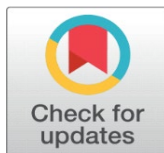
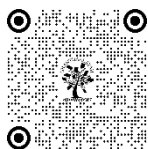


LAND ACQUISITION AND RIGHT TO FAIR COMPENSATION

Dr. Pramod Tiwari¹, Dr. Prabhat Kumar²

¹Assistant Professor (Senior Scale) Law Centre II, Faculty of Law, University of Delhi

²Assistant Professor, Law College Dehradun, Uttaranchal University, Dehradun. Anupm Srivastava and Monika Srivastava, Guide to RFCTLARR Act, 2013, 114 (1st edn., 2014)



DOI

10.29121/shodhkosh.v5.i5.2024.2280

Funding: This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

Copyright: © 2024 The Author(s). This work is licensed under a [Creative Commons Attribution 4.0 International License](#).

With the license CC-BY, authors retain the copyright, allowing anyone to download, reuse, re-print, modify, distribute, and/or copy their contribution. The work must be properly attributed to its author.



ABSTRACT

This article discusses the new law and an attempt to achieve fairness in the payment of compensation. In India, price is the most important issue in the majority of land acquisition disputes. It is necessary to get the right information about the price of land. Secrecy, misinformation, and misconception are as common in land-related sales and purchases as in arrange marriages. There are different ranges of prices that vary per acre of the land. The highest point of the price of land is in an urban area, especially in metro cities. For paying compensation it is necessary to have a market and it is very difficult to fix the price of that kind of land for which the market does not exist. Some regions of the country have few land sales and purchase every year especially in the area of Adivasi lands that are protected from sales to an outsider. How can the price be fixed by the acquiring authority in the Adivasi area? Such types of objection are still very much prevalent and which has not been able to be solved because of genuine issues.

Keywords: Land, Acquisition, Comensation, Fair, Law, Market Value etc.

1. INTRODUCTION

One of the most important loopholes of the Land Acquisition Act 1894 was, the land losers were not paid adequate compensation. The present Act of 2013 tries to curb this menace so that every individual whose land is being taken may get adequate compensation. Broadly speaking, there are mainly two changes in this 2013 Act which have taken place. *Firstly*, the compensation is not only paid to the owner of the land but also to the tenant who is working on the land for more than three years. *Secondly* quantum of compensation is much higher than, what was offered under the Land Acquisition Act, 1894¹.

Land Acquisition Act, 1894 also required compensation as per the market value. But compensation provided under 1894 Act was not fair. It was an injustice to the owner of the land whose land was acquired. In India, people generally purchase the property and the registration of the property is lower than the actual paid amount in the land records. For example, under the Land Acquisition Act, 2013 land losers can take compensation up to four times the market value. Suppose "x" is a person whose property has been acquired in urban cities, then he will get compensation up to two times more than the market value, on the other hand, if properties are in rural areas then the land loser will get up to four times.²

¹Anupm Srivastava and Monika Srivastava, *Guide to RFCTLARR Act, 2013*, 114 (1st edn., 2014)

²Jairam Ramesh and Muhammed Ali Khan, *Legislating for Justice*, 48 to 49 (1st edn., 2015)

Land acquisition law takes advantage of entry in the concurrent list of the Constitution of India, 1950 under Entry 42, "Acquisition and Requisitioning" of property. The land is a subject that falls in the subject matter of State Legislature, but the acquisition of land falls within the jurisdiction of State as well as Central Government.

Compensation may be in financial form or as replacement of land or structures, but for the individual who is the land loser, compensation is the most important part of the acquisition of land. As a consequence of the government's land acquisition, people lose their land, home, income, and all means of livelihood. Adequate compensation can repay all the income as well as compensate emotional attachment with their land, *principle of equity* must be followed while giving the compensation.³

The Principle of equity is based on the Principle of Natural Justice which means that there should be no biasness for distributing compensation for the land. Equivalence is necessary for the determination of the quantum of compensation. It should neither enrich nor be impoverished as a result of compulsory acquisition. The purpose of financial compensation is only to achieve the aim of maintaining the standard of living for those affected due to the acquisition of land. Compensation paid cannot replace the emotional attachment with the land which the owner of the land had, it only aims to support the development or to improve the position of the affected land loser.

If the land market is absent, then in this circumstance it would be very difficult to calculate the exact price of the land. The quantum of compensation for land acquisition is based on the quality of the land rights and improvements related to land and any other related costs. Determining compensation, legislation should ensure a fair process for the valuation of land. The government should also ensure and take care of the individuals whose land has been acquired, so that they can plan their life and future in a much-planned manner.

Practically applying the principle of compensation is always a very difficult and challenging task. Western scholars say that for people all over, having ownership of land is very important in many parts of the world. When we compare with European and North American Countries, we notice, they have a well-defined functional land market and land records are reliable. The law related to land acquisition in developing countries is not very clear and an element of ambiguity always exists with land-related matters. While dealing with compensation mostly two questions always arises- the first one is how the quantum of compensation should be determined and the second one is how much amount should be given for the loss.

In *Ram Jiyawan v. State of Uttar Pradesh*⁴, it has been held by the Court that compensation is the soul of land acquisition. Without paying adequate compensation, the acquisition of land is not possible. The amount of compensation must be sufficient so that no one should feel that they have vacated land with the forcible and involuntary nature of the acquisition process. In India problem often arises because of the quantum of the compensation. How much amount should be paid for the acquisition of land as per the market value is a million-dollar question.

It is a general principle that the acquisition authority must pay compensation to the dispossessed landowner. In English law, this is also generally accepted that where land is compulsorily acquired, the owner is entitled to payment of compensation despite that in the absence of contrary to the statutory provision. In *London and North Western Railway Co. v. Evans*⁵, there was a company which used to construct sound canon. The company intended to take away property without paying compensation. Here Court opined that legislation must legislate law concerning compensation in the compulsory acquisition of property.⁶

The Canadian Courts in *Inglewood Pulp and Paper Co. v. New Brunswick Electric Power Commission*⁷, the Court held that the concept of compulsory acquisition of property cannot be affected for private gain, but it may be affected for the public at large. The owner is deprived of his property in this case and the Court held that people cannot be deprived of his property without compensation paid.

From the period of the nineteenth century, the policy of the government to compensate to the land loser as per market value in England. Land acquisition process was deemed in the earlier nineteenth century, as a contract and compensation of contract, which used to be decided as per market value and all Courts also in English law decided price as a contract⁸.

³ Sanjoy Chakarvorty, *The Price of Land Acquisition, Conflict and Consequence*, 20 (1st edn., 2013)

⁴ AIR 1994 All 38

⁵ (1893) 1 Ch 16

⁶ Douglas Brown, *Land Acquisition* 179 (2nd edn., 1972)

⁷ (1928) 4 DLR 82

⁸ *Ibid*

This concept also prevails in the United States of America.⁹ The concept of market value dominated not only in India but also dominated in America and other States of European countries but in Australia, it has no such dominance, although it is a key issue in Australia.¹⁰

2. DETERMINATION OF PRICE OF LAND UNDER SECTION 26 OF THE LARR ACT, 2013

Section 26 of the Act deals with determination of market value of land by the Collector.¹¹

To determine the base amount of compensation, the Collector must adopt diverse criteria to assess it accurately. There are the following which include.

⁹ *Ibid*

¹⁰ *Supra* note 7

¹¹ The Land Acquisition Act, 2013, section 26 provides that (1) The Collector shall adopt the following criteria in assessing and determining the market value of the land, namely: -

(a) The market value, if any specified in the Indian Stamp Act, 1899 (2 of 1899) for the registration of sale deeds or agreements to sale, as the case may be, in the area, where the land is situated, or

(b) The average sale price for a similar type of land situated in the nearest village or nearest vicinity area, or

(c) Consented amount of compensation agreed upon under subsection (2) of section 2 in case of acquisition of lands for Private Companies or for Public Private Partnership projects, whichever is higher:

Provided that the date for determination of market value shall be the date on which the notification has been issued under S. 11.

Explanation 1 - The average sale price referred to in clause (b) shall be determined taking into account the sale deeds or the agreements to sale registered for a similar type of area in the near village or near vicinity area during immediately preceding three years of the year in which such acquisition of land is proposed to be made.

Explanation 2: For determining the average sale price referred to in explanation 1, one-half of the total number of sale deed or the agreements to sale in which the highest sale price has been mentioned shall be taken into account

Explanation 3: While determining the market value under this section and the average sale price referred to in explanation 1 or explanation 2, any price paid as compensation for land acquired under the provision of this Act on an earlier occasion in the district shall not be taken into consideration.

Explanation 4: While determining the market value under this section and the average sale price referred to in Explanation 1 or Explanation 2, any price paid, which in the opinion of the collector is not indicative of actual prevailing market value may be discounted to calculate market value.

(2) The market value calculated as per sub-section (1) shall be multiplied by a factor to be specified in the first schedule.

(3) Where the market value under sub-section (1) or sub-section (2) cannot be determined then a question arises here,

(a) the land is situated in such an area where the transactions in the land are restricted by or under any other law for the time being in force in that area, or

(b) the registered sale deeds or agreements to a sale as mentioned in clause (a) of sub-section (1) for similar land are not available for the immediately preceding three years, or

(c) the market value has not been specified under the Indian Stamp Act, 1899 (2 of 1899) by the appropriate authority, The State Government concerned shall specify the floor price of a minimum price per unit area of the said land based on the price calculated in the manner specified in sub-section (1) in respect of similar types of land situated in the immediately adjoining areas.

Provided that in a case where the requiring Body offers its shares to the owners of the lands (whose lands have been acquired) to take its shares, the value of which is detectable in the value of the land calculated under sub-section (1). Provided also that the collector shall, before initiation of any land acquisition proceedings in any area, take all necessary steps to revise and update the market value of the land based on the prevalent market rate in that area.

Provided also that the appropriate government shall ensure that the market value determined for the acquisition of any land or property of an educational institution established and administered by religion or linguistic minority shall be such as would not restrict or abrogate the right to establish and administer educational institutions of their choice.

- The market value of land according to the Indian Stamp Act, 1899 and registration of sale deed or agreement to sell land, where the land is going to be acquired.
- The average sale price of land is situated in the nearest village or of the nearest vicinity area.
- Consented amount of compensation agreed upon under subsection (2) of section 2 in case of acquisition of lands for Private Companies or for Public Private Partnership projects, whichever is higher.

The price of land given in the second item of above mentioned base amount, the date to be considered of land from the three years preceding from the date of issue of notification based on the registration of sale deed for sale agreement.

The idea about the average sale price of the nearest area of land came over a century ago in *the Collector of Poonah v. Kashinath Khasgiwala*¹², the Court said that the market value of land, if the price is not known immediately, would be based on similar building site in the neighborhood land which has already been sold. In *A. Natesam Pillai v. Spl. Tahsildar, Land Acquisition, Tiruchy*¹³, the Supreme Court held that the land acquisition officer must decide the price at the time of issue of notification but if the price is not available, then the acquisition authority must also determine recently sold land in that area or vicinity, on which a land acquisition officer can decide the value of the land price.

However, it is noticeable that before passing of this new land acquisition law of 2013, if any land has been purchased in the locality where land is going to acquire and also land acquisition officer is unable to know the exact price of land either by the help of sale deeds or agreements to sale, preceding purchasing shall not be taken into consideration for fixing the amount of compensation.¹⁴ This is a relevant and crucial safeguard. If the amount is paid for land acquisition and comes into consideration after few years, it would be very important for the landowner to feel that he has not been cheated by the land acquisition officer or the authority.¹⁵

When calculating the base amount for compensation of the land loss, the Collector has also the power to discount the market value of land, which in the opinion of the Collector it seems is not equal to the actual prevailing market value.

If land acquiring authority cannot determine the market value for any of the following reasons.¹⁶

1. Where the land is situated in such an area (such as a stay order preventing the sale of lands belonging to specific communities) where buying and selling of land are prohibited and it is very difficult for assessing authority to indicate the value of the land.
2. Where registered sale deeds or agreement to sell land for similar land are not available due to the absence of proper maintenance of land records and due to the common source of disputes.
3. The market value has not been specified under the Indian Stamp Act, 1899 by the appropriate authority (the area is so remote that the State Government has not update land records or even notified the land records).

Besides all the above-mentioned lacuna, the concerned State Government shall calculate the amount of land as per unit area, according to adjoining land in that vicinity, of similar types of land has been sold in preceding years immediately.

3. DETERMINATION OF AMOUNT OF COMPENSATION

Once the final market value of land is determined by the Collector then the Collector shall calculate the total amount of compensation to be paid to the land loser. The Collector shall not only calculate the total per unit area of land, but they are also bound to calculate whatever is attached to the land including all assets.¹⁷

To reach the conclusion of the amount of compensation for the land which is going to be acquired, the following things have to be taken into consideration by the Collector¹⁸:

Firstly, under section 26 determination of market value for land and amount of award has to be according to the first and second schedule of this Act.

Secondly, the damage sustained by taking of any crop which is standing on the land to be acquired by the acquisition authority, such an interested person may also get extra additional compensation.

¹² 1886 ILR 10 Bom 585

¹³ (2010) 9 SCC 118

¹⁴ The Land Acquisition Act 2013, section 26

¹⁵ *Ibid*

¹⁶ Jairam Ramesh and Muhammed Ali Khan, *Legislating for Justice*, 53 (1st edn., 2015)

¹⁷ The Land Acquisition Act 2013, section 27

¹⁸ The Land Acquisition Act 2013, section 28

Thirdly, if any damage is suffered to the landowner because of the severing of land from another land.

Fourthly, the damage if any sustained by the person interested, at the time of collector's taking possession of the land, by reason of acquisition injuriously affecting his other property, movable or immovable, in any other manner, or his earning.

Fifthly, if the land is acquired by a Collector and due to such acquisition, landowner change his business or resident and they suffer a loss during the transfer of business place or residential place, for such loss Collector shall provide compensation.

Sixthly, the damage (if any) bona fide resulting from diminution of the profits of the land between the time of the publication of the declaration of land under section 19 and at the time of Collector's taking possession of the land.

Seventhly, any other ground which may be in the interest of equity, justice, and beneficial to the affected families.

In *Haryana State Agricultural Market Board v. Krishna Kumar*¹⁹, the Court held that for computation of compensation, circle rate and Collector's rate is not same. The rate of Collector's was not based on scientific surveys and for verification in this case, land was situated in a semi-developed area that was acquired. For this semi-urban developed land, the rate of residential plots could not be applied directly. To reach the cost of equal to semi-developed land there is a requirement of deduction of 45% from the value of residential plots to arrive at the market value because there was no evidence to show the plots which fetches the highest rates and situation of plots which fetched lower rate.

In *Valliyammal v. Spl. Tahsildar*²⁰, the land has been acquired for the construction of the housing board. The land which was acquired was agricultural land. This agricultural land was situated near the hospitals, educational institutions, and residential colonies, which was important for the construction of roads. The Court held that there was no evidence produced by the board that it was a developed land. The deduction of a 40% charge from the compensation, in the name of development was improper. Moreover, the deduction of price, in the name of development, up to 10% of the price is acceptable.

In *Special Land Acquisition Officer v. M.K. Rafiq Saheb*²¹, determination of sale price cost was based on a comparable basis. A large piece of land was acquired for industrial setup. The price of a large plot of land was fixed on a small piece of land. The small pieces of land were non-agriculture and this plot which was acquired for industrial setup was agriculture. In this present case, price of land was reduced up to 60% in comparison with a non-agriculture small piece of land.

In *Sabha Mohammed Yusuf Abdul Hamid Mulla v. Special Land Acquisition Officer*²², the Supreme Court issued the guidelines for fixing the land price:

- (i) The collector must keep in mind the existing geographical situation of the land.
- (ii) Use of the land in the contemporary scenario.
- (iii) Existing use of advantages like closeness in space to National or State Highway or developed area.
- (iv) The market value of the acquired land in the near locality or vicinity area.

In *Trishala Jain v. State of Uttaranchal*²³, the High Court rejected the application without recording the appropriate reasons. The client wanted to fix the market value of land for which additional evidence was sought about the sale deed and the High Court held that claimants acted in a collusive manner and that's the main reason for the High Court for rejecting the petition and said that claimants had prior knowledge of impending acquisition proceeding. The Supreme Court further held that the High Court should have allowed the claimant particularly when additional evidence was produced by claimants which challenged the very basis of the judgment of the High Court. Finally, the Court agreed with the additional evidence of particular claimants.

In *State of Maharashtra v. Prashram Jagannath*²⁴, the Supreme Court held that there is no straight-jacket formula to solve out all disputes and controversies uniformly. The burden to prove matters related to compensation depends upon the claimants, whose land has been acquired. Parties must prove that the land is valuable and have great importance for the landholder. In 1993, decision of Division Bench reported that irrigated land price would be the double price in comparison to the dry land which was in the given circumstances of the matter discussed.

In *Kolkata Metropolitan Development Authority v. Gobinda Chandra Makal*²⁵, undeveloped land i.e. agriculture plot and marshy plot were acquired by the authority of the land acquisition officer. The acquired plot was situated within the

¹⁹ (2011) 15 SCC 297

²⁰ AIR 2011 SC 2937

²¹ AIR 2011 SC 3178

²² AIR 2012 SC 2709

²³ AIR 2011 SC 2458

²⁴ AIR 2007 Bom 167

²⁵ AIR 2011 SC 3834

boundary of the municipal limit which had the ability to convert agricultural land into a residential area. A road was adjoining to the agriculture field which was acquired, water supply line and electricity line was connected to the land. The Supreme Court finally held that due to the undeveloped area, price of 33% would be deducted in comparison with the municipal land which is situated adjacent to the agricultural land.

In *L.A. Collector Balasore v. Hamanta Samal*²⁶, agriculture lands were situated near to the residential area. The price of such land increased day by day. The land losers produced a document in the District Court that land of the adjacent area was sold 1 to 3 lakhs per acre and also, they produced sale deed of land. The District Court allowed the claimant to receive a grant of compensation of 1 lakh per acre.

In *Girimallappa v. Special Land Acquisition Officer*²⁷, claimant approached the Supreme Court for enhancement of compensation under the same notification for acquisition of land. The appellant did not produce any evidence to increase the land compensation, they could not produce the price of land which the Court needed and it was not a case where justice is denied. There was a dispute related not on basis of actual possession but based on the apportionment of compensation. In this present case, there were various co-sharers but the problem was related to sharing of compensation instead of possession of land. When land is acquired by the government then they distributed compensation amounts among various landholder. The Court gave no reason to understand the doubt whether the amount has been awarded to each landholder or in joint capacity of land or they were in actual possession of land on the date of acquisition of issued notification.

In *Rajender Singh Kartar Singh v. Lakka Singh Sher Singh*²⁸, it has been held that a co-sharer of land is absent from the village on the date of acquisition or the date of distribution of compensation then he is no longer able to claim compensation because the distribution of compensation is based on possession not based on the title of the land.

In *Vidarbha Irrigation Development Corporation Yavatmal v. Anjali*²⁹, the district court arrived at the value of the average price of land at Rs. 1,82,278 per hectare and deducted 20% to 25% from the value arrived at and fixed the rate of land per hectare at Rs. 1,38,000 and this value of the land was generally undervalued to save the stamp duty and the average value per hectare of Rs.1,82,000 would be just and fair to fix the market value.

In *the Collector, Varanasi v. Ratan Shankar Prasad*³⁰, the amount of compensation not only comprises the market value of the land but also is based on the solatium. The market value of the land price was firstly calculated on the date of notification. But as far as matter is a concern to the solatium, this comes after award of compensation has been made. The provision of solatium has to be included even though the notification under section 4 of the Land Acquisition Act, 1894 may have been published at the time when such provision did not exist.

In *Lal Chand v. Union of India*³¹, it has been held that relying on the market value based on one bigha to determine the market value of 5484 bighas is not proper and not just. In this case, increase in the value of compensation is liable to be set aside.

In *Thakur Kuldeep Singh v. Union of India*³², the Supreme Court held that the land acquisition authority or Collector must fix the market value of the land at the time of issue of notification for the acquisition of land, all relevant factor must be taken into consideration, for example type of land and crops produced by the land, how much income derived from the issued notification of land, etc. After considering all relevant factors, they must fix the market value of the land. It would be very much suitable for the Collector to fix the market value of the land if neighborhood land is of matching character. The Supreme Court again warned in this case to the lower Court and the Collector, that the price of land for compensation must be reasonable and suitable to the farmer. While fixing the price if any mechanical evidence is available which shows that price must be lowered from the reasonability, the concerned Collector must avoid such mechanical evidence, in other words, the Court tried to justify that the market value so determined should be just, adequate and reasonable.

4. MISCELLANEOUS PROVISIONS OF COMPENSATION

²⁶ AIR 1995 Ori 72

²⁷ AIR 2012 SC 3101

²⁸ AIR 1966 P&H 334

²⁹ 2013 (2) Mh LJ 456

³⁰ AIR 1984 All 330

³¹ AIR 2010 SC 170

³² AIR 2010 SC 1272

Section 29 of the 2013 Act deals with determination of value of things attached to land or building.³³ The cantonment authorities have given licenses to the people for the construction of building for living purposes. They are given only possession rights and not ownership with the condition that they may eject anytime with the notice. The Court in *Government of Bombay v. Moss*³⁴, held that the compensation shall be determined by the authorities. The Court further held that for the principle of determining compensation under the Land Acquisition Act, 1894 regulating authorities must consider the age of the building and cost of necessary repairs before paying the correct amount.³⁵ District Collector must determine that the value assessed by the regulating authority is correct. So, the authorities who assessed the value must show the method of determining the value statement. It would help the Court to determine whether the assessment is proper or not. In this case, the requisitioning authority has taken proper care of the valuation of the site.

Section 39 of the Act deals with additional compensation in case of multiple displacements. It provided that the Collector shall, as far as possible, not displace any family which has already been displaced by the appropriate government for acquisition under the provisions of this Act, and if so displaced, shall pay an additional compensation equivalent to that of the compensation determined under this Act for the second or successive displacements.

Section 93 provides that completion of acquisition is not compulsory, but compensation to be awarded when the acquisition is not completed,³⁶ the land acquisition authority may withdraw the acquisition of land if possession has not taken place.

5. SOLATIUM

Section 30³⁷ deals with award of Solatium. The last factor in determining the compensation payable for the loss of land is solatium. Section 30 of the Act provides that the Collector shall impose a Solatium amount equivalent to 100% of the total compensation amount. In other words, if the total compensation comes to Rs. 1,000, the final award would be Rs. 2,000.

Illustratively where the market value of the land is only Rs. 50,000 per acre and the total area to be acquired is 10 acres, the value of the assets attached to the earth is Rs. 2,00,000. Different results would be thrown up for urban and rural areas.

³³ The Land Acquisition Act, 2013, section 29 provides that (1) The collector in determining the market value of the building and other immovable property or assets attached to the land or building which are to be acquired. We the services of a competent engineer or any other specialist in the relevant field as may be considered necessary.

(2) The collector to determine the value of trees and plants attached to the land acquired, use the service of experienced persons in the field of agriculture, forestry, horticulture, Sericulture, or any other field, as may be considered necessary by him.

(3) The collector to assess the value of the standing crops damaged during the process of land acquisition may the services of experienced persons in the field of agriculture as may be considered necessary by him.

³⁴ AIR 1927 Bom 483

³⁵ *Ibid*

³⁶ (1) The Land Acquisition Act, 2013, section 93 provides that the appropriate government shall be at liberty to withdraw from the acquisition of any land of which possession has not been taken.

(2) Whenever the appropriate government withdraws from any such acquisition, the Collector shall determine the amount of compensation due for the damage suffered by the owner in consequence to the person interested, together with all costs reasonably incurred by him in the prosecution of the proceedings under this Act relating to the said land.

³⁷ The Land Acquisition Act, 2013, section 30 provides that (1) the Collector having determined the total compensation to be paid, shall, to arrive at the final award, impose a "solatium" amount equivalent to one hundred percent of the compensation amount.

Explanation- For the removal of doubts it is hereby declared that the solatium amount shall be in addition to the compensation payable to any person whose land has been acquired.

(2) The Collector shall issue an individual award detailing the particulars of compensation payable and the details of payment of compensation as specified in the first schedule.

(3) In addition to the market value of the land provided under section 26, the collector shall in every case award an amount calculated at the rate of twelve percent Per annum on such market value for the period commencing on and from the date of publication of the notification of the social Impact Assessment Study under sub-section (2) of section 4 in respect of such land, till the date of the award of the collector or the date of taking possession of the land whichever is earlier

RURAL AREA

A	The total cost of land [Cost of land: Rs 50,000 per acre] [Total area to be purchased: 10 acres]	Rs. 5,00,000 [Rs. 50,000* 10 = Rs. 5,00,000]
B	Effect of the multiplier on cost [Since the land is situated in a rural area, a multiplier of two would apply]	Rs. 10,00,000/- [Rs. 5,00,000* 2 = Rs 10,00,000]
C	Value of assets attached to the earth	Rs. 2,00,000
D [B+C]	Solatium at the rate of 100%	Rs. 12,00,000/- [Rs. (5,00,000*2) +2,00,000+ 12,00,000=Rs. 24,000]
E [(A*B) + C+D]	Final award	Rs. 24,00,000/- [Rs. (5,00,000*2) +2,00,000 +12,00,000+Rs 24,00,000]

URBAN AREA

A	The total cost of land [Cost of land: Rs 50,000 per acre] [Total area to be purchased: 10 acres]	Rs. 5,00,000 [Rs. 50,000* 10 = Rs. 5,00,000]
B	Effect of the multiplier on cost [Since the land is situated in an urban area, a multiplier of two would apply]	Rs. 5,00,000/- [Rs. 5,00,000* 1 = Rs 5,00,000]
C	Value of assets attached to the earth	Rs. 2,00,000
D [B+C]	Solatium at the rate of 100%	Rs. 7,00,000/- Rs. [5,00,000+Rs.2,00,000 = 7,00,000]
E [(A*B) + C+D]	Final award	Rs. 14,00,000/- [Rs. (5,00,000*1) +2,00,000 +7,00,000+Rs 14,00,000]

6. INTEREST

Sub-section (3) of section 30 provides that interest shall be paid at the rate of 12% per annum on the market value of the land commencing on and from the date of publication of the preliminary notification, that is a notification for social impact assessment (SIA) till the earlier or the following dates:

- Making of the final award by the Collector; or
- Date of taking of possession of the land.

The interest is payable only on the market value of the land. The interest will not be attracted to the value arrived after adding the impact of the multiplier, value of asset attached to the earth, and Solatium.

7. CONCLUSION

Thus, land acquisition has a history and we need to understand how it evolved. Landowners' reservation price change along with changes in the economy and the land market and these changes have to be understood too. Therefore, the price of land in urban and rural India, in different cities and regions, for acquisition and voluntary sale, contested and accepted, from pre-colonial to contemporary times is a core theme running through this analysis.

CONFLICT OF INTERESTS

None

ACKNOWLEDGMENTS

None