/news/economy/policy/maharashtra-government-puts-off-land-acquisition-bill/articleshow/63536087.cms?from=mdr>

Rajasthan	Two bills related to land acquisition have been passed by the Rajasthani government, which has weakened the meaning of consent. The Special Investment Region Bill gives the government the authority to purchase any area that has been designated as a Special Investment Region. The Rajasthan Land Pooling Scheme Bill, its equivalent, permits modest landholding consolidation. The RFCTLARR Act, 2013 has not been directly amended, but the Rajasthani government has been able to circumvent some of its restrictions through two bills that it has approved ⁷ .
Uttar Pradesh	In Uttar Pradesh, the Centre would not be permitted to purchase farmers' land at any cost, and farmers' priceless land could not be seized without their will. The maximum compensation for land purchased in an urban location is twice the market value or circle rate. Trees and standing crops on the land will also be paid for by the landowners. In the event that acquiring land cannot be achieved by mutual consent, the 2013 Act's provisions and relevant government directives will be applied.
Punjab	No state has purchased land under the Land Acquisition Act of 2013, with the exception of Punjab and Odisha. A deed of transfer may be used to get the land in accordance with the policy. The government will notify the market price for the acquisition of urban land. Increasing the Floor Aspect Ratio (FAR) to the amount of the land, store, or other self-sustaining business's cost is one of the possible advantages. If a home is lost during the acquisition of land under the new policy, a new dwelling will be built by the Requiring Department. The residence may be located on any nearby government-owned land or inside the area that was purchased. In this case, the government's choice is definitive.

4.1 Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Gujarat Amendment) Bill, 2016

⁷ Kanchi Kohli & Debayan Gupta, *How Indian states are diluting Land Acquisition Act, 2013, "amending" consent and SIA clauses*, COUNTERVIEW (Dec. 22, 2023, 5:00 PM), <https://counterview.org/2016/10/08/how-indian-states-are-diluting-land-acquisition-act-2013-amending-consent-and-sia-clauses/>

On April 1st, 2016, the assembly of the Gujarati government enacted the "Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement (Gujarat Amendment) Bill, 2016". The bill's objective is to safeguard the rights of the people whose property is being bought while streamlining the land acquisition process⁸.

Take action One of those initial clauses addresses how the acquisition would affect society and the process that must be followed in creating the report for the social impact assessment. The social provision to protect food security is the subject of another⁹. There has been harsh criticism of the bill. The amendment appears to be anti-farmer and capitalist, but its wording makes it difficult for the average person to comprehend the significant implications of the change.

The Gujarat Amendment Bill aims to provide a certain group of farmers with just 50% of the announced award as compensation. Less than 100 acres acquired for private use would not be subject to the main Act's R&R provision. It essentially implies that the specific actions outlined in Section 31 for the impacted families' R&R—such as alternative locations and property, required work, additional rights, annuity, etc.—are changed into a one-time financial payout. Not only are defense projects free from consent and SIA, but they are also vague "defense-related projects." In the same vein, neither affordable housing nor rural infrastructure have a defining acquisition. One can classify flats worth Rs 50 lakh as affordable housing. It seems that protecting "investment" and "offering all basic facilities and infrastructure to entrepreneurs" is the main rationale for the modifications. Gujarat has never used the LARR 2013 system. Why was it said that this makes the process of acquiring land "lengthy and difficult"?¹⁰

⁸ ET Bureau, *Gujarat assembly clears amendments to land acquisition law*, ECONOMIC TIMES (Dec. 18, 2023, 5:45 PM), <https://economictimes.indiatimes.com/news/politics-and-nation/gujarat-assembly-clears-amendments-to-land-acquisition-law/articleshow/51632690.cms?from=mdr>

⁹ *Id.*

¹⁰ *Gujarat Model: Land Grab in the Name of Land Acquisition*, SABRANG INDIA (Dec. 20, 2023, 6:30 PM), <https://sabrangindia.in/investigation/gujarat-model-land-grab-name-land-acquisition/>

It was intended to deter land purchases at the rate that the previous legislation was allowing. Claiming that the procedure has grown too "lengthy and stringent" is a fallback that not only states the obvious but also contradicts and invalidates the main idea of the new rule¹¹.

5. CONCLUSION

However, the Indian government has made the property available for a number of uses through a number of projects. Yet, because of the complicated procedures and strict laws involved, obtaining property has become one of the hardest and most time-consuming tasks. The primary challenges associated with land acquisition in India include litigation arising from property inheritance, numerous sales that have not been properly documented, government-granted land to SC/ST, land ceiling laws, stringent resettlement and rehabilitation regulations, etc. These issues cause delays in projects. Due to the challenges of obtaining contiguous, suitably sized, marketable, and free of litigation land parcels for development.

¹¹ *Id.*