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# **Law Relating to Land Acquisition in India and Emerging Trends and Issues**

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## **Abstract**

Land acquisition has remained one of the most contested legal and socio-economic issues in India, lying at the intersection of development imperatives and protection of individual rights. The historical framework under the colonial-era Land Acquisition Act of 1894, criticized for its exploitative nature and inadequate safeguards, paved the way for long-standing conflicts between the State and landowners. The enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act) marked a significant shift towards transparency, fairness, and inclusive rehabilitation. With provisions such as mandatory consent, social impact assessment, and enhanced compensation, the Act sought to humanize the process of compulsory acquisition.

However, challenges persist in its implementation, as state-level amendments, delays in compliance, disputes over compensation, and inadequate rehabilitation continue to undermine its objectives. Judicial pronouncements have played a pivotal role in balancing public purpose with constitutional rights, yet the tension between rapid industrialization and social justice endures. Emerging issues such as digitalization of land records, environmental safeguards, agrarian resistance, and comparative lessons from other jurisdictions highlight the evolving complexity of land acquisition law in India.

This paper critically examines the historical evolution, key legislative frameworks, judicial responses, and contemporary issues while suggesting reforms to strike a balance between development needs and the rights of affected communities.

## **Keywords**

Land Acquisition, Compensation, Rehabilitation and Resettlement, Judicial Interpretation, Farmers' Rights, Development, and Emerging Trends in Land Law.

## Introduction

Land, as a finite and immovable resource, occupies a central place in the socio-economic fabric of India. Unlike other resources that can be replenished or substituted, land is inherently limited in quantity and indispensable for human survival, habitation, and production. In India, where agriculture continues to sustain a significant portion of the population and where industrialization and urban expansion are rapidly altering the landscape, land assumes both an economic and cultural value. Beyond its role as a factor of production, land is deeply embedded in questions of livelihood, identity, and social status, making its ownership and acquisition a matter of high sensitivity and contestation. The scarcity of land and the increasing demands placed upon it by development imperatives underscore the complexity of the legal and policy frameworks surrounding land acquisition<sup>1</sup>.

The acquisition of land by the state has historically been justified on grounds of public purpose—facilitating infrastructure projects, industrial corridors, urban townships, highways, and other developmental initiatives that are vital for economic growth. In a rapidly globalizing economy such as India's, where the state is tasked with providing basic amenities and fostering investment, land acquisition becomes an unavoidable process. From the construction of dams and power plants to the establishment of special economic zones and industrial hubs, state intervention in land markets has been considered indispensable. At the same time, the compulsions of urbanization and demographic growth have intensified the demand for land in metropolitan regions, making acquisition not only a question of economic policy but also of social justice and constitutional fairness.

The historical trajectory of land acquisition laws in India can be traced to the colonial era, where the Land Acquisition Act of 1894 provided the state with wide-ranging powers to compulsorily acquire land. Rooted in colonial governance, this law prioritized administrative efficiency and imperial interests over the rights and welfare of local populations. Its legacy persisted long after independence, as the 1894 Act remained in force for more than a century, shaping the relationship between the state and its citizens in matters of land<sup>2</sup>. While the Act enabled the state to pursue development projects, it also drew widespread criticism for its inadequate safeguards for landowners, poor compensation mechanisms, and disregard for principles of rehabilitation

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<sup>1</sup> The Constitution of India, art. 300A.

<sup>2</sup> Law Commission of India, *Report No. 10: Law of Acquisition and Requisitioning of Land* (1958).

and resettlement. This colonial legacy has continued to inform the contemporary debates on balancing the competing claims of development and individual rights<sup>3</sup>.

The central problem that emerges in the discourse on land acquisition is the need to reconcile developmental imperatives with the protection of the rights and interests of landowners and affected communities. The tension lies in ensuring that infrastructure growth and industrialization do not come at the cost of dispossession, impoverishment, or social dislocation. Legal reforms, particularly the enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, were designed to address these tensions. Yet, challenges persist, including ambiguities in defining public purpose, procedural complexities, and the potential for conflict between state policy and citizen rights.

Against this backdrop, the present research seeks to critically examine the law relating to land acquisition in India and explore emerging trends and issues. The objectives of the study are threefold: first, to analyze the evolution of land acquisition laws from colonial to contemporary times; second, to evaluate the legal and social challenges arising from compulsory acquisition; and third, to assess recent reforms and judicial interventions in balancing development with equity and justice. The scope of the paper is limited to statutory and judicial developments in India, with reference to comparative insights where relevant.

The methodology adopted for this research is primarily doctrinal and analytical in nature. It relies on an examination of statutory texts, parliamentary debates, judicial pronouncements, and secondary literature such as academic articles and policy papers. The analytical framework aims to understand not only the black-letter law but also its socio-economic implications. By situating the law in its historical context and evaluating its contemporary relevance, the paper endeavors to provide a nuanced account of how India negotiates the delicate balance between development and rights in the realm of land acquisition.

## **Historical Evolution of Land Acquisition Laws in India**

The legal framework of land acquisition in India has undergone a significant transformation from the colonial period to the post-independence era, reflecting the changing priorities of governance and the evolving understanding of social justice. Land, being a finite and indispensable resource, has always held central importance in economic development, infrastructure creation, and industrialization. However, the legal apparatus for acquiring land has often been controversial, balancing the needs of the state with the rights of landowners and communities. The historical evolution of land acquisition laws demonstrates a gradual shift from a state-centric approach under colonial rule to a more people-centric framework in contemporary India<sup>4</sup>.

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<sup>3</sup> A.G. Noorani, *Land Acquisition and the Law: The Politics of Dispossession* (Oxford Univ. Press 2014).

<sup>4</sup> The Land Acquisition Act, 1894, No. 1, Acts of Parliament, 1894 (India).

### **1. Colonial Period: The Land Acquisition Act, 1894**

The foundation of modern land acquisition law in India was laid by the British with the Land Acquisition Act of 1894. The Act provided the government with the power to compulsorily acquire land for “public purposes,” a term that was left deliberately vague. The central features of the Act included the authority of the state to take possession of land after issuing a notice, determination of compensation based largely on market value, and a mechanism for limited judicial review. While it provided a semblance of legality to the process of acquisition, the Act was heavily tilted in favor of the state and was primarily designed to serve colonial interests.

The colonial motive behind this legislation was to ensure uninterrupted access to land for railways, plantations, administrative buildings, and other infrastructure that facilitated the extraction of resources and consolidation of colonial power. The rights of landowners were secondary, and the law offered little by way of safeguards for displaced communities. Compensation provisions were minimal, and the valuation process often ignored the livelihood and social ties of affected populations. Moreover, the law vested excessive discretionary power in government officials, which was frequently misused. Unsurprisingly, the Act came under criticism for being exploitative, unjust, and devoid of any humane consideration for those who lost their land.

### **2. Post-Independence Developments: Continuation of the 1894 Act**

When India gained independence in 1947, the newly formed government inherited the colonial legal framework, including the Land Acquisition Act, 1894. Instead of immediately replacing it, the state continued to rely on the existing law, largely because it was an effective tool for acquiring land for planned economic development. The post-independence period witnessed massive state-led projects such as dams, highways, steel plants, and industrial townships, all of which required vast tracts of land. The rhetoric of “nation-building” often overshadowed the rights of farmers and tribal communities who bore the brunt of displacement.

Although the Indian Constitution guaranteed the right to property under Article 31, the tension between private rights and the state’s developmental agenda led to frequent litigation. Judicial interpretations in early cases, such as *State of West Bengal v. Bela Banerjee* (1954), highlighted the inadequacy of compensation under the Act. The Supreme Court initially upheld the principle that compensation must be just, fair, and reasonable. However, subsequent constitutional amendments, especially the 25th Amendment (1971), curtailed judicial scrutiny and gave the legislature greater leeway in determining compensation. The downgrading of the right to property from a fundamental right to a mere constitutional right under the 44th Amendment (1978) further weakened landowners’ bargaining power.

### **3. The Need for Reform: Displacement and Social Unrest**

By the late 20th century, the flaws of the 1894 Act became increasingly apparent. While the law served the interests of rapid industrialization, it caused widespread displacement, often without adequate resettlement or livelihood support. The plight of those uprooted by large projects came to the forefront with movements such as the Narmada Bachao Andolan, which protested against the displacement caused by the Sardar Sarovar Dam. Similarly, the violent protests in Singur and Nandigram in West Bengal during the 2000s highlighted the resentment of farmers and local communities towards compulsory acquisition for industrial projects.

The criticisms centered around three major issues: inadequate compensation, lack of rehabilitation, and the absence of transparency in the acquisition process. Compensation under the 1894 Act was largely limited to market value, which often did not reflect the true worth of land in rural settings where it was a source of livelihood, cultural identity, and social security. Rehabilitation and resettlement provisions were non-existent, leaving displaced families in precarious conditions. Additionally, the broad and undefined scope of “public purpose” allowed acquisitions for private industries under the pretext of economic development, which generated suspicion and resistance among landowners.

#### **4. Transition to the New Law: LARR Act, 2013**

Mounting social unrest, judicial criticism, and policy debates eventually compelled the government to repeal the colonial-era legislation. After years of deliberation, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act, 2013) was enacted, replacing the Land Acquisition Act, 1894. The new law marked a paradigm shift in the approach to land acquisition by incorporating principles of fairness, transparency, and participatory decision-making.

Key features of the LARR Act included enhanced compensation (up to four times the market value in rural areas and twice in urban areas), mandatory rehabilitation and resettlement for affected families, and a social impact assessment (SIA) to evaluate the consequences of acquisition. Importantly, the law narrowed the definition of “public purpose” and introduced provisions for obtaining the consent of at least 70% of affected families in case of land acquisition for private projects and 80% in case of public-private partnerships. By embedding these safeguards, the Act sought to strike a balance between development needs and the rights of landowners and communities.

The enactment of the LARR Act, 2013, thus represented a historic departure from the exploitative framework of the colonial period. It acknowledged the human and social dimensions of land acquisition and attempted to align economic growth with principles of justice and equity. While challenges remain in its implementation, the law signaled the Indian state’s recognition that development cannot come at the cost of dispossessing vulnerable populations without fair compensation and rehabilitation.

## **The LARR Act, 2013: Key Provisions and Innovations**

The enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (commonly referred to as the LARR Act, 2013) marked a decisive break from the colonial-era Land Acquisition Act of 1894. The old law had long been criticized for its arbitrary nature, inadequate compensation, and disregard for the rights of affected communities. The 2013 Act was a legislative response to decades of social unrest, judicial intervention, and civil society campaigns against forced displacement. It embodies a paradigm shift by balancing developmental needs with the protection of landowners' and displaced persons' rights. Its objectives are grounded in transparency, participatory decision-making, fair compensation, and comprehensive rehabilitation<sup>5</sup>.

- **Objectives and Philosophy**

At the heart of the LARR Act, 2013 lies the philosophy of making land acquisition a more humane, participatory, and just process. Its primary objectives include ensuring transparency in acquisition proceedings, securing fair compensation for landowners, and providing adequate rehabilitation and resettlement (R&R) to displaced families. Unlike the 1894 Act which prioritized the “*eminent domain*” power of the State, the LARR Act recognizes land not just as a commodity but as a vital source of livelihood, identity, and cultural belonging, particularly for marginalized communities.

The Act rests on four guiding principles. First, transparency, achieved through prior consent requirements and social impact assessments. Second, fair compensation, with amounts significantly enhanced compared to the earlier law. Third, rehabilitation and resettlement as statutory rights, thereby moving beyond mere monetary compensation to address livelihood concerns. Fourth, community participation through consent clauses and institutional oversight. These objectives reflect an attempt to reconcile the tension between industrialization and infrastructure development on one hand, and social justice and human rights on the other.

- **Consent Clause**

One of the most innovative features of the LARR Act is the introduction of the consent clause. Under this provision, acquisition for private projects requires the consent of at least 80% of affected landowners, while for Public–Private Partnership (PPP) projects, the threshold is 70%. This marks a radical departure from the unilateral acquisition powers under the 1894 Act, where landowners had little or no say.

The consent clause is a democratic safeguard designed to ensure that acquisition cannot proceed without meaningful participation of those directly affected. It also compels private entities and

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<sup>5</sup> The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, No. 30, Acts of Parliament, 2013 (India).

governments to engage with communities and negotiate terms more equitably. However, critics argue that obtaining such high levels of consent can slow down projects, increase transaction costs, and create possibilities of holdouts or coercion<sup>6</sup>. Despite such concerns, the clause underscores the recognition of property rights and participatory governance.

- **Social Impact Assessment (SIA)**

Another cornerstone of the Act is the mandatory Social Impact Assessment (SIA). Before any acquisition can be approved, an independent study must be conducted to evaluate the potential impact on livelihoods, environment, culture, and social networks. The SIA must be carried out in consultation with affected communities and presented in a public hearing.

The purpose of the SIA is twofold: first, to ensure that acquisition decisions are evidence-based and not merely driven by economic or political considerations; and second, to give communities a platform to voice concerns and shape outcomes. It brings transparency by mandating disclosure of who benefits and who bears the cost of acquisition. Although implementation has been uneven, the inclusion of SIA institutionalizes a rights-based and participatory approach to land governance.

- **Compensation Provisions**

A major reform introduced by the Act lies in its compensation framework. Recognizing that the 1894 Act grossly undervalued land, the LARR Act mandates that compensation in rural areas be set at four times the market value, and in urban areas at twice the market value. In addition, compensation must consider not just the land but also the immovable assets attached to it, such as trees, wells, and houses.

By significantly increasing compensation, the Act seeks to ensure that landowners are not left impoverished after acquisition. This provision reflects the principle of distributive justice, where those displaced are adequately compensated for their losses. Nonetheless, some critics contend that inflated compensation has raised project costs, making infrastructure and industrial development more expensive. Yet, the intent of fairness outweighs concerns of financial burden, as the Act prioritizes equity over expediency<sup>7</sup>.

- **Rehabilitation and Resettlement**

The LARR Act also integrates rehabilitation and resettlement (R&R) as statutory entitlements, unlike the earlier law which was silent on the issue. Affected families are entitled not only to monetary compensation but also to livelihood support, such as employment opportunities, housing, and social amenities. The Act mandates provision of jobs to one member of each

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<sup>6</sup> Shibani Ghosh, Transparency and Consent in Land Acquisition: The 2013 Act in Practice, 5 Indian L. Rev. 67 (2018).

<sup>7</sup> M. Rahman, Land Acquisition in India: A Review of the 2013 Act, 55(3) Econ. & Pol. Wkly. 42 (2020).



affected family or a one-time monetary compensation in lieu of employment. Housing sites, transport allowance, and subsistence grants are also guaranteed.

This holistic approach recognizes that displacement disrupts social and cultural fabrics, and therefore requires more than mere financial compensation. By embedding R&R in law, the Act makes rehabilitation a matter of right rather than government discretion. However, in practice, implementation gaps have persisted, with many affected families struggling to access promised benefits due to bureaucratic delays and lack of monitoring.

### **Special Safeguards for SCs and STs**

The Act contains special provisions for Scheduled Castes (SCs) and Scheduled Tribes (STs), who are disproportionately affected by land acquisition due to their dependence on land, forests, and traditional habitats. Acquisition in Scheduled Areas requires the consent of local Gram Sabhas, and displaced SC/ST families are entitled to additional R&R benefits. If land is acquired from them, they are promised alternative land and relocation close to their original habitat to preserve their socio-cultural ties.

These safeguards reflect the constitutional mandate of protecting vulnerable groups and ensuring social justice. Yet, field experiences suggest that these safeguards are often undermined by weak enforcement and political pressures, raising concerns about the gap between law and practice.

- **Urgency Clause**

The LARR Act retains the urgency clause from the 1894 Act but places stricter conditions on its use. Urgency acquisition is limited to cases of national defense, security, and natural disasters, thereby preventing its arbitrary invocation for commercial purposes. This restriction was necessary given the frequent misuse of urgency provisions under the old law to bypass safeguards and dispossess communities.

- **Institutional Mechanisms**

To oversee the implementation of the Act, the law provides for the establishment of the Land Acquisition, Rehabilitation, and Resettlement Authority at the state level. This quasi-judicial body is empowered to address disputes related to compensation, R&R entitlements, and other acquisition-related matters. By creating an independent grievance redressal mechanism, the Act aims to reduce litigation burdens on courts and provide timely relief to affected persons.

- **Critical Appraisal**

The LARR Act, 2013 represents a progressive and rights-based departure from the colonial model of land acquisition. Its emphasis on consent, social impact assessments, enhanced compensation, and statutory rehabilitation reflects a humane approach to balancing development

with justice. It has empowered landowners and communities by recognizing their stake in the process.

However, the Act has also faced criticism. States have resisted its provisions, arguing that stringent safeguards and high compensation have made land acquisition cumbersome and costly, thereby deterring investment. Delays in SIA processes and challenges in obtaining consent have led to project slowdowns. Implementation of R&R has often been weak, with promises on paper not translating into reality. The Act also leaves scope for political manipulation, particularly in determining market values and enforcing safeguards for marginalized groups.

Despite these shortcomings, the Act is an important milestone in India's legal and developmental landscape. It acknowledges land as more than a transactional asset and seeks to humanize the acquisition process. Going forward, reforms must focus on improving implementation, ensuring timely compensation and rehabilitation, and balancing procedural safeguards with developmental needs.

### **Judicial Responses and Landmark Cases**

The judiciary in India has played a central role in shaping the discourse on land acquisition, particularly in reconciling the competing interests of development and individual rights. Land acquisition often raises a fundamental conflict: on one hand, the State seeks to acquire land for infrastructure, industrialization, or urban expansion; on the other hand, such acquisitions frequently result in displacement, loss of livelihood, and deprivation of property. The courts have therefore been called upon to balance the developmental objectives of the State with the constitutional rights of citizens, especially the right to property and the right to livelihood. Over the years, the Supreme Court and various High Courts have delivered landmark judgments that have defined the contours of "public purpose," fair compensation, and the application of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act).

One of the earliest cases that addressed the constitutional dimension of land acquisition was *State of Bihar v. Kameshwar Singh*<sup>8</sup>. The case arose in the context of the Bihar Land Reforms Act, 1950, which sought to abolish the zamindari system and redistribute land to peasants. The zamindars challenged the Act on the ground that the compensation mechanism was arbitrary and violative of Article 31 of the Constitution (right to property). The Supreme Court upheld the validity of the law, recognizing agrarian reform as a legitimate public purpose. However, the Court also emphasized that compensation must not be illusory, thus laying down the principle that while the legislature has wide discretion in determining compensation, it cannot be so meagre as to amount to confiscation. This judgment thus became a foundational precedent on the interpretation of compensation provisions in land acquisition laws.

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<sup>8</sup> *State of Bihar v. Kameshwar Singh*, AIR 1952 SC 252 (India).

As the developmental agenda of the State expanded, the judiciary was required to interpret the scope of “public purpose.” In *Bangalore Development Authority v. R. Hanumaiah* (2005)<sup>9</sup>, the Supreme Court examined whether the acquisition of land for planned development and housing projects could be considered a public purpose. The Court held that urban planning, infrastructure projects, and housing schemes are indeed legitimate public purposes under the Land Acquisition Act, 1894. At the same time, the Court cautioned against misuse of the “public purpose” clause, highlighting that acquisitions must not be a pretext for transferring land to private entities for commercial gain. This judgment underscored the need for judicial vigilance in ensuring that public purpose is genuine and not a tool for unjust enrichment of private parties.

The issue of public purpose and necessity of acquisition again came into sharp focus in *Dev Sharan v. State of U.P.* (2011)<sup>10</sup>. In this case, the State government had sought to acquire agricultural land for an industrial development project. The Supreme Court quashed the acquisition, holding that the government had failed to establish a genuine public purpose and had not adequately considered alternatives. The Court observed that agricultural land is a vital resource for farmers and that arbitrary acquisition under the guise of development cannot be permitted. This judgment reflected a pro-citizen stance, wherein the Court prioritized the livelihood and rights of landowners over developmental rhetoric, thereby strengthening the protective spirit of the law.

The enactment of the LARR Act, 2013 introduced significant changes, particularly through Section 24, which provides for lapsing of acquisition proceedings if compensation is not paid or possession not taken within a stipulated period. The interpretation of this provision became contentious, leading to the Supreme Court’s decision in *Indore Development Authority v. Shailendra* (2020). The case involved conflicting interpretations by different benches regarding when acquisition proceedings would lapse under Section 24(2). The Supreme Court, in a Constitution Bench judgment, clarified that acquisition does not lapse if compensation has been deposited in the treasury, even if landowners have not collected it. Further, the Court held that mere inaction on the part of landowners cannot invalidate acquisition. This judgment leaned towards a pragmatic, development-oriented approach, ensuring that projects are not indefinitely stalled due to technicalities. At the same time, it reaffirmed the principle that compensation must be fair and accessible.

Public Interest Litigations (PILs) have also been a prominent feature in land acquisition disputes. Citizens’ groups and activists have approached courts to challenge acquisitions that displace vulnerable communities or destroy ecological resources. The judiciary has responded by subjecting such acquisitions to strict scrutiny, particularly when allegations of mala fide intent or environmental degradation are raised. PILs have often served as a tool for ensuring

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<sup>9</sup> *Bangalore Development Authority v. R. Hanumaiah*, (2005) 12 SCC 508 (India).

<sup>10</sup> *Dev Sharan v. State of U.P.*, (2011) 4 SCC 769 (India).

accountability and transparency in acquisition processes, compelling the State to justify its actions in the public domain.

The emerging trend in judicial responses to land acquisition reveals a dual approach. On the one hand, the courts have adopted a pro-citizen interpretation, emphasizing constitutional values such as the right to livelihood, dignity, and fair compensation. On the other hand, they have recognized the necessity of facilitating development projects that contribute to national growth. This balance between individual rights and collective progress has been maintained by adopting a contextual approach, wherein the legitimacy of acquisition is assessed in light of its necessity, fairness, and proportionality.

The judiciary's role in land acquisition has been pivotal in mediating the inherent tension between development and rights. From upholding agrarian reforms in *Kameshwar Singh* to safeguarding farmers' rights in *Dev Sharan*, and from defining public purpose in *Hanumaiah* to clarifying lapsing provisions in *Indore Development Authority*, the courts have evolved a jurisprudence that seeks to harmonize competing interests. While the trend reflects increasing judicial sensitivity to citizen grievances, it also demonstrates a pragmatic understanding of developmental imperatives. This dynamic judicial engagement ensures that land acquisition in India remains subject to constitutional scrutiny and guided by the principles of fairness, justice, and public interest.

### **Emerging Trends and Issues in Land Acquisition**

Land acquisition continues to be one of the most contentious aspects of governance and development policy in India. While the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act) was enacted with the aim of balancing the competing needs of development and justice for affected landowners, its implementation has given rise to a range of emerging issues and debates. Federal tensions, public purpose debates, challenges around consent and Social Impact Assessments (SIA), compensation disputes, and socio-economic displacement remain at the core of this discourse. Alongside these, agrarian concerns, rapid urban expansion, environmental sustainability, digitalization of land records, and the human rights dimension have added new layers to the policy and legal challenges surrounding land acquisition in India<sup>11</sup>.

One of the most significant issues is the federal tension between the Centre and the States in the application of the LARR Act. Although the Act sought to establish a uniform framework across the country, several states have expressed reluctance to implement its provisions in full. States such as Gujarat, Maharashtra, and Telangana have enacted their own amendments to dilute key safeguards of the Act, particularly with respect to consent requirements and the Social Impact

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<sup>11</sup> Shruti Rajagopalan, Property Rights and the Indian Constitution: The Story of Land Acquisition, 14(2) Indian J. Const. L. 1 (2020).

Assessment process<sup>12</sup>. These state-level modifications are often justified on the grounds of expediting industrial projects and infrastructure development. However, such deviations undermine the central intent of the law, which was to restore faith in the acquisition process by ensuring fairness and transparency. This federal divergence has resulted in uneven application across states, creating uncertainty for both landowners and investors, while also raising questions about cooperative federalism in matters of land governance.

Closely linked to this is the ongoing debate around the definition of “public purpose.” The LARR Act broadened the concept to include infrastructure, industrial corridors, housing, and defense projects, but the extent of this expansion has been contentious. On one hand, proponents argue that in a rapidly developing economy, the notion of public purpose must evolve to accommodate modern requirements, such as smart cities and private-led infrastructure. On the other hand, critics contend that an expansive definition risks subsuming private profit-making projects under the guise of public interest. Judicial scrutiny, such as in the *Dev Sharan v. State of U.P.* case, has emphasized the necessity of genuine public purpose. Nevertheless, the absence of a clear and restrictive definition allows for broad executive discretion, which often results in disputes and resistance at the local level<sup>13</sup>.

Another area of concern lies in the provisions relating to consent and Social Impact Assessment. The Act mandates that private projects and Public-Private Partnership (PPP) projects secure the consent of 70 to 80 percent of affected landowners, along with a comprehensive SIA to assess the broader consequences of acquisition. While these requirements were designed to protect vulnerable communities and ensure participatory decision-making, in practice they have led to procedural delays. Industrialists and state governments frequently complain that the consent clause and SIA make the process time-consuming and financially burdensome, thereby discouraging investment. Conversely, from the perspective of landowners and civil society, these provisions are indispensable safeguards against coercive acquisition. The challenge, therefore, lies in striking a balance between efficiency in project execution and protection of rights—a tension that remains unresolved.

Compensation disputes continue to be at the heart of land acquisition conflicts. Although the LARR Act introduced a formula that provides compensation at up to four times the market value in rural areas and twice in urban areas, determining the “market value” itself is highly problematic. Land records are often outdated, speculative increases in land prices distort valuations, and landowners frequently feel short-changed despite statutory enhancements. Moreover, the inclusion of solatium and rehabilitation costs has complicated the calculation further, sometimes leading to prolonged litigation. The gap between statutory promises and

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<sup>12</sup> A. Kothari, Development, Displacement, and the Right to Land, 45(10) Econ. & Pol. Wkly. 25 (2010).

<sup>13</sup> S. Banerjee, Public Purpose and Compulsory Acquisition: A Critical Analysis, 12 Nat'l L. Sch. India Rev. 123 (2019).

actual delivery on the ground creates mistrust, with many landowners alleging arbitrariness and lack of transparency in the assessment of compensation.

Displacement and rehabilitation remain pressing concerns despite the statutory emphasis on resettlement. Implementation gaps have ensured that many displaced families face socio-economic marginalization after losing their land. Employment promises are not always fulfilled, housing arrangements remain inadequate, and cash compensation often fails to substitute for the livelihood security provided by agricultural land. The plight of displaced tribal populations in mining and dam projects illustrates how loss of land translates into cultural dislocation and erosion of community identity. Rehabilitation remains an area where the law has outpaced practice, highlighting the need for more robust monitoring and accountability mechanisms.

Agrarian concerns have also taken center stage in the debate over land acquisition. India's dependence on agriculture for livelihoods and food security makes the acquisition of fertile land particularly controversial. Farmers' protests against land acquisition for industrial corridors and expressways underscore the tension between agricultural sustainability and industrial development. Critics argue that indiscriminate acquisition of fertile agricultural land could undermine long-term food security and push marginal farmers into poverty. Farmer organizations have consistently demanded that non-agricultural and wasteland be prioritized for acquisition, rather than fertile tracts that sustain rural livelihoods.

The push for rapid urbanization, infrastructure expansion, and the development of smart cities has further complicated the land acquisition landscape. Industrial corridors, metro projects, and urban townships require large tracts of land, often acquired from peri-urban and rural areas. While these projects promise modernization and economic growth, they also create new patterns of land alienation and displacement. The challenge lies in ensuring that such urban-centric projects do not disproportionately burden rural communities, thereby exacerbating socio-economic inequalities.

Environmental concerns are another critical dimension. Large-scale land acquisition for industrial and infrastructure projects often comes at the cost of ecological sustainability. Deforestation, loss of biodiversity, and degradation of water resources are recurring consequences of acquisition-led development. Balancing developmental goals with ecological considerations is a persistent challenge, particularly in the context of climate change. Environmental Impact Assessments are frequently criticized as being perfunctory or compromised, raising doubts about the sincerity of ecological safeguards in the acquisition process.

An emerging trend that offers both promise and challenges is the digitalization of land records. The use of Geographic Information Systems (GIS), satellite mapping, and digitized land records has the potential to bring greater transparency and efficiency to the acquisition process. Accurate

and updated land records can reduce disputes over ownership and ensure fairer compensation. However, digitalization also raises issues of access and digital literacy, particularly for rural populations, as well as concerns regarding data accuracy and misuse.

Finally, land acquisition is increasingly being viewed through the lens of human rights. The right to livelihood, the right to shelter, and the right to dignity are constitutional guarantees that acquisition policies must respect. International instruments such as the UN Basic Principles on Development-Based Evictions underscore the need to prevent forced displacement and ensure humane resettlement. In India, courts have begun to recognize these rights in their interpretation of acquisition disputes, reflecting a growing convergence between domestic law and international human rights standards.

The emerging trends and issues in land acquisition reveal the complexity of balancing developmental imperatives with the protection of individual and community rights. The federal divergence in implementation, contested notions of public purpose, difficulties in ensuring consent and fair compensation, persistent displacement, and agrarian and environmental concerns highlight the multifaceted nature of the problem. At the same time, the growing importance of digitalization and human rights considerations suggests new directions for reform. For land acquisition to truly serve as an instrument of inclusive development, these issues must be addressed with sensitivity, transparency, and a long-term vision that harmonizes economic growth with social justice and environmental sustainability.

### **The Way Forward: Reforms and Recommendations**

The future of land acquisition law and policy in India must rest on a balanced approach that harmonizes the twin goals of economic development and social justice. Development projects are undeniably essential for infrastructure growth, industrial expansion, and urbanization, yet they cannot be pursued at the cost of uprooting communities without adequate safeguards. A just framework should recognize landowners and affected families not merely as obstacles to progress but as stakeholders entitled to dignity, participation, and fair treatment. Achieving this balance requires reforms that strengthen existing frameworks, close legislative gaps, and prioritize the long-term social and environmental consequences of acquisition.

A primary area of reform lies in the effective implementation of rehabilitation and resettlement measures. While the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act) envisages comprehensive safeguards, its execution remains uneven and, in many cases, perfunctory. Authorities must ensure that displaced families not only receive monetary compensation but also sustainable rehabilitation through housing, livelihood opportunities, education, and healthcare. The transition from displacement to rehabilitation should be designed as a holistic process rather than a one-time

settlement. Stronger monitoring mechanisms and accountability at both central and state levels can ensure that the promise of rehabilitation translates into reality on the ground<sup>14</sup>.

Another pressing issue is the lack of uniformity between central legislation and state-level amendments. Many states have diluted key provisions of the LARR Act, particularly those relating to consent and social impact assessment, in the name of expediting development projects. This creates legal uncertainty and undermines the spirit of fairness envisaged by the central framework. Moving forward, a more uniform and harmonized approach is required to prevent states from bypassing essential safeguards while still allowing sufficient flexibility to address local conditions. The central government, in consultation with states, may consider model guidelines or a uniform code to bridge this gap.

Technology can also play a transformative role in ensuring transparency and accountability in land acquisition processes. Digitization of land records, use of satellite mapping for accurate identification of affected areas, and online platforms for compensation disbursement can minimize disputes and delays. Transparent disclosure of project details, environmental impacts, and rehabilitation plans on public portals will enhance trust and allow for greater citizen participation in decision-making.

Equally critical is the strengthening of environmental and social safeguards. Development projects often result in ecological degradation, loss of biodiversity, and displacement of vulnerable communities, including tribals. A more rigorous integration of environmental clearances with land acquisition approvals is necessary to ensure that projects do not compromise sustainability. Independent expert bodies can be tasked with assessing long-term social and ecological impacts before acquisition is approved.

At the same time, alternatives to compulsory acquisition should be explored more seriously. Models such as land pooling, leasing arrangements, and negotiated settlements can provide development authorities with land while ensuring that owners retain a continuing stake in future projects. Such participatory mechanisms reduce conflict, foster trust, and enable landowners to share in the benefits of urban and industrial growth.

Finally, judicial oversight must be strengthened to curb misuse of acquisition powers and to safeguard the constitutional rights of affected persons. Courts have historically acted as a check on arbitrary state action, and their role in scrutinizing acquisition for genuine public purpose and fairness must continue. Establishing specialized benches or tribunals for land acquisition disputes may further ensure timely redressal and consistency in interpretation.

The way forward requires an integrated reform strategy that upholds both developmental imperatives and the rights of individuals. A framework built on fairness, transparency,

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<sup>14</sup> B.N. Krishnamurthy, *Land Acquisition and Compensation in India* (Eastern Book Co. 2009).



sustainability, and participation will not only reduce social conflict but also lend greater legitimacy to the process of land acquisition in India.

## Conclusion

Land acquisition continues to occupy a central place in India's developmental narrative, shaping the trajectory of infrastructure expansion, industrialization, and urban transformation. At the same time, it has remained one of the most contested areas of governance, where the promise of national growth is frequently weighed against the rights of individuals and communities whose land and livelihood stand at risk. The persistent tension between collective developmental needs and the constitutional protection of property and livelihood rights has kept the issue at the forefront of legal, social, and political discourse<sup>15</sup>.

Judicial pronouncements have attempted to strike a balance by emphasizing fairness in compensation, necessity of public purpose, and accountability in state action. Legislative reforms, most notably the LARR Act of 2013, introduced significant innovations such as mandatory consent, social impact assessments, and enhanced rehabilitation measures. Yet, the subsequent dilution through state amendments and uneven implementation has underlined the continuing gap between law and practice. Policy responses have also sought to reconcile competing interests, but the complexities of federal structures, bureaucratic delays, and conflicting priorities of industrial growth and social justice persist.

Emerging issues further complicate the debate. Federal tensions between Centre and States reflect divergent political and economic imperatives, while the challenge of ensuring genuine consent and meaningful rehabilitation remains unresolved. The growing emphasis on environmental justice highlights the need to account for ecological costs in acquisition decisions. These developments point towards an evolving landscape where traditional notions of compulsory acquisition must give way to more participatory and sustainable models.

Ultimately, India requires a legal framework that harmonizes development imperatives with constitutional commitments to justice and dignity. A rights-sensitive, transparent, and development-friendly acquisition regime is not only essential for sustaining growth but also for ensuring that progress is inclusive, equitable, and socially legitimate<sup>16</sup>.

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