



## LAND ACQUISITION ACT IN INDIA

---

**Diksha Tiwari\***

### **ABSTRACT**

*As we know land acquisition is a critical aspect of the growth of infrastructure, industrial growth, and urbanization. However, it imposes legal, social, and economic challenges including displacement and fair composition. In India Land Acquisition 1894 to the LARR Act, 2013. Marked significant reform, emphasizing fair compensation, consent, and rehabilitation. This research paper explores the historical evolution of the land acquisition law in India, Constitutional Provision related to Land Acquisition, Salient Features of the LARR Act, 2013, Landmark Cases, Challenges in Implementation, Comparative Analysis with International Frameworks, Role of Tribunals and Regulatory Bodies, Social and Economic Impacts and Case Study.*

### **INTRODUCTION**

Land acquisition in India allows the government to acquire private land for development purposes like industrialization and infrastructure, compensating and rehabilitating affected landowners. The Land Acquisition Act of 1894, in effect until 2013, prioritized state needs under the doctrine of eminent domain, often neglecting the rights of displaced individuals. Replacing it, the LARR Act, 2013 introduced fair compensation, transparency, and a consultative approach, aiming to balance development with landowners' rights.

### **HISTORICAL EVOLUTION OF THE LAND ACQUISITION LAW IN INDIA**

**Pre-Independence Era:** The history of land acquisition in India began with the Bengal Regulation I of 1824, which enabled land acquisition for public purposes under British rule. Regional acts followed in Bombay and Madras for projects like roads and canals. The 1857 Act VI formalized compensation and arbitration for disputes but faced issues of corruption.

---

\*BA LLB, THIRD YEAR, JIMS ENGINEERING MANAGEMENT AND TECHNICAL CAMPUS OF LAW.

The 1870 Act introduced appeals to civil courts, improving judicial oversight. The 1894 Act became the primary framework, emphasizing fair compensation and refining the process through amendments, such as the 1923 provision allowing landowners to object to acquisitions. The Government of India Act, 1935, introduced property rights protections, laying the groundwork for post-independence reforms. This evolution aimed to balance public welfare with landowners' rights, shaping modern land acquisition laws. (Law Octopus,2024)<sup>1</sup>

**Post-Independence: Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement Act, 2013 (LARR Act):** It governs land acquisition in India. It ensures fair compensation, transparency, and rehabilitation for those affected by land acquisition for industrial, infrastructural, and development projects. The Act replaced the Land Acquisition Act 1894, which lacked fairness and safeguards for displaced individuals, promoting a more equitable and inclusive approach.<sup>2</sup>

## CONSTITUTIONAL PROVISION RELATED TO THE LAND ACQUISITION

The Right to Property in India evolved significantly, particularly through the 44th Constitutional Amendment of 1978.<sup>3</sup>

**1) Before the 44th Amendment:** Article 19(1)(f) guaranteed the fundamental right to property, ensuring every citizen's right to acquire, hold, and dispose of property without restrictions, providing equal rights irrespective of religion, race, caste, or sex. It also mandated adequate compensation for individuals if their property was acquired by the government for public purposes. However, Article 19(5) permitted the state to impose reasonable restrictions on this right in the interest of the public or to safeguard the rights of Scheduled Castes and Tribes.

Before its repeal, Article 31 governed the compulsory acquisition of property, stipulating that property deprivation must be authorized by law Article 31(1) and that such acquisition must serve a public purpose, with compensation paid for the deprivation Article 31(2). Even if the acquired property was not used for the specified public purpose, the state was still obligated to compensate the individual if there was substantial deprivation.

---

<sup>1</sup> Chanchal Kumbhkar, Land Acquisition in India: A Critical Study Concerning Legal Rights, October 14, 2024, <https://www.lawctopus.com/academike/land-acquisition-in-india-a-critical-study-concerning-legal-rights/>

<sup>2</sup> Ayush Tiwari, The Land Acquisition, 2013, November 23, 2022 <https://blog.ipleaders.in/the-land-acquisition-act-2013/#:~:text=Indore%20Development%20Authority%20v.,Act%20of%202013%20were%20required.>

<sup>3</sup> KIRTHNA MADHAVAN, Constitutional Validity Of Land Acquisition In India, <https://www.legalserviceindia.com/legal/article-708-constitutional-validity-of-land-acquisition-in-india.html>

**2) After the 44th Amendment (1978):** The 44th Amendment (1978) redefined the Right to Property, removing it as a fundamental right and placing it under Article 300A as a constitutional right. This change has two key implications: it is now protected as a legal right, and challenges can only be made in High Courts under Article 226, not directly before the Supreme Court under Article 32. Furthermore, the State is no longer obligated to pay compensation for acquired property, a shift from earlier provisions under Article 31.

The Right to Property is not part of the Constitution's basic structure, as confirmed in *State of Maharashtra v. Chandrabhan*, and is regarded as a legal and human right, allowing the state to regulate property acquisition without constitutional constraints. Article 300A grants executive authorities the power to acquire land for public purposes, but only as explicitly authorized by law, limiting arbitrary action.

Cases such as *State of West Bengal v. Vishnunarayan & Association* and *Bishamber Dayal Chandra Mohan v. State of Uttar Pradesh* emphasize that executive actions must adhere to legal procedures, ensuring protection against arbitrary seizure of property. The doctrine of Eminent Domain, rooted in public welfare and necessity, further underscores the state's power to acquire private property for public use, provided adequate compensation is given. Ultimately, Article 300A balances the state's authority with the rule of law, safeguarding individuals against arbitrary interference in property matters.

### **SALIENT FEATURE OF THE LAND ACQUISITION REHABILITATION AND RESETTLEMENT ACT 2013**

The Land Acquisition, Rehabilitation, and Resettlement Act, 2013 aims to create a fair and transparent framework for acquiring land in India, focusing on providing adequate compensation and rehabilitation for affected individuals. It prioritizes minimizing the negative effects on livelihoods and food security, while also promoting the involvement and consent of impacted communities.

1. Commencement: The Act is applicable throughout India (excluding Jammu and Kashmir before the amendment of Article 370). It includes precise definitions for key terms like “landowner,” “affected family,” and “public purpose,” ensuring clarity in interpretation.

2. Determination of Social Impact and Public Purpose: A Social Impact Assessment (SIA) must be conducted to assess the social, economic, and cultural consequences on affected

communities. Public hearings and publication of findings ensure transparency, and an expert group reviews the SIA to ensure that the benefits of the project outweigh the negative effects. Some urgent projects may be exempt from the SIA.

3. Protection of Agricultural Land: Acquisition of multi-crop irrigated land is limited to exceptional cases, requiring the development of an equivalent area of wasteland for agriculture. There are also limits on the total amount of agricultural land that can be acquired in a region.

4. Notification and Acquisition Process: The government must issue a preliminary notification to indicate its intention to acquire land and then conduct a survey. Affected parties can raise objections, which are addressed by the Collector before the preparation of a draft Rehabilitation and Resettlement (R&R) scheme.

5. Rehabilitation and Resettlement Award: Affected families are entitled to compensation and support measures, including resettlement allowances and amenities in new areas. Special provisions are made for families displaced multiple times.

6. Implementation of Rehabilitation and Resettlement: Authorities are appointed to oversee the R&R process, and committees are formed to monitor the implementation at the project level.

7. National Monitoring Committee: A national body monitors the R&R process, with state-level committees ensuring local compliance.

8. Land Acquisition, Rehabilitation, and Resettlement Authority: An Authority is created to resolve disputes, determine compensation, and ensure compliance with the Act.

9. Compensation Distribution: Clear guidelines are provided for apportioning compensation among affected parties, and procedures are outlined for resolving disputes over compensation distribution.

10. Temporary Occupation of Land: The Act specifies how temporary occupation of land can occur and the compensation for damages.

11. Offenses and Penalties: Penalties are prescribed for violations like providing false information, unauthorized land transfers, and failure to comply with the Act.

12. Miscellaneous Provisions: The government has powers to make rules, amend schedules, and exempt certain acquisitions. If land acquired is not used within a specified time, it must be returned to the original owners.

## LANDMARK CASES

The Landmark cases are as follows:<sup>4</sup>

1. Land Acquisition Officer, A.P. v. Ravi Santosh Reddy (2016): The Supreme Court criticized the Andhra Pradesh Government for pursuing a trivial Rs. 50,000 interest claim for over 20 years. Despite the landowner's death during the litigation, the government continued the case, ultimately dismissed by the Court as an abuse of legal process. The Court condemned the state's failure to settle a legitimate claim promptly, highlighting the lack of any substantial legal or public importance in the matter.

2. G. Padmanabhan and Others v. Tamil Nadu State and Others (2015): The Court held that land acquisition proceedings initiated under the 1984 Act had lapsed under Section 24(2) of the 2013 Act. The petitioners retained possession of the land, and compensation was not deposited with the Civil Court. As the government failed to complete the acquisition process, the Court allowed the petition, deeming the proceedings invalid.

3. Indore Development Authority v. Manohar Lal (2020): The Supreme Court clarified when land acquisition proceedings under the 1894 Act would lapse under Section 24(2) of the 2013 Act. The Court ruled that acquisition lapses only if both possession of land was not taken and compensation was not paid for five years or more before January 1, 2014. Compensation payment includes deposits in the government treasury, and interim court orders must be excluded from the five-year calculation. Landowners cannot claim lapses if they reject compensation or seek higher compensation. The decision emphasized that Section 24(2) applies to ongoing cases as of January 1, 2014, but does not reopen finalized acquisitions.

## CHALLENGES IN IMPLEMENTATION (ONLINE LEGAL QUERY

1. Delays and Bureaucratic Hurdles: The land acquisition process often involves multiple steps, such as obtaining approvals, conducting social impact assessments, and addressing disputes.

---

<sup>4</sup> Ayush Tiwari, The Land Acquisition, 2013 November 23, 2022 <https://blog.ipleaders.in/the-land-acquisition-act-2013/#:~:text=Indore%20Development%20Authority%20v.,Act%20of%202013%20were%20required.>

These procedural complexities can lead to significant delays, causing project cancellations and escalating costs.

2. **Balancing Development with Social Justice:** Acquiring land for development frequently results in the displacement of vulnerable populations, including farmers, tribal communities, and economically disadvantaged urban dwellers. Striking a balance between economic development and minimizing harm to these groups remains a significant challenge.

3. **Political and Legal Conflicts:** Variations in how different states interpret and amend land acquisition laws can lead to inconsistencies and disputes. Efforts by some states to relax the provisions of the LARR Act (Land Acquisition, Rehabilitation, and Resettlement Act) have added to these challenges, often sparking controversy.

4. **Impact on Agriculture and Food Security:** The diversion of agricultural land for industrial, commercial, or infrastructure projects can reduce the land available for farming, threatening food security. Displaced farmers and agricultural workers often face economic hardship, particularly if alternative employment or income sources are not available.<sup>5</sup>

## **COMPARATIVE ANALYSIS WITH INTERNATIONAL FRAMEWORKS**

1. **India:** The evolution of India's land acquisition laws, from the Land Acquisition Act 1894 to the Land Acquisition, Rehabilitation, and Resettlement Act 2013 and the 2015 Ordinance, reflects efforts to balance development with landowners' rights. The 2013 Act introduced fair compensation, rehabilitation, and pre-acquisition social impact assessments to ensure transparency, while the 2015 Ordinance streamlined processes by exempting certain sectors but faced criticism for diluting protections. These changes aimed to address public discontent, ensure justice for landowners, and facilitate development, though challenges in implementation and stakeholder understanding remain.<sup>6</sup>

2. **China:** China's approach to land dispossession is more aggressive and centrally controlled than India's, with the government playing a dominant role in expropriating land for infrastructure, industrial projects, and state-owned enterprises. Since 1949, the CCP has

---

<sup>5</sup> Melvin Sujay, Challenges, And Controversies In Land Acquisition Law: A Critical Analysis Of India's LARR Act <https://onlinelegalquery.com/public/blog-details/challenges-and-controversies-in-land-acquisition-law-a-critical-analysis-of-indias-larr-act>

<sup>6</sup> Mahima Mishra, Comparative Analysis of Land Acquisition Act in India, June 30, 2021 <https://blog.ipleaders.in/comparative-analysis-of-the-land-acquisition-acts-in-india/comparative-analysis-of-the-land-acquisition-acts-in-india/>

reorganized rural society, collectivized land, and shifted land use for capitalist investment and large-scale agriculture. Economic reforms in the 1990s accelerated rural displacement, particularly for urbanization.

While China preserves farmland for food security, it also transfers land to capitalist producers, unlike India, where privatization has not led to extensive dispossession. Although compensation today is mostly monetary, it is often below market value, leading to protests for higher compensation. Resettlement packages typically include subsidized housing, but many are relocated far from jobs and agricultural land, resulting in economic vulnerability. The impact of displacement varies significantly by economic status, with wealthier households often receiving better outcomes. In prosperous regions, resettlement is more generous, but villagers lose economic autonomy and the participatory mechanisms tied to collective property, highlighting the complex social and economic consequences of land dispossession.<sup>7</sup>

3. United States (US): The legal framework for compulsory land acquisition is rooted in the Fifth Amendment, which mandates that private property can only be taken for "public use" with "just compensation." This principle underpins the doctrine of eminent domain, balancing individual property rights with societal welfare. The interpretation of "public use" has been central to legal debates, particularly following the *Kelo v. City of New London* (2005) case, where the Supreme Court upheld land transfers for economic development as valid public use, sparking significant controversy over governmental powers.

The aspect of just compensation focuses on fairness, typically measured by fair market value, though it often excludes subjective values to the owner. Judicial rulings and statutes have shaped this principle, addressing challenges in balancing objective property worth with equitable outcomes for owners. The U.S. approach to eminent domain reflects a complex interplay of protecting private property and promoting public interest, mediated by judicial oversight. This study explores key cases and statutes to provide a nuanced understanding of the operational challenges and implications of eminent domain in balancing individual rights and societal goals.<sup>8</sup>

---

<sup>7</sup> Rural land dispossession in China and India, Volume 47, 2020 - Issue 6, November 5, 2022, <https://doi.org/10.1080/03066150.2020.1826452>

<sup>8</sup> Assessing Compulsory Land Acquisition: A Cross-National Study of Legal Frameworks in the USA, UK, and India, Volume - 6, Issue , 10, October – 2023, <https://shikshansanshodhan.researchculturesociety.org/wp-content/uploads/SS202310005-min.pdf>



4. United Kingdom (UK): Compulsory land acquisition is governed by key laws such as the Compulsory Purchase Act 1965 and the Land Compensation Act 1973, focusing on objectives like infrastructure development, urban renewal, and environmental conservation. Unlike the U.S. "public use" standard, the UK employs a broader concept of "public benefit," encompassing future-oriented community and economic goals. Procedural safeguards ensure fairness, offering public consultations, objections, and inquiries to protect affected parties. Compensation is guided by the principles of equivalence and the "no-scheme" world rule, ensuring property owners are neither disadvantaged nor unjustly enriched, with subjective property value also considered, as highlighted in cases like *Waters v Welsh Development Agency*. This study explores the UK's legislative framework and procedural mechanisms, analyzing how it balances national development with individual property rights, contributing to a deeper understanding of its compulsory acquisition model.<sup>9</sup>

## **ROLE OF TRIBUNALS AND REGULATORY BODIES**

1. NGT: The National Green Tribunal (NGT), established under the National Green Tribunal Act, of 2010, addresses environmental protection and conservation cases. While it does not directly handle land acquisition disputes, it plays a critical role in acquisitions involving environmental concerns, ensuring compliance with environmental laws. In the POSCO steel project in Odisha's Jagatsinghpur district, the NGT intervened due to violations of environmental regulations. Despite the suspension of environmental clearance in 2013, POSCO, supported by the Odisha government, began acquiring 2,700 acres of agricultural land without proper clearance. Acting on a petition by environmental activist Prafulla Samantray, the NGT ordered the cessation of all land acquisition activities until the clearance issue was resolved.<sup>10</sup>

2. State and National Committees: The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement Act, 2013 (LARR Act) establishes specific committees at both state and national levels to oversee and monitor land acquisition processes, ensuring compliance with legal standards and safeguarding the rights of affected individuals. Under Section 48 of the LARR Act, 2013, the Central Government is empowered to establish

---

<sup>9</sup> Ibid

<sup>10</sup> Anupam Chakravarty, Green tribunal halts land acquisition for POSCO 28 May 2013, <https://www.downtoearth.org.in/environment/green-tribunal-halts-land-acquisition-for-posco-41177>



a National Monitoring Committee to review and monitor the implementation of rehabilitation and resettlement schemes for projects of national or inter-state importance.

At the state level, the Act mandates the creation of various bodies to ensure effective implementation and compliance. The State Level Social Impact Assessment (SIA) Unit evaluates the social impact of proposed land acquisitions, identifying and addressing potential adverse effects on communities. An Expert Group appraises the SIA report and provides recommendations on whether a proposed project should proceed, be modified, or be abandoned based on its social impact. Additionally, the State Level Rehabilitation and Resettlement Authority is established to adjudicate disputes related to compensation, rehabilitation, and resettlement, ensuring timely and fair grievance redressal for affected persons.

### **SOCIAL ECONOMIC IMPACTS**

1. **Land Value Transformation:** Converting agricultural land into commercial or tourism zones increases land prices, potentially distorting local housing markets and affecting affordability for residents.
2. **Income Sources:** For communities dependent on agriculture, fishing, or mining, losing access to land means losing primary income sources, leading to economic hardship.
3. **Employment Opportunities:** While tourism development can create jobs, these are often low-paying and temporary. Higher-paying positions typically go to outsiders, limiting economic benefits for residents.
4. **Infrastructure Development:** Tourism projects often lead to improved infrastructure, such as roads and utilities, enhancing local living standards. However, these benefits may not always reach all community members equally.
5. **Social Safety Concerns:** Increased tourism can lead to social issues like crime and substance abuse, negatively impacting community well-being.
6. **Recreational Facilities:** Local access to new recreational facilities can improve quality of life, but this depends on equitable distribution and community involvement in planning.
7. **Environmental Impacts: Resource Depletion and Pollution:** Tourism development can lead to the overuse of natural resources and pollution, harming local ecosystems.

8. Altered Landscapes: Development can change the physical appearance of areas, potentially eroding local cultural identities and affecting community cohesion.<sup>11</sup>

## CASE STUDY

1. Analysis of the Tata Motors (Nano) Project, Singur: The Tata Motors project in Singur failed primarily due to the inadequacies of the 1894 Land Acquisition Act. The government acquired 997 acres of prime agricultural land without obtaining consent from the affected communities, resulting in widespread protests and resistance. The lack of any provision for seeking approval from landowners or conducting a Social Impact Assessment (SIA) ignored the concerns of local populations, fueling resentment.

Compensation was inadequate, as it was based on misclassified land records and excluded agricultural workers who lost their livelihoods. Additionally, there were no provisions for Rehabilitation and Resettlement (R&R), leaving displaced families without housing or income sources. The acquisition of multi-crop land further exacerbated food security concerns by reducing agricultural production, compounding the negative impacts of the project.

2. Koyambedu Market, Chennai: The Koyambedu Wholesale Market Complex, established by the Chennai Development Authority, successfully reduced congestion in the central business district while remaining accessible to residents. Spanning 295 acres, the market is strategically connected by highways, bus terminals, railways, and the Chennai International Airport, serving approximately 1 lakh visitors daily. The project's success is largely attributed to proactive measures during land acquisition that exceeded the requirements of the 1894 Act.

3. Fair compensation was provided, with landowners receiving market value for their land and standing crops, along with an additional 12% interest for the period between notification and acquisition. A comprehensive Rehabilitation and Resettlement (R&R) process, though not mandated under the 1894 Act, ensured the effective relocation of affected families. Transparent valuation based on recent sale deeds further ensured fairness and minimise disputes. This case demonstrates how incorporating fair compensation and R&R mechanisms can lead to successful land acquisition and project implementation, even within the limitations of older legislation.

---

<sup>11</sup> Socio-economic and environmental impacts of land acquisition for tourism development in Vietnam Volume 9, 2023 - Issue 2, 23 Nov 2023 <https://doi.org/10.1080/23311886.2023.2283923>

4. So, The Tata Motors (Nano) Project in Singur was ultimately unsuccessful, primarily due to critical shortcomings such as the absence of community consent, inadequate compensation, lack of rehabilitation and resettlement (R&R) measures, and flawed land records. These oversights led to widespread protests and political opposition, forcing Tata Motors to abandon the project. In contrast, the Koyambedu Wholesale Market in Chennai stands out as a successful example of effective land acquisition and project execution. Proactive measures, including fair compensation, interest payments, and a robust R&R process, ensured a smooth acquisition process and project completion, benefiting both the local community and the economy. While Singur underscores the consequences of disregarding stakeholder interests, Koyambedu exemplifies the positive outcomes of inclusive and equitable practices.

## **CONCLUSION**

The study of land acquisition laws highlights the need to balance development with protecting rights. India's 2013 LARR Act introduced fair compensation, consent, and rehabilitation but faces implementation challenges. Comparisons with the UK, USA, and China reveal diverse approaches: the UK and USA focus on transparency and market-based compensation, while China prioritizes rapid development, sometimes at the cost of individual rights. India must refine its framework, adopt global best practices, and ensure inclusive stakeholder participation. A robust land acquisition system reflects a nation's dedication to justice, equity, and sustainable progress.