MAPPING DILUTIONS IN A CENTRAL LAW:


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I. EXECUTIVE SUMMARY

For the last four years, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013 has been at the centre of intense debate. Controversial changes were introduced to this law by the National Democratic Alliance (NDA) government, soon after it came to power in 2014. These changes were discussed in Parliament, analysed in the media and challenged at protests. While the fate of the amendments rests currently with the Joint Parliamentary Committee (JPC) report, several states have already brought about changes through Rules under Section 109 of the Act or have enacted their own state level land acquisition legislations.

An examination of these efforts by state governments reveals the following trends:

- At least six state governments have enacted their own land acquisition laws by seeking Presidential consent using Article 254 (2) of the constitution. This is based on suggestions of the NITI Ayog in 2015. Tamil Nadu, Gujarat, Maharashtra, Telangana, Rajasthan and Jharkhand have passed their own land acquisition laws through this route.

- These new state laws directly adopt the amendments proposed by the 2014 land ordinance and exclude acquisitions for certain purposes from the purview of the central law. The RFCTLARR (Gujarat Amendment) Act, 2016, adopts all the changes proposed in the 2014 ordinance.

- States are also adopting the clauses of the NDA government’s 2014 land ordinance through the drafting of state rules, thereby attempting to ‘amend’ the central law. This is being done by dispensing with the requirement of specific processes or restricting the scope of the law. For instance, the process of conducting an SIA under the Uttar Pradesh Rules is a lot less comprehensive than the 2014 Central Rules.

- State level rules are diluting the applicability of the progressive clauses like prior consent, public hearings or Social Impact Assessment (SIA). In Jharkhand the state rules reduce the quorum of the gram sabha consent to one-third from half as required in the central rule.

- States are repatriating unused acquired land into land banks rather than returning it to the original owners as required by the central law. This is being done by Odisha and Jharkhand. The Tamil Nadu law allows unused land to be taken for any other purpose, provided the District Collector certifies the same. In Telangana, the time period after which unused land has to be returned has been changed from five years to, either five years or “a period specified for the setting up of any project”, whichever is later.

- State Rules are reducing the amount of compensations to be paid against acquisitions. In states like Haryana, Chhattisgarh and Tripura the multiplying factor for rural land is fixed at 1.00 as against 2.00 as specified in the central law.

- The Joint Parliamentary Committee (JPC) set up to review the proposed amendments to the 2013 law, has been extremely active since mid 2017, after a lull period of one year. Its composition has also significantly changed.

The United Progressive Alliance (UPA) government had replaced the colonial Land Acquisition Act, 1894 with the newly enacted RFCTLARR Act, 2013. Though critiqued for expanding the definition of public purpose to include projects developed by the private sector, the new legislations had been welcomed by political parties, social movements, farmer groups and NGOs. This is primarily due to the clauses regarding conducting a Social Impact
Assessment (SIA), the requirement of prior consent, the clauses for the return of unutilized land to original owners, food security provisions and better compensation.

The Rules framed by the States or the new state level land acquisition laws seek to ease the process of land acquisition in favour of governments and investors. While certain States have reduced the time period for the conducting of the SIA process or do away with it entirely, there are others who have lowered the compensation award or modified the applicability of the retrospective clause regarding return of land. Some states have adopted the provisions of the land ordinance that remove the requirement for consent from the land acquisition procedure.

### Exclusions made by the State Amendment Acts

<table>
<thead>
<tr>
<th>THE PROVISION AS PER THE CENTRAL LAW</th>
<th>GUJARAT</th>
<th>MAHARASHTRA</th>
<th>TAMIL NADU</th>
<th>TELEGANA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Impact Assessment and Consent: The process of acquisition mandates an Social Impact Assessment consent from affected land owners.</td>
<td>Exemptions from SIA and consent for a range of all projects. E.g. those important for national security or defense; rural infrastructure; affordable housing for poor; industrial corridors and other infrastructural projects, including projects under PPPs.</td>
<td>Only private projects will be subject to the provisions of SIA and Consent. Public-private partnerships excluded from requirement.</td>
<td>Acquisitions carried out under the four state laws that exempt from the provisions of the RFCTLARR. These laws don’t require SIA and consent. Laws include those for Harijan Welfare Schemes Acquisition for Industrial Purposes and Highways.</td>
<td>Exemptions from SIA and consent for a range of all projects. E.g. those important for national security or defense; rural infrastructure; affordable housing for poor; industrial corridors and other infrastructural projects, including projects under PPPs.</td>
</tr>
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### Dilutions made by the State Rules

<table>
<thead>
<tr>
<th>CLAUSE IN CENTRAL RULES</th>
<th>ANDHRA PRADESH</th>
<th>JHARKHAND</th>
<th>SIKKIM</th>
<th>TELEGANA</th>
<th>UTTAR PRADESH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Period for conducting the SIA and submitting the report: 6 months</td>
<td>No Dilution</td>
<td>No Dilution</td>
<td>No Dilution</td>
<td>No Dilution</td>
<td>Time Period for conducting the SIA and submitting the report: 2 months</td>
</tr>
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Return of Unused Land
As acquired under 2013 law

<table>
<thead>
<tr>
<th>Clause in Central Rules</th>
<th>Dilutions:</th>
<th>Jharkhand</th>
<th>Karnataka</th>
<th>Odisha</th>
<th>Tamil Nadu</th>
<th>Telengana</th>
<th>Tripura</th>
</tr>
</thead>
<tbody>
<tr>
<td>If any land is lying unused for a period of 5 years or more, the land may be returned either to the original owners and their heirs or be reverted to a government land bank.</td>
<td>No provision for returning land back to the original owners or their heirs. The land will revert back to a government land bank.</td>
<td>Before the land is returned to the original owners or their heirs, they must deposit the current market value of the land minus the compensation paid at the time of acquisition.</td>
<td>No provision for returning land back to the original owners or their heirs. The land will revert back to a government land bank.</td>
<td>If the DC is satisfied that the land in question may be used for some other purpose, then he can pass a notice reverting the land to a government land bank.</td>
<td>The 5 year period has been increased from either 5 years or the time period required for setting up the project, whichever of the two is higher.</td>
<td>Before the land is returned to the original owners or their heirs, they must deposit the current market value of the land minus the compensation paid at the time of acquisition.</td>
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Provisions Related to Food Security

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<thead>
<tr>
<th>Clause in Central Rules</th>
<th>Dilutions:</th>
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<tbody>
<tr>
<td>The limit on acquisition of irrigated multi cropped land: Not more than 1% of the total irrigated land in the State</td>
<td>Chhattisgarh: The limit on acquisition of irrigated multi cropped land: Not more than 2% of the total irrigated land in the State</td>
</tr>
<tr>
<td>The limit on acquisition of other agricultural land: Not more than 5% of the total net sown area in the State</td>
<td>Jharkhand: The limit on acquisition of other agricultural land: Not more than 1% of the total net sown area in the State</td>
</tr>
<tr>
<td>Tamil Nadu: The limit on acquisition of other agricultural land: Not more than 1/4% of the total net sown area in the State</td>
<td>Madhya Pradesh: The limit on acquisition of other agricultural land: Not more than 50% of the total net sown area in the State</td>
</tr>
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Consent

<table>
<thead>
<tr>
<th>Clause in the Central Rules</th>
<th>Dilutions:</th>
</tr>
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<tbody>
<tr>
<td>Quorum of Gram Sabha for obtaining consent: 50%</td>
<td>Himachal Pradesh: The quorum of the Gram Sabha is to be fixed according to provisions</td>
</tr>
<tr>
<td>Jharkhand: The quorum for the Gram Sabha has been</td>
<td>Sikkim: No Dilution</td>
</tr>
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</table>
This paper traces and analyses how the state governments have modified and built upon the Central Act. It also looks briefly at recent litigation on the applicability of the retrospective clause of the law, i.e. which requires the return of unused land to original owners or reinitiating processes under the 2013 law. The paper also highlights the current activities of the JPC, which was constituted to resolve the deadlock in the houses of the Parliament with NDA’s proposed ordinance. Several crucial aspects like the SIA are being discussed before the JPC today.

II. INTRODUCTION

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013 has, from the time of its conceptualisation, raised many questions and sparked several debates. The draft Act, which replaced an earlier 1894 law, was debated over for almost two years. People’s movements and civil society organisations had analysed that while the new law had several positive features like consent of landowners or food security related provisions, it had a few lacunae. One of the foremost concerns was the broad and all encompassing definition of public purpose which includes, National Defence and Security Projects, Infrastructure Projects, Relief Development, Planned Housing, Planned Development and Housing for Displaced Persons. A few critiques listed it

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2 Section 2 of the RFCTLARR Act, 2013.
to be a fundamental shortcoming. On the other hand, industries’ representatives and their associations expressed that the new law had made the entire process of acquiring land expensive and time consuming.4

This paper aims to trace the deviations in the States from the Central law with respect to provisions for a Social Impact Assessment (SIA), consent, computing of compensation, food security related provisions, the operation of the retrospective clause and the return or reversion of unused land. Many of these amount to a “dilution” of what was proposed in the 2013 law and corresponding Rules. The word dilution is being used to assess the changes proposed in the RFCTLARR, 2013 as against the existing clauses as well as how they relate to the objective of the law laid out in the preamble.5

Changes Proposed by the Central Government’s Ordinance

May 2014 saw a change of government at the Centre. The Bharatiya Janata Party (BJP) led alliance had positioned economic development as an essential theme of the election campaign.6 Almost immediately, there were statements and press releases by industry outfits. These included statements by the Confederation of Indian Industries (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI) on 20.05.2014 and 26.05.2014 that questioned the framework of the new law. According to them, the 2013 law would cause serious delays in land acquisition and affect the investment climate in the country. 7

This was followed by an all states meeting to discuss the provisions of the RFCTLARR Act, 2013 which had been called for by the then Union Minister for Rural Development, Nitin Gadkari, on 27.06.2014.8 In this meeting it was proposed that several substantial changes would be made to the RFCTLARR Act, 2013 by way of amendments.9

A major set of amendments was introduced by an ordinance, which was promulgated by the President of India on 31.12.2014.10 The RFCTLARR (Amendment) Bill 2015 was then introduced in the Lok Sabha on 24.02.2015. Though it

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4 The preamble states that the law is being enacted to “ensure, in consultation with institutions of local self-government and Gram Sabhas established under the Constitution, a humane, participative, informed and transparent process for land acquisition for industrialisation, development of essential infrastructural facilities and urbanisation with the least disturbance to the owners of the land and other affected families and provide just and fair compensation to the affected families whose land has been acquired or proposed to be acquired or are affected by such acquisition and make adequate provisions for such affected persons for their rehabilitation and resettlement and for ensuring that the cumulative outcome of compulsory acquisition should be that affected persons become partners in development leading to an improvement in their post acquisition social and economic status and for matters connected therewith or incidental thereto.”
8 Id.
was passed by the lower house on 10.03.2014, the assent of the upper house still remained to be taken. Even as the matter was debated in the Rajya Sabha, to keep the amendments in operation, the government took the final count of ordinances to three by passing two more ordinances, namely the RFCTLARR (Amendment) Ordinance, 2015 and the RFCTLARR (Second Amendment) Ordinance, 2015 on 03.04.2015 and 30.05.2015 respectively. The December 2014 ordinance had introduced changes in the applicability of the consent and SIA clauses, and extended the scope of “public purpose” to include private hospitals and private educational institutions among other projects.

With the ordinance being introduced on the last day of the year 2014, the initial months of 2015 saw several protests, from farmers, social activists and the Congress Party. Farmers burned copies of the proposed ordinance, in other places, they defecated on the copies and there were even reports of suicides as a form of protest. Anna Hazare organized mass rallies in opposition of the ordinance and also had support from the Aam Aadmi Party.

In August 2015, with elections approaching in the state of Bihar, Prime Minister Narendra Modi, on his show “Mann ki Baat” announced that he would allow the ordinance to lapse. On August 28th 2015 however, the BJP government issued a ‘statutory order’ to extend the benefits related to compensation, infrastructure amenities, rehabilitation and resettlement to acquisitions under 13 Central Acts listed in the Fourth Scheduled of the RFCLARR, 2013. This includes legislations such as the National Highway and Railways Acts. Earlier, acquisitions made under these 13 Acts were entirely exempt from the applicability of the RFCLARR.
The Joint Parliamentary Committee

In May 2015, the decision on the amendments to the law was placed before a Joint Parliamentary Committee (JPC). The JPC comprised 11 members from the BJP, 3 National Democratic Alliance (NDA) allies like the Shiv Sena, the Telugu Desam Party and the Lok Jan Shakti Party, 5 members from the Indian National Congress, 2 Trinamool Congress members and nine members from other state parties. This committee has had 24 sittings so far. In the initial sittings during June 2015, the JPC heard the views and suggestions of a range of individuals and organisations, following an open call for inputs in May 2015. The representations who made submissions an depositions included representatives from Farmer Unions, NGOs, policy researchers and activists among others. Since then, the JPC has also taken evidences from concerned Ministerial Departments, had clause by clause considerations of the law and is still continuing to collect more information and data. A resultant report from all the data collected however, is yet to see the light of day.

With the ordinance lapsing on the 31st August 2015 there were speculations about whether the JPC set up to review the ordinance and amendments to the 2013 law would become redundant. The JPC however continued to be in place. After August 2015, the JPC met 4 times under the chairmanship of S.S Ahluwalia of the BJP. In July 2016, Canesh Singh, also from the BJP, replaced Ahluwalia as the as the chairman of the JPC, and his first order of business was to seek an extension for the committee. After that, the JPC met only once in December 2016. In the year 2017, following the elections in Uttar Pradesh, the JPC appears to be re-activated. There have already been three meetings in 2017, in March, May and June. The SIA, which had been identified by most states as the biggest challenge to quick acquisition is being debated in the JPC, and submissions are being sought by the states on the same in May 2017.

There was also a substantial change of the JPC's membership which may have shifted the political dynamics of the discussions. Both Jairam Ramesh (Indian National Congress) and Sharad Yadav (Janata Dal) have had to resign from the JPC on account of their retirement from the Rajya Sabha. In the last sitting of the JPC in June 2017, Congress leaders such as Digvijaya Singh, P.L. Punia and K.V. Thomas and NCP chief Sharad Pawar have reportedly walked out after submitting a letter to the Chairman.  

References:


[2] Sitting Nos. 3-9 of the JPC, available at http://164.100.47.194/Loksabha/Committee/CommitteeInformation.aspx?comm_code=67&tab=1


[9] id

[10] Sitting No 22, 23 and 24 available at: http://164.100.47.194/Loksabha/Committee/CommitteeInformation.aspx?comm_code=67&tab=1


[12] Composition of the JPC, available at: http://164.100.47.194/Loksabha/Committee/CommitteeInformation.aspx?comm_code=67&tab=1

Dilution of the central law and enactment of new laws by States

The Principal Act of 2013 allows states to create rules under the Act. Using the power given under section 109 of the Act, the Central and several State Governments passed certain rules. The Central Rules related to SIA was the first set of rules to be enacted in August 2014. The other states like Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Jharkhand, Sikkim, Tamil Nadu, Telangana, Tripura and Uttar Pradesh all passed rules after the Central Government.

Even though “land” is a matter in the State list, the “acquisition and requisitioning of property” finds place in the Concurrent list. The manner in which the Concurrent list works is that if there is a central law on any subject in the list, a state law cannot bypass the same. However, in cases where a state law receives presidential assent after due consideration, the state law can override the central one in that particular state. The finance minister, Shri Arun Jaitley, after the second meeting of the governing council of NITI Aayog on July 15, 2015, encouraged the states to make use of this constitutional provision and prepare their own laws for land acquisition. According to Ramesh and Khan, “Article 254(2) provides that if a State law receives presidential assent after due consideration, then it can apply in contravention to the Central law in that particular State.” This has allowed the governments of Tamil Nadu, Gujarat, Maharashtra, Telangana, Rajasthan and Jharkhand to pass their own land acquisition laws. These state laws include the changes proposed in the ordinance issued by the BJP led government.

III. SOCIAL IMPACT ASSESSMENT (SIA)

One new feature in the RFCTLARR Act, 2013 and absent in the Land Acquisition Act, 1894 is the provision for a Social Impact Assessment (SIA). This provision has received a mixed response. The institutions and departments engaged in the process of land acquisition (both public and private) were apprehensive of a long drawn procedure leading to unnecessary delays in the process of acquiring land. People who were in favour of the new law, felt that such a due process should be followed to ascertain the public purpose for which land was to be acquired as well as scope the
nature and range of impacts of such acquisition. Based on such an assessment, the beneficiaries of the compensation could include both landowners and those whose livelihoods depend on the land.

The RFCTLARR Act, 2013 in Chapter II, provides for the way in which the social impact of a land acquisition is to be determined. The manner of preparing and publishing the report of the SIA is to be carried out by rules made by the “appropriate Government.” 59

What is the SIA process according to 2014 Central Rules?

As per the Central Rules, in order to carry out the SIA, the appropriate Government has to first issue a notification, which must necessarily include:

1. Name of the project developer, a brief description of the proposed project and the extent of land proposed for acquisition, the project area and affected areas.
2. The main objectives of the SIA and key activities including consultations, survey and public hearing/s.
3. Whether there is a requirement for taking the consent of Gram Sabhas and/or landowners.
4. The timeline for the SIA and the final deliverables [SIA Report and Social Impact Management Plan (SIMP)], and their manner of disclosure.
5. A statement that any attempt at coercion or threat during the carrying out of this entire exercise will render the same null and void.
6. Contact information of the SIA Unit. 60

This notification is to be made available in the offices of the District Collector, the Sub-Divisional Magistrate and the Tehsil in the regional language. It is also to be published in the form of posters and pamphlets, which should be affixed at conspicuous places and circulated in the affected area. It even needs to be uploaded on the website of the appropriate Government. 61 Further, there is a requirement that this notification be published within 30 days after the deposit of the processing fee for carrying out the SIA. 62

The SIA has to be carried out in consultation with the concerned Panchayat, Municipality or Municipal Corporation, at a village or ward level in the affected areas. 63 The SIA Report must then be submitted to the appropriate Government within six months of the date of the commencement of the SIA study. 64

The SIMP shall be submitted along with the SIA Report. Like the notification previously mentioned, both shall be available in the offices of the District Collector, the Sub-Divisional Magistrate and the Tehsil in the regional language, be published in the form of posters and pamphlets to be affixed and circulated in the affected area, and be uploaded on the website of the appropriate Government. 65

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59 Section 109 (2) (d) of the RFCTLARR Act, 2013.
60 Part B of Form I of the RFCTLARR (SIA and Consent) Rules, 2014.
61 Rule 3 (1) of the RFCTLARR (SIA and Consent) Rules, 2014.
62 Proviso to Rule 3 (1) of the RFCTLARR (SIA and Consent) Rules, 2014.
63 Rule 3 (2) of the RFCTLARR (SIA and Consent) Rules, 2014.
64 Rule 3 (3) of the RFCTLARR (SIA and Consent) Rules, 2014.
Difference between Central Rules and State Rules

i. **Provisions related to the manner of conducting the SIA**
The manner in which the SIA is to be conducted is not very different in the Central Rules and the various State Rules. The only notable difference herein is that unlike the Centre, certain states, such as Andhra Pradesh, Assam and Sikkim, require the SIA Report to be broken down into three parts: Project Impact Report, Project Feasibility Report and SIMP.66

ii. **Provisions related to duties of the SIA team**
The Central Rules talk about the kind of tasks, which the SIA team must carry out.67 Most of the states have copied this verbatim, but two of them, namely Jharkhand and Sikkim, differ in this regard. The corresponding rule in Jharkhand allows the appropriate Government to blacklist the SIA team/Unit due to incapacity on their part.68 It may then allot the SIA study to another SIA Unit or constitute another SIA team to complete the SIA process.69 Power is also given to the Revenue and Land Reforms Department to disqualify and de-empanel any SIA Unit after assigning a reasoned cause.70 The Sikkim Rules however lack the requirement for having a web-based workflow for the SIA and an information management system for the land acquisition, rehabilitation and resettlement.71 Having these, however, would help ensure that relevant documents are maintained and disclosed as per provisions of the Act.

iii. **Provisions related to selection of the SIA team**
With respect to the selection of the SIA team, the Central Rules require all members of the SIA team to give an undertaking that no team member or family of the team member is to receive any direct or indirect benefit from any stakeholder in the project.72 This provision is absent in the Andhra Pradesh, Assam and Sikkim Rules.

iv. **Provisions related to the process of conducting SIAs**
The process of conducting an SIA is the same across all states and the Centre, except for in Uttar Pradesh, where it deviates on three counts. Firstly, with regard to the time period for furnishing information relevant to conducting the SIA, while the Central Rules prescribe 10 days, Uttar Pradesh extends the same to 15 days.73 Secondly, of the 10 items which are required to be assessed while carrying out the SIA as per the Centre, the Uttar Pradesh lists only the first five.74 Determining additional requirements pertaining to the nature of the land, size of holdings, ownership patterns, land prices, changes in ownership etc., all of which are required as per the Central Rules, are not listed in the Uttar Pradesh Rules. The process of conducting an SIA under the Uttar Pradesh Rules is therefore a lot less comprehensive than the 2014 Central Rules. Thirdly, in the Uttar Pradesh Rules, the time period for conducting the SIA and submitting the report is fixed at two months, with the option of being extended to six months. In the Central Rules, however, the time period is fixed for six months.75

v. **Provisions related to conducting public hearings**
Along with the SIA, a public hearing needs to be held in the affected areas. The public hearing ensures that the people are able to voice their concerns regarding the acquisition taking place. To ensure that the public participates in the

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66 Rule 6 (5) of the AP Rules; Rule 5 (4) of the Assam Rules; Rule 3 (4) of the Sikkim Rules.
67 Rule 4 of the RFCTLARR (SIA and Consent) Rules, 2014
68 Rule 7 (3) of the Jharkhand Rules, 2015.
69 Id.
70 Id.
71 Rule 5 of the Sikkim Rules, 2015.
72 Rule 6 (7) (ii) of the RFCTLARR (SIA and Consent) Rules, 2014.
73 Para 33 of the Uttar Pradesh Rules, 2015.
74 Para 34 of the Uttar Pradesh Rules, 2015.
75 Para 37 of the Uttar Pradesh Rules, 2015.
hearing, the Central Rules require for a three-week notice to be given in a 5 km radius from where land is to be acquired. The three-week notice has been reduced to two weeks in a few states, like Jharkhand and Sikkim, and one week in a few others like Andhra Pradesh, Telangana, and Uttar Pradesh.

vi. **Provisions related to evaluation of the SIA Report and SIMP**

Post submission of the SIA Report and the SIMP, the procedure among the states and the Centre is by and large the same except for in Uttar Pradesh. The Uttar Pradesh Rules allow for objections to be made on the draft SIA Report and the draft SIMP which is something absolutely unique and absent from all other rules.

The process for appraisal of the SIA Report and SIMP and the consideration of the same by an Expert Group is the same across the states and there are no real differences among the Rules.

vii. **Provisions related to inventory of waste/barren/unutilised land**

The only remaining deviation between the Central and State Rules can be seen in Jharkhand’s rule regarding keeping an inventory of waste, barren and unutilised land. The provision in the Jharkhand Rules, unlike its other counterparts, lists out the limits on irrigated multi-cropped land and agricultural land, which can be acquired.

<table>
<thead>
<tr>
<th><strong>Social Impact Assessment</strong></th>
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<tbody>
<tr>
<td><strong>Clause in Central Rules:</strong></td>
</tr>
<tr>
<td><strong>Time Period for conducting the SIA and submitting the report:</strong></td>
</tr>
<tr>
<td><strong>Requirement to determine nature of the land, the size of holdings, ownership patterns, land prices, changes in ownership:</strong></td>
</tr>
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76 Rule 8 (3) of the RFCTLARR (SIA and Consent) Rules, 2014.
77 Rule 12 (4) (ii) of the Jharkhand Rules, 2015; Rule 9 of the Sikkim Rules, 2015.
78 Rule 11 of the Andhra Pradesh Rules, 2015; Rule 11 of the Telangana Rules, 2015; Rule 10 of the Uttar Pradesh Rules, 2015.
79 Rule 12 of the Uttar Pradesh Rules, 2015.
80 Rule 17 (ii) & (iii) of the Jharkhand Rules, 2015.
IV. CONSENT

The requirements for consent and its legal process under the Central Rules

The prior consent of affected landowners has to be obtained by the “appropriate government” through the District Collector, as a pre-requisite to the process initiating land acquisition. As per the Act, the appropriate Government could either be the State or the Centre, depending on where the land being acquired is situated. If the land is within the territory of a state, the State Government is the appropriate Government. For all land situated in a Union Territory other than Puducherry, the appropriate Government will be the Central Government. For Puducherry it will be the Government of Puducherry. If the land is situated in more than one state, the appropriate Government will be the Central Government in consultation with the concerned State Governments and Union Territories.

The appropriate Government has the responsibility of having to take suitable steps for updating land and other revenue records in the affected areas, so that the occupants of the land can be identified for initiating the prior consent process. Prior consent has to be taken when the appropriate Government acquires land for a Public Private Partnership (PPP) where ownership of the land remains with the Government, and for acquisition for private companies where a public purpose is involved. The consent provisions are as follows:

- For a private company acquiring land for a public purpose, consent of at least 80% of the affected families.
- For a private company where a PPP is involved, consent of at least 70% of affected families must be taken.

The appropriate Government is empowered under the Act for making rules to govern the process of obtaining prior consent.

As per the process under the Central Rules on SIA and Consent, Gram Sabhas (village assemblies) must be held in the affected areas. The date, timing and venue for the Gram Sabhas will be notified by the District Collector in consultation with representatives of the Gram Panchayats or Autonomous District Councils three weeks before the Gram Sabha is to be held. Apart from this, the District Collector is also given the responsibility to conduct public awareness campaigns in order to get more participation in the Gram Sabhas.

The following procedure, as per the Central Rules on SIA and Consent, must be followed when obtaining consent from the Gram Sabhas:

- Names and signatures of attendees must be taken and kept on record.
- The requisite quorum of the Gram Sabha must be at least 50% of the total members and one-third of the total women members of the Gram Sabha must also be present during the meeting.

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81 Rule 16 (1) and (2) of the RFCCLARR (SIA and Consent) Rules, 2014.
82 Section 3 (e) of the RFCCLARR Act, 2013.
83 Section 3 (e) (i) of the RFCCLARR Act, 2013.
84 Section 3 (e) (ii) and (iii) of the RFCCLARR Act, 2013.
85 Section 3 (e) (iv) of the RFCCLARR Act, 2013.
86 Section 2 (2) (a) of the RFCCLARR Act, 2013.
87 Affected families for this Section is limited to Sections 3 (c) (i) and (v) of the RFCCLARR Act, 2013, which are restricted to persons owning immovable property or those who have got land under a government scheme.
88 Section 2 (2) (b) (i) and (ii) of the RFCCLARR Act, 2013
89 Rule 17 (1) of the RFCCLARR (SIA and Consent) Rules, 2014.
90 Rule 17 (2) of the RFCCLARR (SIA and Consent) Rules, 2014.
91 Rule 17 (3) of the RFCCLARR (SIA and Consent) Rules, 2014.
Printed copies of the proposed terms and conditions for Rehabilitation and Resettlement and compensation must be made available in the local language at least three weeks before the Gram Sabha meeting.\(^{93}\)

In case of PPP and private projects, representatives from the Requiring Body must be present at the Gram Sabha meetings, so that the queries of the local populace can be answered. These representatives are those who are competent to take decisions and negotiate terms of Rehabilitation and Resettlement and compensation (“the terms”).\(^{94}\)

The terms must be explained to the Gram Sabha in the local language and the signatures of the members of the Gram Sabha will be obtained on such terms.\(^{95}\)

The Gram Sabha upon deliberating will pass a resolution with majority either giving or withholding consent. This resolution shall contain the negotiated terms and conditions that the Requiring Body has committed to and been signed by the District Collector or designated district officer and the representative of the Requiring Body.\(^{96}\)

Upon receiving the resolution, the same shall be countersigned by the District Collector or a designated district level officer and then handed over to the Panchayat representatives.\(^{97}\)

If a resolution does not contain an explicit statement of consent, a statement of the negotiated terms and conditions will be invalid.\(^{98}\)

The proceedings will be video recorded, documented in writing and be made available in the Panchayat offices and uploaded on the website of the appropriate Government.\(^{99}\)

Members of the SIA team are to be present to assist the Gram Sabha.\(^{100}\)

A list of all affected land owners must be prepared and made available in the affected area in the form of posters and hand-outs and by displaying the list in conspicuous areas at least 10 days before obtaining consent.\(^{101}\) In case there are any objections, the reason for the same will be recorded in writing and conveyed to the concerned person within 10 days.\(^{102}\)

The following things must be made available in the local language to every member from whom consent is sought:

- A copy of the draft SIA Report (if readily available).
- Initial compensation package being offered for Rehabilitation and Resettlement.
- A list of rights that the village and residents enjoy under various national/state legislations.
- A written statement signed by the District Collector ensuring no coercion or intimidation in cases where consent is denied.
- The contact details of an officer who is to be contacted in case of any coercion.\(^{103}\)

\(^{93}\) Rule 17 (4) of the RFCTLARR (SIA and Consent) Rules, 2014.
\(^{94}\) Rule 17 (5) (i) of the RFCTLARR (SIA and Consent) Rules, 2014.
\(^{95}\) Rule 17 (5) (ii) of the RFCTLARR (SIA and Consent) Rules, 2014.
\(^{96}\) Rule 17 (6) (i) of the RFCTLARR (SIA and Consent) Rules, 2014.
\(^{97}\) Rule 17 (6) (ii) of the RFCTLARR (SIA and Consent) Rules, 2014.
\(^{98}\) Rule 17 (7) of the RFCTLARR (SIA and Consent) Rules, 2014.
\(^{100}\) Rule 17 (9) of the RFCTLARR (SIA and Consent) Rules, 2014.
\(^{101}\) Rule 18 (1) (i) and (ii) of the RFCTLARR (SIA and Consent) Rules, 2014.
\(^{102}\) Rule 18 (2) of the RFCTLARR (SIA and Consent) Rules, 2014.
\(^{103}\) Rule 19 (2) (a-e) of the RFCTLARR (SIA and Consent) Rules, 2014.
Further, the District Collector or any officer appointed by the District Collector must attend the Gram Sabha and affected land owners meetings. The appropriate Government must also ensure that the documents related to the SIA are made available to the land owners and all requests for information by them are provided within seven days following the request.

The Requiring Body is supposed to appoint representatives who are competent enough to take decisions and negotiate the terms and conditions for Rehabilitation and Resettlement and compensation. These appointed representatives have to be present at the meeting of the affected land owners so as to answer the queries raised by them. They also must provide all information on the project and if required, any additional information.

**Comparison between Central and State Rules’ provisions**

The basic requirements under the Central Rules for initiating the process of obtaining consent, as mentioned above, are quite similar to those in the rules of the various states, except for Andhra Pradesh, Telangana and Tripura. These states have no provisions for obtaining consent in their rules.

**i. Provisions exempting the requirement for consent**

In the month of January 2015, the Tamil Nadu Legislative Assembly passed the RFCTLARR (Tamil Nadu Amendment) Act, 2014. It introduced a new section to the Central Act, 105-A, whereby land acquisition carried out under the Tamil Nadu Acquisition of Land for Harijan Welfare Schemes Act, 1978, the Tamil Nadu Acquisition of Land for Industrial Purposes Act, 1997 and the Tamil Nadu Highways Act, 2001 is exempt from provisions of the RFCTLARR Act. Four-fifths of the acquisition carried out in the state of Tamil Nadu is through these three Acts, and requirements for consent are absent in all three Acts. The RFCTLARR here is rendered obsolete in the cases where land is acquired under these Acts.

However, the Madras High Court has directed the State Government to explain how it was able to pass an amendment after the expiry of the statutorily permitted time period of one year, which had expired, on 01.01.2015. Though the State Amendment received Presidential assent on 01.01.2015, it was published in the Government Gazette on 05.01.2015, which is four days after the expiry of the statutory time period. The Madras HC division bench has directed the State Government to maintain status quo and not go ahead with the acquisition of land for the Uppur Thermal Power Plant in a writ petition which had been filed by 12 land owners from the Ramanathapuram district, challenging the provisions of the RFCTLARR (Tamil Nadu Amendment) Act, 2015.

Gujarat has gone a step further than the Tamil Nadu government by incorporating all of the amendments which the NDA government at the centre has been trying to pass for the last two years, into its new RFCTLARR (Gujarat

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107 Id.
According to the Statement of Object and Reasons, this amendment aims to dilute the stringent provisions and make the ‘lengthy’ and ‘difficult’ process of land acquisition ‘smooth and easy’ since Gujarat is an “industrially progressive” state. The Amendment exempts projects that are vital to the national security or defense of India, rural infrastructural projects, affordable housing for poor people, industrial corridors and other infrastructural projects, including projects under public private partnerships from the purview of the RFCTLARR Act, 2013 and thus the provisions related to SIA and consent do not apply to such projects. The Department of Land Resources (DoLR), the Union Ministry of Rural Development and the Union Ministry of Home Affairs have recently noted that the amendments in the Gujarat Bill are very similar to the ones, which the NDA government has been trying to pass, and therefore referred the Bill to the JPC. Pursuant to that, the the Union Ministry of Rural Development and the Union Home Ministry refused to send the Bill to the President for his assent. This however was overlooked as the Bill did eventually find its way to the President of India. As of 08.08.2016 it has become a law in Gujarat.

Rules of the Maharashtra Government and the Draft Rajasthan Land Acquisition Bill also dilutes the consent requirement of the Central Act. Both these Rules mention that consent will be taken for private projects only and not for PPPs. The Rajasthan Government has further diluted the concept of consent by passing two Bills, which relate to land acquisition. The Special Investment Region Bill allows the Government to acquire any land, which has been declared as a Special Investment Region. Its counterpart, the Rajasthan Land Pooling Scheme Bill, allows for the consolidation of small landholdings. Though there has been no direct amendment to the RFCTLARR Act, 2013 the two Bills passed by the Rajasthan Government allow it to bypass provisions of the Act.

On 30.07.2015, the Government of Telangana passed an order. To expeditiously procure land for public projects, the Government came out with a framework, which allows land owners to participate in the development process by willingly selling their land for construction. The Procuring Agency as approved by the District Level Land Procurement Committee (DLLPC) is to be headed by the District Collector.

The order of the Telangana Government, as opposed to the Central Act, provides for compensation only to the people with land and there is no provision for the landless poor and labourers who also stand to lose a lot upon acquisition of land in their area. The order was thus challenged in the Hyderabad High Court by the landless labourers. The
single judge bench of Justice Suresh Kait dismissed the order on the grounds that it did not provide for any Rehabilitation or Resettlement of the landless labourers and artisans, and also failed to provide enhanced compensation to the affected people.\textsuperscript{127} The State Government appealed the quashing of the order and the matter was sent to a division bench of the Hyderabad High Court. The division bench first asked the Government to frame a policy to rehabilitate and resettle the affected families (agricultural labourers, artisans and others) of land acquisition.\textsuperscript{128} Thereafter, on 11.08.2016, the Hyderabad High Court selectively stayed the order of the single judge, which quashed the G.O. MS No 123.\textsuperscript{129} The Court made it very clear that the stay applied only for the land, which was being acquired for the National Investment and Manufacturing Zone (NIMZ), which was being set up in Medak district.\textsuperscript{130}

Further developments took place in Telangana in December 2016, when a Gazette Notification published the RFCTLARR (Telangana Amendment) Act, 2016.\textsuperscript{131} The amendments, which are the same as the ones in the 2015 Ordinance and in the Gujarat Act, were made since Telangana is a new state, which requires land to construct several projects without which development would not be possible.\textsuperscript{132} Therefore, to remove the difficulties in acquiring land as per the provisions of the 2013 Act and facilitate the acquisition of land for developmental purposes, the amendments were being made. Section 10A of the Telangana Amendment Act exempts certain projects which are vital to national security or defence, electrification and irrigation projects, housing for the poor, industrial corridors, infrastructure projects, and PPP projects from the requirements of SIA, Consent and Food Security related provisions.

\section*{ii. Provisions related to Fifth Schedule Areas}

In Jharkhand and Bihar's Rules there are special provisions with respect to certain areas, which are present in the Fifth Schedule. The Rules require that consent from the Gram Sabha be taken when land is under the Fifth Schedule.\textsuperscript{133} Further, in cases where a linear acquisition of land is being done, a Gram Sabha must either be set up at the Gram Panchayat level when more than one village is involved, or at the Panchayat Samiti level when more than one Gram Panchayat is involved, or at the District Board Level where more than one block in a district is involved.\textsuperscript{134}

\section*{iii. Provisions related to the procedure for taking consent from the Gram Sabhas}

With respect to the quorum of the Gram Sabha, the Himachal Pradesh Rules vary from the Central and other State Rules. As per the Himachal Pradesh Rules, the quorum is to be fixed according to provisions of either the Himachal Pradesh Panchayati Raj Act, 1994 (one-third of the total members)\textsuperscript{135} or the Himachal Pradesh Municipal Corporation


\textsuperscript{130} Id.


\textsuperscript{132} RFCTLARR (Telangana Amendment) Act, 2016, available at: http://legislation.telanganalegislature.org.in:9090/Bills/PassedBills/English/Eng_passbill_S_1_7__40_v_1.pdf

\textsuperscript{133} Rule 20 of the Bihar Rules, 2014; Explanation to Rule 20 of the Bihar Rules, 2014.

\textsuperscript{134} Id.

\textsuperscript{135} Section 5 (3) of the Himachal Pradesh Panchayati Raj Act, 1994.
Act, 1994 (half of the total members) or the Himachal Pradesh Municipal Act, 1994 (half of the total members). It does not, however, specify which Act is to be applied in which cases, and the exact quorum requirement. Further, the requirement of having at least one-third women members has been neglected in these Rules. The Jharkhand Rules also specify a requirement of having one-third of the total members to be present as quorum. With respect to the display of terms and conditions of acquisition, the Sikkim Rules reduce the three week requirement to 15 days, which reduces the amount of time the public has to view the terms and conditions and give consent.

iv. Provisions related to the consent of land owners

Something exclusive to the Assam Rules with respect to consent of affected land owners is the provision which allows consent to be taken on the basis of their land holding. People with common interest in a shared area of land may give combined consent. Be it the consent of the Gram Sabha or of the affected land owners, the Bihar and Jharkhand Rules peculiarly state that in cases where consent has been obtained under the manner prescribed in the Rules, the same cannot be withdrawn for any reason whatsoever.

V. Provisions related to roles and responsibilities of the appropriate Government/Requiring Body

Apart from the Centre and Bihar, Himachal Pradesh, Jharkhand, Karnataka and Sikkim, none of the other states have any provisions, which clearly enlist the roles and responsibilities of the appropriate Government or the Requiring Body while obtaining consent.

<table>
<thead>
<tr>
<th>Clause in the Central Rules</th>
<th>Dilutions:</th>
<th>Himachal Pradesh</th>
<th>Jharkhand</th>
<th>Sikkim</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quorum of Gram Sabha for obtaining consent: 50%</td>
<td>The quorum of the Gram Sabha is to be fixed according to provisions of either the Himachal Pradesh Panchayati Raj Act, 1994 (one-third of the total members) or the Himachal Pradesh Municipal Corporation Act, 1994 (half of the total members) or the Himachal Pradesh Municipal Act, 1994 (half of the total members).</td>
<td>The quorum for the Gram Sabha has been reduced to 1/3 in the Jharkhand Rules.</td>
<td>No Dilution</td>
<td></td>
</tr>
<tr>
<td>Requirement of having 1/3rd woman representation</td>
<td>Absent</td>
<td>Present</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Time Period for displaying the terms and conditions of the acquisition: 3 Weeks</td>
<td>No Dilution</td>
<td>Time Period for displaying the terms and conditions of the acquisition: 10 days</td>
<td>Time Period for displaying the terms and conditions of the acquisition: 15 days</td>
<td></td>
</tr>
</tbody>
</table>

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132 Rule 17 (3) of the Himachal Pradesh (SIA and Consent) Rules, 2015.
133 Rule 20 (3) of the Jharkhand Rules, 2015.
134 Rule 14 (4) and Rule 15 (4) of the Sikkim Rules, 2015.
135 Rule 18 (3) of the Assam Rules, 2015.
136 Rule 19 (10) and 20 (4) of the Bihar Rules, 2015 and Rule 19 (10) and 20 (4) of the Jharkhand Rules, 2015.
V. RETROSPECTIVE OPERATION AND THE RETURN OF UNUSED LAND

The retrospective clause in the RFCTLARR Act, 2013

Section 24, dealing with retrospective operation is the most debated, invoked and litigated section of the RFCTLARR Act, 2013. The need for a clause pertaining to this was realised when just a few months before work on the new land acquisition law was started. There were riots in certain villages as a result of wrongful acquisition of land for the purpose of constructing the “Yamuna Expressway”. Although the Government of Uttar Pradesh had enacted a Land Acquisition Policy in the year 2011, it was prospective in nature. Thus, it was realised that there were several historical injustices, which were directly a result of the Land Acquisition Act, 1894, and these could not be addressed via the creation of any new law, unless the law was made retrospective. Thus, the retrospective clause found its way into the RFCTLARR Act, 2013.

1. In cases where an award has been passed under the old law, the proceedings will be as per the provisions of the old Act.
2. In cases where acquisition has been initiated under the old Act but an award has not yet been made, the affected party will be entitled to compensation under the new Act.
3. When acquisition proceedings have been started under the old Act and an award has been passed at least five years before the commencement of the new Act, and the physical possession of the land had not been taken or the compensation not been paid, the proceedings would have deemed to have lapsed and fresh proceedings can thus be started under the new Act.
4. In cases where a “majority” of the people have not accepted the compensation received from an award under the old Act, the awardees will be entitled to compensation as per provisions of the new Act.

The Return of Unused Land

In case any land, which is acquired under the RFCTLARR, remains unutilized for a period of five years, it may be returned to the original owners or their legal heirs. It may also be reverted to a “Land Bank”, a governmental entity which focuses on the conversion of government owned vacant, abandoned, unutilized, acquired lands and tax-delinquent properties to productive use. The manner for the same has to be specified by the appropriate state government.

Section 101 has been adapted or modified by the States in such a manner that it has a significant bearing on the return of unused land. For instance:

- States like Odisha and Jharkhand have done away with the possibility of returning the unutilized land to the original owners or their legal heirs. These rules provide only for the reversion of such land to the Land Banks. Certain other states like Uttar Pradesh however, have made no alterations to this provision.

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140 Section 24 (1) (a) of the RFCTLARR Act, 2013.
141 Section 24 (1) (b) of the RFCTLARR Act, 2013.
142 Section 24 (2) of the RFCTLARR Act, 2013.
143 Proviso to Section 24 (2) of the RFCTLARR, 2013.
144 Section 101 of the RFCTLARR Act, 2013
145 Explanation to Section 101 of the RFCTLARR Act, 2013
146 Rule 37 of the Jharkhand RFCTLARR Rules, 2015 and Rule 42 of the Odisha RFCTLARR Rules.
147 Rule 174 of the Uttar Pradesh RFCTLARR Rules, 2015.
Tamil Nadu, which has only recently in June 2017 framed rules under section 109 of the RFCTLARR, similarly allows only for reversion. The process for the same is a little different from other States. As per the rules, the Collector has to check whether the unutilized land may serve some other public purpose. If the Collector is satisfied that the land can be used for some other purpose, he can certify and recommend the same to the State Government. The Collector shall then issue a notice to the requiring body for whom the land was acquired. Thereafter, the requiring body must be given an opportunity to be heard and a written order must be passed whereby the land is reverted to a Land Bank. The reversion cannot be completed till the above procedure is followed.

In Karnataka, the provision is that before the land is returned to the original heirs of the land, the current market value of the land minus the compensation, paid at the time when the acquisition was made has to be returned to the Government. In September 2017, the Karnataka government has announced its intention to return 25,400 acres of unused land to the land owners in 7 districts of the State. These lands had been lying unutilized for the last 9 years and had been acquired for the creation of a land bank under the Suvarna Karnataka Development Corridor (SKDC). A total of 1,21000 acres had been earmarked for the SKDC, of which, the Karnataka Industrial Areas Development Board (KIADB) issued a preliminary notification under section 28(1) of the KIADB Act, 1966 identifying around 80,000 acres. The process of acquisition however, is not complete till a final notification is passed under section 28(4) of the KIADB Act, 1966, and final notifications had been passed for only about 40,000 acres. Since, the remaining land area had been identified by way of a preliminary notification under section 28 (1), the land owners could no longer make use of their lands. The state government has claimed that beneficial industries cannot be set up in area in which the land has been acquired, therefore it needs to be returned.

Tripura follows a rule similar to Karnataka, wherein, the original owners or legal heirs who have availed the benefits of Rehabilitation and Resettlement, will be given an option to take back their land if they are willing to refund the money received as value of the land. If they are willing, then the Collector shall revert the land back to the person after the sum of money is deposited.

Telengana, has amended Section 101 and increased the time period after which unused land has to be returned from five years to, either five years or “a period specified for the setting up of any project”, whichever is later. This has the potential to increase the time period from 5 years, thereby making the possibility of return few and far.

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148 Rule 29(1) of the Tamil Nadu RFCTLARR Rules, 2017
149 Id.
150 Rule 29(2) of the Tamil Nadu RFCTLARR Rules, 2017
151 Id.
152 Rule 29(4) of the Tamil Nadu RFCTLARR Rules, 2017
153 Rule 36 of the Karnataka RFCTLARR Rules, 2014
155 Section 28(1) of the KIADB Act, 1996 relates to the issuance of a preliminary notification to identify the land, which is to be acquired and gives the public 30 days time to respond with any objections. The final notification is issued under 28(4), and only then the acquisition process is considered complete.
156 Rule 23(1) of the Tripura RFCTLARR Rules, 2014
157 Rule 23(2) of the Tripura RFCTLARR Rules, 2014
158 RFCTLARR (Telangana Amendment) Act, 2016.
Interpretation of the retrospective clause by the Indian Judiciary

i. **“When would compensation be deemed to have been paid?”**

As soon as the new Act came into force, there were 18 appeals, which were filed to the Supreme Court, all invoking the retrospective clause. The issue in all of these 18 appeals, filed by the land owners who stood to lose their lands as a result of the Pune Municipal Corporation acquiring land for the purpose of a “Forest Garden”, was the same. An award had been passed at least five years before the passing of the new Act, but the applicants had refused to accept compensation. The acquiring body, which was the Pune Municipal Corporation, contended that it had fulfilled all of its obligations upon depositing the amount with the Government treasury. A three judge bench of the Supreme Court held that the compensation would be deemed to have been paid only if the amount had first been offered to the individuals before being deposited in the treasury.\(^{159}\) A curious development in this regard took place with the passing of a notification on 24.11.2014 by the Goa Government. Through this notification, an amendment was made to Section 24 (2) and a new proviso was added to the already existing one.\(^{160}\) The proviso essentially allows for a situation expressly prohibited by the *Pune Municipal Corporation* Judgment by discharging the Collector of all liability in cases of land acquisition wherein the award has been made and the compensation has been deposited in the Government Treasury or any other financial institution.\(^{161}\)


\(^{160}\) Notification No. 8/1/2014-LA of the Revenue Department of the Goa Government.

\(^{161}\) Id.

ii. **How is “physical possession” defined?**

The second aspect in the retrospective clause applicability is the need to take physical possession of the property and payment of compensation to affected land owners in cases wherein an award has been passed. The question of when the compensation would have been deemed to have been deposited is well explained in the *Pune Municipal Corporation* case. The Supreme Court, however, in two cases subsequent to the *Pune Municipal Corporation*, delved into the operation of the “physical possession” clause. In both the cases, the Court held that the words “compensation has not been paid” and “physical possession has not been taken” are independent of each other and even if one of the two conditions have not been satisfied, the acquisition would be deemed to have lapsed.\(^{162}\)


iii. **Challenge of the Constitutional validity**

The Constitutional validity of Section 24 (2) is currently being challenged by Reliance Industries in the state of Gujarat.\(^{163}\) A group of farmers filed a petition in the Gujarat High Court against the acquisition of land for a Special Economic Zone in Jamnagar. The land had been acquired five years prior to the commencement of the Act. The farmers claimed that the retrospective clause would apply and as a result of that, the possession, which Reliance had, should have lapsed. Reliance instead challenged the validity of the Section in question.\(^{164}\)


### VI. COMPUTING COMPENSATION

One of the fundamental problems of the old law on land acquisition (Land Acquisition Act, 1894) was that the amount of compensation, which was to be paid, was calculated on a case to case basis, and based on the market value of the land. The poor land record management and under reporting of prices by purchasing parties were reported to have led to alterations in the market value of the land. Thus, the market value as it existed on the records was in reality lesser than the actual value of the land. In order to ensure that fair compensation is given to the land owners, the framers of the law devised a formula in the RFCTLARR Act, 2013. The formula, it is expected, will ensure that human error will be reduced and one can arrive at a value closer to the actual market value.

**Procedure as per the RFCTLARR Act, 2013**

In the simplest of terms, the method to fix the deficiency in market rates requires that the market value is multiplied by a fixed number (multiplying factor) and then a solatium is imposed on the value arrived at. The multiplying factor is different in rural areas (2.00 in the Central Act) and urban areas, and in case of rural areas it is to be determined by the appropriate Government and is fixed at 1.00 in the urban areas. The Central Government, being the appropriate Government in some cases, has fixed the multiplying factor as per the provisions of the RFCTLARR Act at 1.00 in the urban area and at 2.00 in the rural areas.

In some cases of acquisition, the State Governments are the appropriate Government. With respect to land being acquired in the urban areas the multiplying factor is fixed at 1.00 in all of the states, which have passed notifications. 

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167 Section 26 (2) of the RFCTLARR Act, 2013.

168 Serial no. 2 and 3 of the First Schedule to the RFCTLARR Act, 2013.

169 S.O. 425 (E) of the Central Government (09.02.2016).
regarding the multiplying factor. However, the multiplying factor for land being acquired in the rural areas is where differences among the various states arise.

**Differences between the Centre and the states**

In states like Haryana\(^{170}\), Chhattisgarh\(^{171}\) and Tripura,\(^{172}\) the multiplying factor for rural land is fixed at 1.00. The calculation of market value when done as per the aforementioned state’s Rules will result in a value which is half of what would be calculated had the multiplying factors in the RFCTLARR Act and the Central Government notification been used.

Assam assigns the multiplying factor based on the distance of the land from an urban area. In cases where the land is within 10 km of an urban area, the multiplying factor is fixed at 1.50, and in cases where the land is situated beyond 10 km from an urban area, the multiplying factor is fixed at 2.00.\(^{173}\) The Rajasthan Land Acquisition Bill, 2014 that is still in the draft stage, assigns multiplying factors similar to the Assam Rules, and they are also based on the distance of the land from an urban area. However, unlike the other Government Rules and the Act itself, the multiplying factors in Rajasthan are significantly higher. For land situated within 5 km of urban land, the multiplying factor is fixed at a figure between 1.25 and 2.00.\(^{174}\) For land situated more than 5 km from urban land, the multiplying factor will be 2.25 to 4.5 for waste/banjara/barani land\(^{175}\), and between 2.5 and 4.5 if the land is irrigated/double cropped land.\(^{176}\)

<table>
<thead>
<tr>
<th>multiplicity</th>
<th>Assam</th>
<th>Chhattisgarh</th>
<th>Haryana</th>
<th>Tripura</th>
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<td>1.5</td>
<td>1.0</td>
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<tr>
<td>Rural Areas</td>
<td>2.0</td>
<td>2.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

**VII. PROVISIONS RELATED TO FOOD SECURITY**

The year 2013 saw two very important Acts being passed in the Indian Parliament. One was of course the RFCTLARR Act, 2013 and the other was the National Food Security Act, 2013.\(^{177}\) Concerns related to food security have also been addressed in the RFCTLARR Act.\(^{178}\) The Act has a special provision with respect to food security.\(^{179}\) Under the Act,

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\(^{172}\) Notification No. F.30 (08)-REV/ACQ(10)/P-1 of the Revenue Department of the Government of Tripura (09.02.2015).

\(^{173}\) Notification No RLA 300/2013/Pt-II/7 of the Revenue and Disaster Management Department of the Assam Government (22.12.2014).

\(^{174}\) Rule 13 (b) (i) (A) of the Rajasthan Land Acquisition Bill, 2014.

\(^{175}\) Rule 13 (b) (i) (B) of the Rajasthan Land Acquisition Bill, 2014.

\(^{176}\) Rule 13 (b) (i) (C) of the Rajasthan Land Acquisition Bill, 2014.

\(^{177}\) Editor’s Note, 6 NUJS L. Rev. (2013).

\(^{178}\) Chapter III of the RFCTLARR Act, 2013.

\(^{179}\) Section 10 (1) of the RFCTLARR Act, 2013.
irrigated multi-cropped land cannot be acquired, except under exceptional circumstances and as a demonstrable last resort.  

**Provision as per the RFCTLARR Act, 2013**

In case an exceptional circumstance does arise which leads to an acquisition, the appropriate Government has been given the responsibility of assigning the limit up to which such land can be acquired. When such an acquisition does take place, the Act requires that an equivalent area of cultivable wasteland is developed for agricultural purposes, or a sum of money, equivalent to the value of the land, is to be deposited with the appropriate Government for enhancing food security by investing in agriculture. If in case the land being acquired is not irrigated multi-cropped land, but agricultural land, the appropriate Government must ascribe limits of the total net sown area for a district/state. The aggregated acquisition cannot exceed the limit as set by the appropriate Government.

**Food security provisions in the State Rules**

For the purposes of this section, the appropriate Government could be the State Government as well as the Central Government. The only state however, which has the elements of Section 10 (of the RFCLARR, 2013 related to Food Security) imbibed in its Rules, is Jharkhand. As per Rule 17, the limit on acquisition of irrigated-multi cropped land is fixed at no more than 2% of the total irrigated land available in the state. With respect to agricultural land that is not irrigated multi-cropped land, the limit is fixed at no more than 1/4th of the total net sown area in the state.

**Notifications of State Governments with respect to food security**

Even before the Jharkhand Rules had been passed, in the year 2014 the governments of Chhattisgarh and Madhya Pradesh had passed notifications assigning limits on the acquisition of irrigated multi-cropped/agricultural land. In Chhattisgarh, the limit for irrigated multi-cropped land is no more than 2% of the total irrigated land in the area, and for agricultural land it is no more than 1% of the total net sown area in the state. As per the notification of the Madhya Pradesh Government, the area of irrigated multi-cropped land and aggregate acquired for all projects in a district cannot be more than the highest of such an area in an agricultural year during the last 10 years. The limit on acquisition of agricultural land is fixed at no more than 50% of the total net sown area in the state.

The most recent notification in relation to food security came from the Centre, with the Central Government fixing the limit on irrigated multi-cropped land at no more than 1% of the total multi-cropped land determined for the relevant block for a period of five years. Further, in the same notification, the Central Government also notified that the acquisition of agricultural land in aggregate for all projects in a district should not exceed 5% of the net sown area in a district.

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180 Section 10 (2) of the RFCLARR Act, 2013.  
181 Id.  
182 Section 10 (3) of the RFCLARR Act, 2013.  
183 Section 10 (4) of the RFCLARR Act, 2013.  
184 Rule 17 (ii) of the Jharkhand RFCTLARR Rules, 2015.  
185 Rule 17 (iii) of the Jharkhand RFCTLARR Rules, 2015.  
189 S.O. 1757 (E) of the Central Government (12.05.2016).  
190 Id.
<table>
<thead>
<tr>
<th>Provisions Related to Food Security</th>
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<tbody>
<tr>
<td><strong>Clause in Central Rules</strong></td>
</tr>
<tr>
<td>The limit on acquisition of irrigated multi cropped land: Not more than 1% of the total irrigated land in the State</td>
</tr>
<tr>
<td>The limit on acquisition of other agricultural land: Not more than 5% of the total net sown area in the State</td>
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</table>

VIII. CONCLUSION

The power to make Rules under the Act has been given to allow states to take further and improve upon the provisions of the Act. Instead, the states have used their rule making power to make changes which restrict the scope of the Act. Some others have initiated the enactment of new state laws on land acquisition, instead of adhering to the limits of the national law. In the themes discussed in this paper, the following trends have emerged:

- **SIA:** States such as Uttar Pradesh have taken steps to change the time period within which an SIA study will be carried out or reduce the scope of the study. Jharkhand, Sikkim, Telangana, Andhra Pradesh and Uttar Pradesh have reduced the notice period for conducting a public hearing. These changes end up challenging the preamble of the law and dilute the importance of the whole SIA process. In some states, the provision for the SIA is done away with in its entirety.

- **Consent:** The concept of free prior informed consent is central to the process of acquisition of land, especially that laid out in the 2013 law. The State Rules could have elaborated on the process of how this can be operationalised to arrive at fair and transparent decision making around land acquisition. On the contrary, some states have decided to do away with consent entirely. These include Andhra Pradesh, Telangana, Tripura and Gujarat, questioning the very objectives of the Central Act. Gujarat and Telangana have in fact included all the changes that were being proposed in the amendment ordinance into the State Rules, in effect making the ordinance come to light, pending the decision of the Joint Parliamentary Committee. There are also changes in the quorum of the Gram Sabha (village assembly) and combined consent clauses incorporated by some states.

- **Retrospective operation:** The attempt of the Government had been to try and rectify some of the damages that the Land Acquisition Act, 1894 had caused by making the RFCTLARR Act, 2013 a retrospectively operational law. There was ambiguity around how this section would be operationalised. The Supreme Court has interpreted some of the key wordings of Section 24 of the RFCTLARR Act, 2013 to bring in some clarity. However, the fate of the section now rests with the Gujarat High Court where the constitutional validity of the section has been challenged.
• **Return of unused land**: With respect to this provision, states such as Odisha and Jharkhand have done away with any possibility of returning any unused land to the landowners. The unused land in these states get deposited in the government’s land bank. Others such as Telangana have indefinitely increased the time period for which the land is unused from 5 years to a “period specified for the setting up of this project”. All of this ensures that even land that is remaining unused and unutilized still remains with the government and does not find its way back to the landowners.

• **Calculating compensation**: The deviations among the states with respect to the determination of the multiplying factor defeats the purpose of having a fixed multiplying factor. The amount of compensation that will be available across the states will not be uniform, especially in light of the changes made by states such as Haryana, Chhattisgarh and Tripura. Further, certain states have the same multiplying factor for both urban and rural areas, as a result of which the amount of compensation available in the rural and urban area would be the same.

• **Food security**: Having a provision with regard to food security ensures that there is no acquisition of land at the cost of losing multi-cropped and other agricultural lands, unless there is no other option. A few states such as Chhattisgarh and Madhya Pradesh, and the Centre as well, have passed notifications affixing limits on acquisition of such land. There is absolutely no uniformity in any of these limits. Moreover, none of the Rules put forth any clarity as to what the “exceptional circumstances” or the “demonstrable last resorts” which are requirements as per the RFCLARR Act, 2013 even are, and instead only prescribe the limits up to which such land can be acquired.
### IX. ANNEXURES

**List of State RFCTLARR Acts and State Rules**

<table>
<thead>
<tr>
<th>Rules</th>
<th>Date of Enactment</th>
<th>Language/s</th>
<th>Source</th>
</tr>
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<tbody>
<tr>
<td>Chhattisgarh Rules enacted via General Order No. F 4-28/Seven-1/2014</td>
<td>05.05.2014</td>
<td>Hindi and English</td>
<td><a href="http://www.rlarrdc.org.in/images/chastishgarh_govt_1_1_.pdf">http://www.rlarrdc.org.in/images/chastishgarh_govt_1_1_.pdf</a></td>
</tr>
<tr>
<td>The RFCTLARR (Gujarat Amendment) Act, 2016</td>
<td>22.02.2016</td>
<td>English</td>
<td><a href="https://sabrangindia.in/sites/default/files/files/The%202016%20Gujarat%20Bill.doc">https://sabrangindia.in/sites/default/files/files/The%202016%20Gujarat%20Bill.doc</a></td>
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Note: The Act is no longer available online. It is only the final Bill as debated in the Gujarat Assembly.

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<th>Rule Name</th>
<th>Date</th>
<th>Language</th>
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