



# **The Land Acquisition Act, 1894**

**(Act No. 1 of 1894)**

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## *The Land Acquisition Act, 1894*

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# THE LAND ACQUISITION ACT, 1894

[Act no. 1 of 1894, Dated 2nd February, 1894]

An Act to amend the law for the Acquisition of Land for public purposes and for the companies.

Whereas it is expedient to amend the law for the Acquisition of Land needed for public purposes and for companies and for determining the amount of compensation to be made on account of such acquisitions.

It is hereby enacted as follows:

## PART I PRELIMINARY

### 1. Short title, Extent and Commencement

- (1) This Act may be called the Land Acquisition Act, 1894.
- (2) It extends to the whole of India <sup>1</sup>[except the State of Jammu and Kashmir].
- (3) It shall come into force on the first day of March, 1894.

### 2. Repeal and saving

*[Repealed in part by the Repealing and Amending Act, 1914 (X of 1914) section 3 and Schedule II, and later in part by the Repealing Act, 1938 (1 of 1938).]*

### 3. Definitions

In this Act, unless there is something repugnant in the subject or context,-

- (a) the expression "land" includes benefits to arise out of land, and things attached to the earth or permanently fastened to anything attached to the earth;
- <sup>2</sup>[(aa) the expression "local authority" includes a town planning authority (by whatever name called) set up under any law for the time being force;]
- (b)<sup>3</sup> the expression "person interested" includes all persons claiming an interest in compensation to be made on account of the acquisition of land under this Act; and a person shall be deemed to be interested in land if he is interested in an easement affecting the land;
- (c) the expression "Collector" means the Collector of a district, and includes a Deputy Commissioner and any officer specially appointed by the <sup>4</sup>[a p p r o p r i a t e government] to perform the functions of a Collector under this Act;
- <sup>5</sup>[(cc) the expression "corporation owned or controlled by the State" means any body corporate established by or under a Central, Provincial or State Act, and includes a government company as defined in section 617 of the Companies Act, 1956, a society registered under the Societies Registration Act, 1860, or under any corresponding law for the time being in force in a State, being a society established

1. Subs. by Act 68 of 1984, w.e.f. 24-9-1984.

2. Ins. by Act 68 of 1984 w.e.f. 24-9-1984

3. Subs. by the A.L.O. 1950, for "Provincial Government".

4. Added by the A.L.O. 1950

or administered by government and a co-operative society within the meaning of any law relating to co-operative society for the time being in force in any State being a co-operative society in which not less than 51% of the paid up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments;

(d) the expression "court" means a principal civil court of original jurisdiction unless the <sup>2</sup>[appropriate government] has appointed (as it is hereby empowered to do) a special judicial officer within any specified local limits to perform the functions of the court under this Act;

<sup>3</sup>[(e) the expression "company" means-

- (i) a company as defined in section 3 of the Companies Act, 1956, other than a government company referred to in clause (cc);
- (ii) a society registered under the Societies Registration Act, 1860, or under any corresponding law for the time being in force in a State, other than a society referred to in clause (cc);
- (iii) a co-operative society within the meaning of any law relating to co-operative societies for the time being in force in any State, other than a co-operative society referred to in clause (cc);]

<sup>4</sup>[(cc) the expression "appropriate government" means, in relation to acquisition of land for the purpose of the Union, the Central Government, and, in relation to acquisition of land for any other purposes, the State Government;]

<sup>3</sup>[(f) the expression "public purpose" includes-

- (i) the provision of village-sites, or the extension, planned development or improvement of existing village-sites;
- (ii) the provision of land for town or rural planning;
- (iii) the provision of land for planned development of land from public funds in pursuance of any scheme or policy of government and subsequent disposal thereof in whole or in part by lease, assignment or outright sale with the object of securing further development as planned;
- (iv) the provision of land for a corporation owned or controlled by the State;
- (v) the provision of land for residential purposes to the poor or landless or to persons residing in areas affected by natural calamities, or to persons displaced or affected by reason of the implementation of any scheme undertaken by government, any local authority or a corporation owned or controlled by the State;

1. Ins. by Act 68 of 1984 w.e.f. 24-9-1984

2. Subs. by A.O. 1950, for words "Provincial Government"

3. Subs. by Act 68 of 1984, w.e.f. 24-9-1984

4. Added by A.O. 1950

- (vi) the provision of land for carrying out any educational, housing, health or slum clearance scheme sponsored by government or by any authority established by government for carrying out any such scheme, or, with the prior approval of the appropriate government, by a local authority, or a society registered under the Societies Registration Act, 1860, or under any corresponding law for the time being in force in a State, or a co-operative society within the meaning of any law relating to co-operative societies for the time being in force in any State;
- (vii) the provision of land for any other scheme of development sponsored by government, or, with the prior approval of the appropriate government, by a local authority;
- (viii) the provision of any premises or building for locating a public office, but does not include acquisition of land for companies;]

(g) the following persons shall be deemed persons "entitled to act" as and to the extent hereinafter provided (that is to say)-

trustees for other persons beneficially interested shall be deemed the persons entitled to act with reference to any such case, and that to the same extent as the persons beneficially interested could have acted if free from disability;

a married woman, in cases to which the English law is applicable, shall be deemed the person so entitled to act, and, whether of full age or not, to the same extent as if she were unmarried and of full age; and

the guardians of minors and the committees or managers of lunatics or idiots shall be deemed respectively the persons so entitled to act, to the same extent as the minors, lunatics, or idiots themselves, if free from disability, could have acted.

Provided that-

- (i) no person shall be deemed "entitled to act" whose interests in the subject-matter shall be shown to the satisfaction of the Collector or Court to be adverse to the interest of the person interested for whom he would otherwise be entitled to act;
- (ii) in every such case the person interested may appear by a next friend, or, in default of his appearance by a next friend, the Collector or Court, as the case may be, shall appoint a guardian for the case to act on his behalf in the conduct thereof;
- (iii) the provisions of "[Order XXXI of the First Schedule to the Code of Civil Procedure, 1908] shall, *mutatis mutandis*, apply in the case of persons interested appearing before a Collector or Court by next friend, or by a guardian for the case, in proceedings under this Act; and



- (iv) no person "entitled to act" shall be competent to receive the compensation-money payable to the person for whom he is entitled to act, unless he would have been competent to alienate the land and receive and give a good discharge for the purchase money on a voluntary sale.

### COMMENTS

The definition of land includes fishery rights and things attached to the earth.- AIR 1990 P&H 326; 1990 (1) Land LR 526; 1989 (1) LLR 634. Even under the Transfer of Property Act, the expression 'land' includes building, standing trees and crops.- AIR 1940 Sind 58

Consequence of non-compliance of certain provisions of the Act, may not nullify the acquisition. Where the provisions of Sections 3(a), 9(2), 11, 13, 15-A and 23 were alleged to have been breached, it was found that the only substantive provisions which were alleged to have been violated was section 11A, the entire acquisition proceeding will lapse, but the relevant facts attracting that provision not placed on record if the award is not made within time i.e. within 2 years as required under Section 11-A, the acquisition proceedings would lapse. Period of two years is to be calculated from the date of publication of declaration. Since in the present petition, no substantive provision was violative, the Acquisition could not be quashed.-*Ram Jiyawan v. State of U.P.* AIR 1994 All 38.

Acquisition of fire-wood is to be separately assessed. While computing compensation for the land acquired, compensation for the acquired land is payable as to the value of the land. While computing compensation for fire-wood it is to be separately assessed. While awarding compensation for fruit-bearing trees, it is to be assessed along with the land.- *State of Haryana v. Gurcharan Singh*, AIR 1996 SC 106; 1995 (1) UJ (SC) 510; 1995 (2) JT 345.

Payment of Solution for acquisition of land cannot form part of market value.-Payment of additional amount of 15% though forms part of the amount of compensation because under Section 23, the compensation is to consist what is provided for in sub-section (1) and the additional amount of 15% on the market value of the land acquired, but the compensation and market value are distinct expressions and have been used as such in the acquisition of the Act and therefore, it cannot be contended that the solatium falls the expression "land" within the meaning of Section 3(a) of Act. In a well known decision of Privy Council in *Raja Vyrigherla Narayana Gajapatiraju v. Revenue Divisional Officer, Vizagapatam*, AIR 1939 PC 98, it was laid down that the market value is the price which a willing vendor might reasonable expect to obtain from a willing purchaser. Disinclination of the vendor to part with the land and urgent necessity of the purchaser to buy must alike be disregarded and both must be treated as persons dealing in the matter of arms length and without compulsion. The key to the meaning of word "compensation" is to be found in Section 23(1) and that consists (a) "market value of the land" (b) sum of 15% on such market value which is stated to be the compensation for compulsory nature of acquisition. Market value is therefore, only one of the components in the determination of amount of compensation. View of the High Court that market value under Section 4(3) of Amending Act means the same thing as compensation and includes the amount 15% under Section 23(2) not accepted- *Union of India v. Ram Mehar*, AIR 1973 SC 305; 1973(2) SCR 720; 1973 (1) SCC 109.



Under the law the beneficiary like local authority or company, or a local authority or co-operative society registered under the relevant State law, for whose benefit the land in question is being acquired, is a person interested to determine just and proper compensation. Such person or the beneficiary has the right to be heard by the Collector or the Court. If the compensation is enhanced, it is entitled to canvass a correctness by finding and appeal or defend or defend the award of the Collector. When the award made under Section 11 is vitiated by fraud, collusion or corruption, the beneficiary will be entitled to challenge it in the writ petition apart from the settled law that the conduct of the Collector is amendable to disciplinary enquiry and appropriate action. - AIR 1990 Mad. 160 (FB), Reversed and 197(3) SCC 821, Overruled: *M/s. Neyveli Lignite Corporation Ltd. v. Special Tahsildar (Land Acquisition) Neyveli*, AIR 1995 SC 1004; 1994 (4) Scale 1129; 1995(1) SCC 221.

## PART II ACQUISITION PRELIMINARY INVESTIGATION

### 4. Publication of preliminary notification and powers of officers thereupon

(1) Whenever it appears to the '[appropriate government] that land in any locality is needed or is likely to be needed for any public purpose<sup>2</sup>[or for a company], a notification to that effect shall be published in the Official Gazette<sup>3</sup>[and in two daily newspapers circulating in that locality of which at least one shall be in the regional language] and the Collector shall cause public notice of the substance of such notification to be given at convenient places in the said locality '[the last of the dates of such publication and the giving of such public notice, being hereinafter referred to as the date of the publication of the notification)].

(2) Thereupon it shall be lawful for any officer, either generally or specially authorised by such government in this behalf, and for his servants and workmen,-

to enter upon and survey and take levels of any land in such locality;

to dig or bore into the sub-soil;

to do all other acts necessary to ascertain whether the land is adapted for such purpose

to set out the boundaries of the land proposed to be taken and the intended line of the work (if any) proposed to be made thereon;

to mark such levels, boundaries and line by placing marks and cutting trenches; and,

where otherwise the survey cannot be completed and the levels taken and the boundaries and line marked, to cut down and clear away any part of any standing crop, fence or jungle;

Provided that no person shall enter into any building or upon any enclosed court or garden attached to a dwelling-house (unless with the consent of the occupier thereof) without previously giving such occupier at least seven days notice in writing of his intention to do so.

1. Subs. by ALO, 1950, for words "Provincial Government"

2. Ins. by Act 68 of 1984 w.e.f. 24-9-1984

## 5. Payment for damage

The officer so authorised shall at the time of such entry pay or tender payment for all necessary damage to be done as aforesaid, and, in case of dispute as to the sufficiency of the amount so paid or tendered, he shall at once refer the dispute to the decision of Collector or other Chief Revenue Officer of the district, and such decision shall be final.

## 5A. Hearing of objections

(1) Any person interested in any land which has been notified under section 4, sub-section (1), as being needed or likely to be needed for a public purpose or for a company may, <sup>1</sup>[within thirty days from the date of the publication of the notification], object to the acquisition of the land or of any land in the locality, as the case may be.

(2) Every objection under sub-section (1) shall be made to the Collector in writing, and the Collector shall give the objector an opportunity of being heard <sup>1</sup>[in person or by any person authorised by him in this behalf], or by pleader and shall, after hearing all such objections and after making such further inquiry, if any, as he thinks necessary, <sup>2</sup>[either make a report in respect of the land which has been notified under section 4, sub-section (1), or make different reports in respect of different parcels of such land, to the appropriate government, containing his recommendation on the objections, together with the record of the proceedings held by him, for the decision of that government]. The decision of the <sup>3</sup>[appropriate government], on the objections shall be final.

(3) For the purposes of this section, a person shall be deemed to be interested in land who would be entitled to claim an interest in compensation if the land were acquired under this Act].

## DECLARATION

## 6. Declaration that land is required for a public purpose

(1) Subject to the provisions of Part VII of this Act, when the <sup>1</sup>[appropriate government] is satisfied, after considering the report, if any, made under section 5A, sub-section (2), that any particular land is needed for a public purpose, or for a company, a declaration shall be made to that effect under the signature of a Secretary to such government or of some officer duly authorised to certify its orders <sup>4</sup>[and different declarations may be made from time to time in respect of different parcels of any land covered by the same notification under section 4, sub-section (1), irrespective of whether one report or different reports has or have been made (wherever required) under section 5A, sub-section (2)];

<sup>2</sup>[Provided that no declaration in respect of any particular land covered by a notification under section 4, sub-section (1):-

- (i) published after the commencement<sup>6</sup> of the Land Acquisition (Amendment and Validation) Ordinance, 1967 (1 of 1967), but before the commencement<sup>7</sup> of the Land Acquisition (Amendment) Act, 1984, shall be made after the expiry of three years from the date of the publication of the notification; or

1. Sub. by Act 68 of 1984, w.e.f. 24-9-1984.

2. Subs. by Act 13 of 1967, w.e.f. 12-4-1967.

3. Subs. by the A.O. 1950 for words "Provincial Government".

4. Ins. by Act 13 of 1967, w.e.f. 12-4-1967.

5. Ins. by Act 68 of 1984, w.e.f. 24-9-1984.

6. 29-1-1967.

7. 24-9-1984.



- (ii) published after the commencement<sup>1</sup> of the Land Acquisition (Amendment) Act, 1984, shall be made after the expiry of one year from the date of the publication of the notifications;

Provided further that no such declaration shall be made unless the compensation to be awarded for such property is to be paid by a company, or wholly or partly out of public revenues or some fund controlled or managed by a local authority.]

<sup>2</sup> **Explanation 1:** In computing any of the periods referred to in the first proviso, the period during which any action or proceeding to be taken in pursuance of the notification issued under section 4, sub-section (1), is stayed by an order of a court shall be excluded.

**Explanation 2:** Where the compensation to be awarded for such property is to be paid out of the funds of a corporation owned or controlled by the State, such compensation shall be deemed to be compensation paid out of public revenues.]

(2) <sup>3</sup> [Every declaration] shall be published in the Official Gazette, <sup>4</sup> [and in two daily newspapers circulating in the locality in which the land is situate of which at least one shall be in the regional language, and the Collector shall cause public notice of the substance of such declaration to be given at convenient places in the said locality (the last of the dates of such publication and the giving of such public notice, being hereinafter referred to as the date of the publication of the declaration), and such declaration shall state] the district or other territorial division in which the land is situate, the purpose for which it is needed, its approximate area, and, where a plan shall have been made of the land, the place where such plan may be inspected.

(3) The said declaration shall be conclusive evidence that the land is needed for a public purpose or for a company, as the case may be; and, after making such declaration, the '[appropriate government] may acquire the land in a manner hereinafter appearing.

## COMMENTS

Section 6 obliges that the funds for the acquisition to be paid either by the company wholly or partly from public revenues, or from some funds controlled or managed by local authority. The section however does not make deposit of compensation a condition precedent for making of a declaration. - *Lt. K. Padmadas v. State of Kerala*, AIR 1992 Ker 158.

The purpose of notification under Section 6 is to declare the requirements of the land for public purpose, for the Government or for a company, however, by issuance of notification under Section 6, right of a person in the land are not extinguished unless some other proceedings under the Act are taken. The effect of this notification would be that a declaration is made to the effect that land is needed either for a public purpose or for a company and nothing more. Though such notifications are needed and to a limited extent affect rights of the owner, but it offers no impediment with the rights of the property for keeping that land in his possession. A decision cannot be claimed if he does not take steps soon after publication of the notification. The persons whose land is being acquired, can wait before approaching the Court till his title is extinguished and vested in the State - *Dau Dayal v. State of U.P.* AIR 1966 ALL 237 : 1965 ALL LJ 118

1. 24-9-1984.

2. Ins. by Act 68 of 1984, w.e.f. 24-9-1984.

3. Subs. by Act 13 of 1967, for words "The declaration", w.e.f. 12-4-1967.

4. Subs. by ALO 1950, for words "Provincial Government".



Compulsory acquisition and its validity. Once the declaration of existence of the public purpose is made under Section 6, the declaration becomes conclusive by force of statute. The only way in which it can be got rid of, would be by proving that what in law was regarded as fraud on the power, was played. However, once acquisition is found to be perfectly valid it would be too wide a proposition to state that the possibility of some land being surplus or unnecessary for the original purpose for which it was acquired could operate retrospectively to invalidate the acquisition either fully or in part. - *K.H. Srivivasan v. State of Mysore*, AIR 1970 Mys. 185. See also *Syed Hussain v. P.W.D.*, 1993(1) A.L.T. 150.

Declaration to be issued only after satisfaction of the Government—When the Government is satisfied after considering the report if any made under Section 5-A that a particular land was needed for public purpose, only then, the notification under Section 6 can be issued. However, there is no principle of law under which a valid compulsory acquisition could be declared void on the ground that the authority diverted to a public purpose other than the one stated in declaration under Section 6(3). - *Angrup Thakar v. State of Punjab*, AIR 1968 Del. 97 and *Gulami Mustafa v. State of Maharashtra*, 1976(1) SCC 800; 1976(1) SCR 875; AIR 1977 SC 448; 1975 UJ (SC) 934.

One of the co-owners can challenge the acquisition of the land and the other co-owners may be satisfied with the acquisition and ask for compensation and also for enhancement of the same. Where only co-ownership of coparcenary was claimed, however, there could be no coparcenary in the presence of the father between the brothers only by excluding the father. One co-owner may challenge the acquisition whereas the others may be satisfied with such acquisition it was clear from the provision of Section 18 that the person interested in order to enable him to seek the remedy of reference can do so only if he does not accept the award or accepting the claim under protest since once the compensation is accepted such person may lose his right of reference under Section 18. - *Ashwani Kumar Dhingra v. State of Punjab*, AIR 1992 SC 974; 1992(2) JT 353; 1992(2) SCC 592; 1992(1) UJ ((SC) 780; 1992(2) SCR 39; 1992(1) Scale 555; 1992(1) Cur. CC 587.

Acquisition of the land for a company—The notification was challenged on the ground that consent of the State Government was not obtained and no agreement was executed as required under Section 41. However, there was no material to show that there was any violation of Rule 3 or 4. Where the notification under Section 4 and 6 was issued for acquisition for a company and the same was challenged on the ground that neither consent of the State Government was obtained nor the company seemed to have executed agreement, it was never stated that provisions of Rule 3 have been contravened. In such circumstances it cannot be said that there was no compliance of Rules 3 and 4. - *M/s. Larsen and Toubro Ltd. etc. v. State of Gujarat*, AIR 1998 SC 1608.

Acquisition of land and publication of notification—Notification published in the District Gazette instead of Official Gazette against which the objection raised for the first time before the High Court by raiyats as well as by the Company having no locus standi—The respondent company for which acquisition made already deposited huge amount towards compensation. The acquisition proceedings cannot be quashed on the basis of highly technical objections. The main objection that the notification under Section 6 has not been published in the Official Gazette and was published only in the District Gazette—That the objection being highly technically not allowed to be raised specifically when the same was sought for the first time in the High Court. - *M/s. Waste Products Reclaimar Pvt. Ltd. v. M/s. Bharat Coking Coal Ltd.* 1993 Suppl. (2) SCC 358; 1993(1) UJ (SC) 506; 1993(1) Scale 738; 1993 (1) CCC 554.

Interpretation of provision of Section 6- The provisions of Section 6 obliges that the funds for acquisition should be paid either by the company wholly or partly from public revenue or from some fund controlled or managed by a local authority and refers to source of compensation and not to time of deposit - In case, there is any validity in the contention of the appellant, the words should have been 'has been paid' and not 'is to be paid'. Making of deposit of compensation is not a condition precedent for making declaration under Section 6.- *Lt. K. Ladmadass v. State of Kerala*, AIR 1992 Ker. 138.

Policy of the State not to acquire of religious sancity that such acquisition will not be void just because the property belongs to religious institution.- *Jagananath Mahaprabhu Bije Shreekshetra v. Collector, Puri*, AIR 1995 Ori. 56.

Acquisition challanged on the ground that due to delay in disposal of the matter prices of the land had escalated - It was however found that the petitioner himself was liable for the delay and therefore, pendency of judicial proceeding could not be made a ground to say that due to escalation in prices notification had become bad in law. The pendency of the judicial proceedings cannot be made a ground to say that in the process due to the escalation in prices the notification issued under Section 4(1) had become bad in law-*Kandankutty v. State of Kerala*, 1997 (3) Supreme 337.

#### **7. After declaration, Collector to take order for acquisition**

Whenever any land shall have been so declared to be needed for a public purpose or for a company, the '[appropriate government]' or some official authorised by the '[appropriate government]' in this behalf, shall direct the Collector to take order for the acquisition of the land.

#### **8. Land to be marked out, measured and planned**

The Collector shall thereupon cause the land (unless it has been already marked out under section 4), to be marked out. He shall also cause it to be measured, and if no plan has been made thereof, a plan to be made of the same.

#### **9. Notice to persons interested**

(1) The Collector shall then cause public notice to be given at convenient places on or near the land to be taken, stating that the government intends to take possession of the land, and that claims to compensation for all interests in such land may be made to him.

(2) Such notice shall state the particulars of the land so needed, and shall require all persons interested in the land to appear personally or by agent before the Collector at a time and place therein mentioned (such time not being earlier than fifteen days after the date of publication of the notice), and to state the nature of their respective interests in the land and the amount and particulars of their claims to compensation for such interests; and their objections (if any) to the measurements made under section 8. The Collector may in any case require such statement to be made in writing and signed by the party or his agent.

(3) The Collector shall also serve notice to the same effect on the occupier (if any of such land and on all such persons known or believed to be interested therein, or to be entitled to act for persons so interested, as reside or have agents authorised to receive service on their behalf, within the revenue district in which the land is situate).



(4) In case any person so interested resides elsewhere, and has no such agent, the notice shall be sent to him by post in a letter addressed to him at his last known residence address or place of business and '[registered under sections 28 and 29 of the Indian Post Office Act, 1898]

#### **10. Power to require and endorse the making of statements as to names and interests**

(1) The Collector may also require any such person to make or deliver to him, at a time and place mentioned (such time not being earlier than fifteen days after the date of the requisition), a statement containing, so far as may be practicable, the name of every other person possessing any interest in the land or any part thereof as co-proprietor, sub-proprietor, mortgagee, tenant or otherwise, and of the nature of such interest, and of the rents and profits (if any) received or receivable on account thereof for three years next preceding the date of the statement.

(2) Every person required to make or deliver a statement under this section or section 9 shall be deemed to be legally bound to do so within the meaning of sections 175 and 176 of the Indian Penal Code (45 of 1860).

### **ENQUIRY INTO MEASUREMENTS, VALUE AND CLAIMS AND AWARD BY THE COLLECTOR**

#### **11 Enquiry and award by Collector**

<sup>1</sup>[(1) On the day so fixed, or on any other day to which the enquiry has been adjourned, the Collector shall proceed to enquire into the objections (if any) which any person interested has stated pursuant to a notice given under section 9 to the measurements made under section 8, and into the value of the land at the date of the publication of the notification under section 4, sub-section (1), and into the respective interests of the persons claiming the compensation and shall make an award under his hand of:-

- (i) the true area of the land;
- (ii) the compensation which in his opinion should be allowed for the land; and
- (iii) the apportionment of the said compensation among all the persons known or believed to be interested in the land; of whom, or of whose claims, he has information, whether or not they have respectively appeared before him:

<sup>2</sup>[Provided that no award shall be made by the Collector under this sub-section without the previous approval of the appropriate government or of such officer as the appropriate government may authorise in this behalf.

Provided further that it shall be competent for the appropriate government to direct that the Collector may make such award without such approval in such class of cases as the appropriate government may specify in this behalf.]

<sup>3</sup>[(2) Notwithstanding anything contained in sub-section (1), if at any stage of the proceedings, the Collector is satisfied that all the persons interested in the land who appeared before him have agreed in writing on the matters to be included in the award of the Collector in the form prescribed by rules made by the appropriate government, he may, without making further enquiry, make an award according to the terms of such agreement.

1. Subs. by Act 68 of 1984, w.e.f. 24-9-1984.

2. Existing section renumbering as subs. (1) thereof by Act 68 of 1984.

3. Ins. by Act 68 of 1984, w.e.f. 24-9-1984.



(3) The determination of compensation for any land under sub-section (2) shall not, in any way effect the determination of compensation in respect of other lands in the same locality or elsewhere in accordance with the provisions of this Act.

(4) Notwithstanding anything contained in the Registration Act, 1908 (16 of 1908), no agreement made under sub-section (2) shall be liable to registration under that Act.]

#### **[11A. Period within which an award shall be made**

The Collector shall make an award under section 11 within a period of two years from the date of the publication of the declaration and if no award is made within that period, the entire proceedings for the acquisition of the land shall lapse:

Provided that in a case where the said declaration has been published before the commencement of the Land Acquisition (Amendment) Act, 1984, the award shall be made within a period of two years from such commencements.

**Explanation:** In computing the period of two years referred to in this section, the period during which any action or proceeding to be taken in pursuance of the said declaration is stayed by an order of a court shall be excluded.]

#### **12. Award of Collector when to be final**

(1) Such award shall be filed in the Collector's office and shall, except as hereinafter provided, be final and conclusive evidence, as between the Collector and the persons interested, whether they have respectively appeared before the Collector or not, of the true area and value of the land, and the apportionment of the compensation among the person interested.

(2) The Collector shall give immediate notice of his award to such of the persons interested as are not present personally or by their representatives when the award is made.

#### **13. Adjournment of enquiry**

The Collector may, for any cause he thinks fit, from time to time, adjourn the enquiry to a day to be fixed by him.

#### **[13A. Correction of clerical errors, etc.**

(1) The Collector may, at any time but not later than six months from the date of the award, or where he has been required under section 18 to make a reference to the court, before the making of such reference, by order, correct any clerical or arithmetical mistakes in the award or errors arising therein either on his own motion or on the application of any person interested or a local authority:

Provided that no correction which is likely to affect prejudicially any person shall be made unless such person has been given a reasonable opportunity of making a representation in the matter.

(2) The Collector shall give immediate notice of any corrections made in the award to all the persons interested.

(3) Where any excess amount is proved to have been paid to any person as a result of the correction made under sub-section (1), the excess amount so paid shall be liable to be refunded and in the case of any default or refusal to pay, the same may be recovered as an arrear of land revenue.]

**14. Power to summon and enforce attendance of witnesses and production of documents**

For the purpose of enquires under this Act the Collector shall have power to summon and enforce the attendance of witness, including the parties interested or any of them, and to compel the production of documents by the same means; and (so far as may be) in the same manner as is provided in the case of a civil court under the '[Code of Civil Procedure, 1908].

**COMMENTS**

Civil Court has no jurisdiction to make amendment or alter its decree made under Section 26(2) except clerical mistake. Decree having been made under Section 26(2), the Civil Court was left to correct only clerical or arithmetical mistake under section 13-A of the Act or under Section 152, CPC. The Civil Court has inherent lack of jurisdiction and devoid of power to entertain the application to award additional benefits under the amended provisions. -*State of Maharashtra v. Maharau Srawan Huk*: 1995(3) SCC 316: 1995(2) JT 582: 1995(2) Scale 100: 1995(1) Cur. CC 624: 1995(3) SCJ 127.

**15. Matters to be considered and neglected**

In determining the amount of compensation, the Collector shall be guided by the provisions contained in sections 23 and 24.

**[15A. Power to call for records, etc.**

The appropriate government may at any time before the award is made by the Collector under section 11 call for any record of any proceedings (whether by way of enquiry or otherwise) for the purpose of satisfying itself as to the legality or propriety of any finding or order passed or as to the regularity of such proceedings and may pass such order or issue such direction in relation thereto as it may think fit.

Provided that the appropriate government shall not pass or issue any order or direction prejudicial to any person without affording such person a reasonable opportunity of being heard.]

**TAKING POSSESSION****16. Power to take possession**

When the Collector has made an award under section 11, he may take possession of the land, which shall thereupon vest absolutely in the government, free from all encumbrances.

**COMMENTS**

Possession taken after passing of the award, according to proposed scheme for acquisition of the land — Writ petition filed thereafter challenging the acquisition of the land — Held, the writ petition will be liable to be dismissed on the ground of delay and laches. No objection was raised by the claimants against the proposed scheme of acquisition and the award became final and possession also taken, the writ petition filed thereafter challenging the acquisition of the land was liable to be dismissed on the ground of laches. The High Court has no doubt discretionary powers under Article 226 of the Constitution, to quash the notification under section 4 and declaration under section 6 but it should be exercised taking all relevant factors into consideration. — *Municipal Corporation of Greater Bombay v. The Industrial Development Co. Pvt. Ltd.* AIR 1997 SC 482: 1996(8) JT 16: 1996(7) Supreme 26: 1996(11) SCC 501: 1996(6) Scale 379: 1996(3) Cur. CC 398: 1996(3) SCJ 186.

1. Sub. by Act 68 of 1984.

2. Ins. by Act 68 of 1984, w.e.f. 24-9-1984.



Acquisition of land and payment of compensation — Where notification was issued between 1959 and 1965 and declaration under Section 6 made between 1966 and 1969 and the award made in the years 1980-81 and 1983 and the compensation worked out on the basis of notification under Section 4 and the proceedings remained pending due to the pendency of Aflatoon case but even thereafter no steps were taken till 1980 though the Aflatoon case was decided in 1974. In such circumstances any amount determined as market value with reference to the date of issuance of notification, cannot be held to be the compliance of mandatory direction regarding payment of value of the land so acquired. From reading Section 11 it is clear that the said section neither validate any pending acquisition nor it condones any delay which has already been occurred. Section 11-A introduces a statutory mandate to make an award within a period of two years from the date of publication of declaration under Section 6 and provides that if no award is made within that period the entire proceedings would lapse. There was no justification for causing delay after the judgement of the Court in Aflatoon case (1975(4) SCC 285). Therefore, the reasonable time for making the award was two years after which it would be unreasonable.— *Ram Chand v. Union of India and Shri Ved Prakash v. Union of India*, 1993(3) JT 465; 1994(1) SCC 44; 1993(3) Scale 906; 1994(1) LJ (SC) 21.

### 17. Special powers in cases of urgency

(1) In cases of urgency, whenever the appropriate government so directs, the Collector, though no such award has been made, may, on the expiration of fifteen days from the publication of the notice mentioned in section 9, sub-section (1) [take possession of any land needed for public purpose]. Such land shall thereupon vest absolutely in the government, free from all encumbrances.

(2) Whenever, owing to any sudden change in the channel of any navigable river or other unforeseen emergency, it becomes necessary for any Railway Administration to acquire the immediate possession of any land for the maintenance of their traffic or for the purpose of making thereon a river-side or ghat station, or of providing convenient connection with or access to any such station, '[or the appropriate government considers it necessary to acquire the immediate possession of any land for the purpose of maintaining any structure or system pertaining to irrigation, water supply, drainage, road communication or electricity,] the Collector may, immediately after the publication of the notice mentioned in sub-section (1) and with the previous sanction of the appropriate government, enter upon and take possession of such land, which shall thereupon vest absolutely in the government free from all encumbrances;

Provided that the Collector shall not take possession of any building or part of a building under this sub-section without giving to the occupier thereof at least forty-eight hour's notice of his intention so to do, or such longer notice as may be reasonably sufficient to enable such occupier to remove his movable property from such building without unnecessary inconvenience.



(3) In every case under either of the preceding sub-sections, the Collector shall, at the time of taking possession, offer to the persons interested, compensation for the standing crops and trees (if any) on such land and for any other damage sustained by them caused by such sudden dispossession and not excepted in section 24; and, in case such offer is not accepted, the value of such crops and trees and the amount of such other damage shall be allowed for in awarding compensation for the land under the provisions herein contained.

[(3A) Before taking possession of any land under sub-section (1) of sub-section (2), the Collector shall, without prejudice to the provisions of sub-section (3),—

- (a) tender payment of eighty per centum of the compensation for such land as estimated by him to the persons interested entitled thereto, and
- (b) pay it to them, unless prevented by some one or more of the contingencies mentioned in section 31, sub-section (2),

and where the Collector is so prevented, the provisions of section 31, sub-section (2), (except the second proviso thereto), shall apply as they apply to the payment of compensation under that section.

(3B) The amount paid or deposited under sub-section (3A), shall be taken into account for determining the amount of compensation required to be tendered under section 31, and where the amount so paid or deposited exceeds the compensation awarded by the Collector under section 11, the excess may, unless refunded within three months from the date of the Collector's award, be recovered as an arrear of land revenue.]

(4) In the case of any land to which, in the opinion of the appropriate government, the provisions of sub-section (1) or sub-section (2) are applicable, the appropriate government may direct that the provisions of section 5A shall not apply, and, if it does so direct, a declaration may be made under section 6 in respect of the land at any time '[after the date of the publication of the notification] under section 4, sub-section (1).

## COMMENTS

The Hon'ble Supreme Court in *Shri Bala Ganeshan Metals v. M.N. Shanmugham Chetty*, AIR 1987 SC 1668; 1987(2) SCC 707; 1987(2) JT 247; 1987(1) Scale 1110; 1987(1) Cur. CC 1054, while dealing with the Tamil Nadu Buildings (Lease and Control) Act, 1960, observed that it was settled rule of interpretation that the provisions of the Act should be interpreted in such a manner as not to tender any of the provisions of those unless there was compelling reasons for the court to adopt extreme contingency. Section 17(3A) postulates that the owner will be offered an amount equivalent to 80 per cent of estimated compensation for the land before the Government take possession under Section 17(1). Where 80 per cent was not paid although it is so required under Section 17(3A) that it should have been made before the possession is taken. The contention that compensation could be paid under Section 5 not accepted.— *Surinder Prasad Jain v. State of U.P.* 1993(5) JT 385; 1993(4) SCC 369.

1. Ins. by Act 68 of 1984, w.e.f. 24-9-1984.

2. Subs by Act 68 of 1984, w.e.f. 24-9-1984.

Urgency clause under Section 17 can be exercised by appropriate Government. Where the decision was taken by the committee appointed by the assembly, it cannot be said that it was not the decision of Government. Where there is urgency the appropriate Government has to apply the provisions of Section 17 of the Act and it has got power to dispense with enquiry under Section 5-A in such circumstances.—*Zeenathumisa v. Md. Abbas*, 1996(4), Cur. CC 822 (AP).

Change of purpose of acquisition till acquisition becomes final, becomes bad ab initio because of the dispensation of urgency by diversion to a non-urgent purpose.—*Union of India v. Nand Kishore*, AIR 1982 Del. 462. The application of this provision has been extended to urgent cases, by virtue of Clause 4 of the Schedule to Calcutta Improvement Act, 1911 and Clause 5(4) of united provisions, Town Improvement Act, 1919. Application of urgency clause upheld.—*Naka Amoroyyav, District Social Welfare Officer*, AIR 1979 (AP) 159. Similarly where the possession of the land was taken either under Section 17(1) or Section 17(2) or Section 16, after taking possession of the land stood vested in the State absolutely free from all encumbrances. It is true that after the possession is taken under Section 17(1) or Section 17(2) or Section 16, the land stands vested in the State and subsequently the power of the withdrawal under Section 48 would no longer be available. In these circumstances, the High Court was wrong in the judgement under appeal whereas be the reasoning given by the Division Bench was not known.—*Mohan Singh v. International Airport Authority*, 1997(6) Supreme 169; 1996(10) JT 311; 1996(8) Scale 251.

### PART III

#### REFERENCE TO COURT AND PROCEDURE THEREON

##### 18. Reference to court

(1) Any person interested who has not accepted the award may, by written application to the Collector, require that the matter be referred by the Collector for the determination of the court, whether his objection be to the measurement of the land, the amount of the compensation, the persons to whom it is payable, or the apportionment of the compensation among the persons interested.

(2) The application shall state the grounds on which objection to the award is taken:

Provided that every such application shall be made,—

- (a) if the person making it was present or represented before the Collector at the time when he made his award, within six weeks from the date of the Collector's award;
- (b) in other cases, within six weeks of the receipt of the notice from the Collector under section 12, sub-section (2); or, within six months from the date of the Collector's award, whichever period shall first expire.

1. Word "and" omitted by Act 68 of 1984, w.e.f. 24-9-1984.

2. Ins. by Act 68 of 1984, w.e.f. 24-9-1984.



**19. Collector's statement to the court**

(1) In making the reference, the Collector shall state, for the information of the court, in writing under his hand,—

- (a) the situation and extent of the land, with particulars of any trees, buildings or standing crops thereon;
- (b) the names of the persons whom he has reasons to think interested in such land;
- (c) the amount awarded for damages and paid or tendered under sections 5 and 17, or either of them, and the amount of compensation awarded under section 11; [ \* \* \* ]
- <sup>2</sup>[(cc) the amount paid or deposited under sub-section (3A) of section 17; and]
- (d) if the objection be to the amount of the compensation, the grounds on which the amount of compensation was determined.

(2) To the said statement, shall be attached a Schedule giving the particulars of the notice served upon, and of the statements in writing made or delivered by the parties interested, respectively.

**20. Service of notice**

The court shall thereupon cause a notice, specifying the day on which the court will proceed to determine the objection, and directing their appearance before the court on that day, to be served on the following persons, namely,—

- (a) the applicant;
- (b) all persons interested in the objection, except such (if any) of them as have consented without protest to receive payment of the compensation awarded; and
- (c) if the objection is in regard to the area of the land or to the amount of the compensation, the Collector.

**21. Restriction on scope of proceedings**

The scope of the enquiry in every such proceeding shall be restricted to a consideration of the interests of the persons affected by the objection.

**22. Proceedings to be in open court**

Every such proceeding shall take place in open court, and all persons entitled to practice in any civil court in the State shall be entitled to appear, plead and act (as the case may be) in such proceeding.

**23. Matters to be considered in determining compensation**

(1) In determining the amount of compensation to be awarded for land acquired under this Act, the court shall take into consideration—

first, the market-value of the land at the date of the publication of the notification under section 4, sub-section (1);



secondly, the damage sustained by the person interested, by reason of the taking of any standing crops or trees which may be on the land at the time of the Collector's taking possession thereof;

thirdly, the damage (if any), sustained by the person interested, at the time of the Collector's taking possession of the land, by reason of severing such land from his other land;

fourthly, the damage (if any) sustained by the person interested, at the time of the Collector's taking possession of the land, by reason of the acquisition injuriously affecting his other property, movable or immovable, in any other manner, or his earnings;

fifthly, if, in consequence of the acquisition of the land by the Collector, the person interested is compelled to change his residence or place of business, the reasonable expenses (if any) incidented to such change; and

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 under section 6 and time of the Collector's taking possession of the land.

(1A) In addition to the market-value of the land, as above provided, the court shall in every case award an amount calculated at the rate of twelve per centum per annum on such market value for the period commencing on and from the date of the publication of the notification under section 4, sub-section (1) in respect of such land to the date of the award of the Collector or the date of taking possession of the land whichever is earlier.

**Explanation:** In computing the period referred to in this sub-section, any period or periods during which the proceedings for the acquisition of the land were held up on account of any stay or injunction by the order of any court shall be excluded.

(2) In addition to the market-value of the land, as above provided, the court shall in every case award a sum of thirty per centum] on such market-value, in consideration of the compulsory nature of the acquisition.

### COMMENTS

Applicability of the amendment of 1984 to the acquisition for the purpose of the Uttar Pradesh Awam Vikas Parishad Adhiniyam, 1965—In view of the construction placed by us on the provisions of Section 55 of the Adhiniyam that the provisions of the Land Acquisition Act, as amended by the 1984 Act relating to determination and payment of compensation would be applicable to acquisition of land for the purposes of the Adhiniyam, it is not necessary to deal with the submission that if the provisions of the 1984 Act are held to be not applicable in the matter of acquisition of land for the purposes of the Adhiniyam the provisions of the Land Acquisition Act, as applicable under the Adhiniyam, would be void on the ground of repugnance under Article 254 of the Constitution. On a proper construction of Section 55 of U.P. Adhiniyam, it must be held that while incorporating the provisions of the Land Acquisition Act in the Adhiniyam the intention of Legislature was that amendments in the Land Acquisition Act relating to determination and payment of compensation would be applicable to acquisition of lands for the purposes of the Adhiniyam. This means that the amendments introduced in the land Acquisition Act by the 1984 Act relating to determination

and payment of compensation, viz. Section 23(1-A) and Sections 23(2) and 28 as amendment by the 1984 Act would be applicable to acquisition for the purposes of the Adhiniyam under Section 55 of the Adhiniyam—U.P.A. Avas Evam Vikas Parishad v. Jainul Islam, 1998(1) Supreme 340.

**Enhancement of compensation by reference Court alongwith solatium at 15% and interest 6%—**The High Court enhanced the compensation to Rs.15 per square yard from Rs.10 per square yard, however, the yardstick adopted by the High Court was not proper. In such circumstances it was held that the claimant was not entitled to enhanced solatium interest and additional amount at 15% and 6%.—*Krishi Utpadan Mandi Samiti, Bulandshahar v. Ganga Sahai*, AIR 1996 SC 3883: 1996(6) Supreme 143: 1996(7) JT 120: 1996(10) SCC 169: 1996(5) Scale 579: 1996 (3) Cur, CC 238.

#### **24. Matters to be neglected in determining compensation**

But the court shall not take into consideration—

- first, the degree of urgency which has led to the acquisition;
- secondly, any disinclination of the person to part with the land acquired;
- thirdly, any damage sustained by him which, if caused by a private person, would not render such person liable to a suit;
- fourthly, any damage which is likely to be caused to the land acquired, after the date of the publication of the declaration under section 6, by or in consequence of the use to which it will be put;
- fifthly, any increase to the value of the land acquired likely to accrue from the use of which it will be put when acquired;
- sixthly, any increase to the value of the other land of the person interested likely to accrue from the use to which the land acquired will be put;
- seventhly, any outlay or improvements on, or disposal of, the land acquired, commenced, made or effected without the sanction of the Collector after the date of the publication of the notification under section 4, sub-section (1); or
- [eighthly, any increase to the value of the land on account of its being put to any use which is forbidden by law or opposed to public policy.]

#### **<sup>2</sup>25. Amount of compensation by court not to be lower than the amount awarded by the Collector**

The amount of compensation awarded by the court shall not be less than the amount awarded by the Collector under section 11].

1. Ins. by Act 68 of 1984, w.e.f. 24-9-1984.

2. Subs. by Act 68 of 1984, w.e.f. 24-9-1984.



## 26. Form of awards

(1) Every award under this Part shall be in writing signed by the Judge, and shall specify the amount awarded under clause first of sub-section (1) of section 23, and also the amounts (if any) respectively awarded under each of other clauses of the same sub-section, together with the grounds of awarding each of the said amounts.

(2) Every such award shall be deemed to be a decree and the statement of the grounds of every such award a judgement within the meaning of section 2, clause (2), and section 2, clause (9), respectively, of the Code of Civil Procedure, 1908 (5 of 1908).

## 27. Costs

(1) Every such award shall also state the amount of costs incurred in the proceedings under this Part, and by what persons and in what proportions they are to be paid.

(2) When the award of the Collector is not upheld, the costs shall ordinarily be paid by the Collector, unless the court shall be of opinion that the claim of the applicant was so extravagant or that he was so negligent in putting his case before the Collector that some deduction from his costs should be made or that he should pay a part of the Collector's costs.

## 28. Collector may be directed to pay interest on excess compensation

If the sum which, in the opinion of the court, the Collector ought to have awarded as compensation is in excess of the sum which the Collector did award as compensation, the award of the court may direct that the Collector shall pay interest on such excess at the rate of <sup>1</sup>[ nine per centum] per annum from the date on which he took possession of the land to the date of payment of such excess into court;

<sup>1</sup>[ Provided that the award of the court may also direct that where such excess or any part thereof is paid into court after the date of expiry of a period of one year from the date on which possession is taken, interest at the rate of fifteen per centum per annum shall be payable from the date of expiry of the said period of one year on the amount of such excess or part thereof which has not been paid into court before the date of such expiry.]

## <sup>1</sup>[28A. Re-determination of the amount of compensation on the basis of the award of the court

(1) Where in an award under this Part, the court allows to the applicant any amount of compensation in excess of the amount awarded by the Collector under section 11, the persons interested in all the other land covered by the same notification under section 4, sub-section (1) and who are also aggrieved by the award of the Collector may, notwithstanding that they had not made an application to the Collector under section 18, by written application to the Collector within three months from the date of the award of the court require that the amount of compensation payable to them may be re-determined on the basis of the amount of compensation awarded by the court;

Provided that in computing the period of three months within which an application to the Collector shall be made under this sub-section, the day on which the award was pronounced and the time requisite for obtaining a copy of the award shall be excluded.

(2) The Collector shall, on receipt of an application under sub-section (1), conduct an inquiry after giving notice to all the persons interested and giving them a reasonable opportunity of being heard and make an award determining the amount of compensation payable to the applicants.

(3) Any person who has not accepted the award under sub-section (2) may, by written application to the Collector, require that the matter be referred by the Collector for the determination of the court and the provisions of sections 18 to 28 shall, so far as may be, apply to such reference as they apply to a reference under section 18.]

#### **PART IV**

#### **APPORTIONMENT OF COMPENSATION**

##### **29. Particulars of apportionment to be specified**

Where there are several persons interested; if such persons agree in the apportionment of the compensation, the particulars of such apportionment shall be specified in the award, and as between such persons the award shall be conclusive evidence of the correctness of the apportionment.

##### **30. Dispute as to apportionment**

When the amount of compensation has been settled under section 11, if any, dispute arises as to the apportionment of the same or any part thereof, or as to the persons to whom the same or any part thereof is payable, the Collector may refer such dispute to the decision of the court.

#### **PART V**

#### **PAYMENT**

##### **31. Payment of compensation or deposit of same in court**

(1) On making an award under section 11, the Collector shall tender payment of the compensation awarded by him to the persons interested entitled thereto according to the award, and shall pay it to them unless prevented by some one or more of the contingencies mentioned in the next sub-section.

(2) If they shall not consent to receive it, or if there be no person competent to alienate the land, or if there be any dispute as to the title to receive the compensation or as to the apportionment of it, the Collector shall deposit the amount of the compensation in the court to which a reference under section 18 would be submitted;

Provided that any person admitted to be interested may receive such payment under protest as to the sufficiency of the amount:

Provided further that no person who has received the amount otherwise than under protest as to the entitlement to make any application under section 18:



\* Provided also that nothing herein contained shall effect the liability of any person, who may receive the whole or any part of any compensation awarded under this Act, to pay the same to the person lawfully entitled thereto.

(3) Notwithstanding anything, in this section, the Collector may, with the sanction of the appropriate government, instead of awarding a money compensation in respect of any land, make any arrangement with a person having a limited interest in such land, either by the grant of other lands in exchange, the remission of land-revenue on other lands held under the same title, or in such other way as may be equitable having regard to the interests of the parties concerned.

(4) Nothing in the last foregoing sub-section shall be construed to interfere with or limit the power of the Collector to enter into any arrangement with any person interested in the land and competent to contract in respect thereof.

### **32. Investment of money deposited in respect of lands belonging to persons incompetent to alienate**

(1) If any money shall be deposited in court under sub-section (2) of the last preceding section and it appears that the land in respect whereof the same was awarded belonged to any person who had no power to alienate the same, the court shall—

- (a) order the money to be invested in the purchase of other lands to be held under the like title and conditions of ownership as the land in respect of which such money shall have been deposited was held, or
- (b) if such purchase cannot be effected forthwith, then in such government or other approved securities as the court shall think fit;

and shall direct the payment of the interest or other proceeds arising from such investment to the person or persons who would for the time being have been entitled to the possession of the said land, and such moneys shall remain so deposited and invested until the same be applied—

- (i) in the purchase of such other lands as aforesaid; or
- (ii) in payment to any person or person becoming absolutely entitled thereto.

(2) In all cases of moneys deposited to which this section applies, the court shall order the costs of the following matters, including therein, all reasonable charges and expenses incidental thereto, to be paid by the Collector, namely,—

- (a) the costs of such investment as aforesaid;
- (b) the costs of the orders for the payment of the interest or other proceeds of the securities upon which such moneys are for the time being invested, and for the payment out of court of the principal of such moneys, and of all proceedings relating thereto, except such as may be occasioned by litigation between adverse claimants.

### 33. Investment of money deposited in other cases

When any money shall have been deposited in court under this Act for any cause other than that mentioned in the last preceding section, the court may, on the application of any party interested or claiming an interest in such money, order the same to be invested in such government or other approved securities as it may think proper, and may direct the interest or other proceeds of any such investment to be accumulated and paid in such manner as it may consider will give the parties interested therein the same benefit therefrom as they might have had from the land in respect whereof such money shall have been deposited or as near thereto as may be.

### 34. Payment of interest

When the amount of such compensation is not paid or deposited in or before taking possession of the land, the Collector shall pay the amount awarded with interest thereon at the rate of <sup>1</sup>[ nine per cent] per annum from the time of so taking possession until it shall have been so paid or deposited.

<sup>2</sup>[ Provided that if such compensation or any part thereof is not paid or deposited within a period of one year from the date on which possession is taken, interest at the rate of fifteen per centum per annum shall be payable from the date of expiry of the said period of one year on the amount of compensation or part thereof which has not been paid or deposited before the date of such expiry.]

## PART VI

### TEMPORARY OCCUPATION OF LAND

### 35. Temporary occupation of waste or arable land, Procedure when difference as to compensation exists

(1) Subject to the provisions of Part VII of this Act, whenever it appears to the appropriate government that the temporary occupation and use of any waste or arable land are needed for any public purpose, or for a company, the appropriate government may direct the Collector to procure the occupation and use of the same for such term as it shall think fit, not exceeding three years from the commencement of such occupation.

(2) The Collector shall thereupon give notice in writing to the persons interested in such land of the purpose for which the same is needed, and shall, for the occupation and use thereof for such term as aforesaid, and for the materials (if any) to be taken therefrom, pay to them such compensation, either in a gross sum of money, or by monthly or other periodical payments, as shall be agreed upon in writing between him and such persons respectively.

(3) In case the Collector and the persons interested differ as to the sufficiency of the compensation or apportionment thereof, the Collector shall refer such difference to the decision of the Court.

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1. Subs. by Act 68 of 1984, w.e.f. 24-9-1984.

2. Ins. by Act 68 of 1984, w.e.f. 24-9-1984.



**36. Power to enter and take possession, and compensation on restoration**

(1) On payment of such compensation, or on executing of such a agreement or on making a reference under section 35, the Collector may enter upon and take possession of the land, and use or permit the use thereof in accordance with the terms of the said notice.

(2) On the expiration of the term, the Collector shall make or tender to the person interested compensation for the damage (if any) done to the land and not provided for by the agreement, and shall restore the land to the person interested therein.

Provided that, if the land has become permanently unfit to be used for the purpose for which it was used immediately before the commencement of such term, and if the person interested shall so require, the appropriate government shall proceed under this Act to acquire the land as if it was needed permanently for a public purpose or for a company.

**37. Difference as to condition of land**

In case the Collector and persons interested differ as to the condition of the land at the expiration of the term, or as to any matter connected with the said agreement, the Collector shall refer such difference to the decision of the Court.

## PART VII ACQUISITION OF LAND FOR COMPANIES

**38. Company may be authorised to enter and survey**

[\*\*\*]

**38A. Industrial concern to be deemed company for certain purposes**

An industrial concern, ordinarily employing not less than one hundred workmen owned by an individual or by an association of individuals and not being a company, desiring to acquire land for the erection of dwelling houses for workmen employed by the concern or for the provision of amenities directly connected therewith shall, so far as concerns the acquisition of such land, be deemed to a company for the purpose of this Part, and the references to company in <sup>1</sup>[sections 4, 5A, 6, 7, and 50] shall be interpreted as references also to such concern.

**39. Previous consent of appropriate government and execution of agreement necessary**

The provisions of sections 6 to 16 (both inclusive) and sections 18 to 37 (both inclusive) shall not be put in force in order to acquire land for any company <sup>2</sup>[under this Part], unless with the previous consent of the appropriate government, nor unless the company shall have executed the agreement hereinafter mentioned.

1. Omitted by Act 68 of 1984, w.e.f. 24-9-1984.

2. Subs. by Act 68 of 1984, for "section 5A, 6, 7, 17 and 50", w.e.f. 24-9-1984.

3. Ins. by Act 68 of 1984, w.e.f. 24-9-1984.

#### 40. Previous enquiry

(1) Such consent shall not be given unless the appropriate government be satisfied, either on the report of the Collector under Section 5A, sub-section (2), or by an enquiry held as hereinafter provided,—

- (a) that the purpose of the acquisition is to obtain land for the erection of dwelling-houses for workman employed by the company or for the provision of amenities directly connected therewith; or
- (aa) that such acquisition is needed for the construction of some building or work for a company which is engaged or is taking steps for engaging itself in any industry or work which is for a public purpose; or
- (b) that such acquisition is needed for the construction of some work, and that such work is likely to prove useful to the public.

(2) Such enquiry shall be held by such officer and at such time and place as the appropriate government shall appoint.

(3) Such officer may summon and enforce the attendance of witnesses and compel the production of documents by the same means and, as far as possible, in the same manner as is provided by the <sup>1</sup>[Code of Civil Procedure, 1908] in the case of a civil court.

#### 41. Agreement with appropriate government

If the appropriate government is satisfied after considering the report, if any, of the Collector under section 5A, sub-section (2), or on the report of the officer making an inquiry under section 40 that <sup>2</sup>[the proposed acquisition is for any of the purposes referred to in clause (a) or clause (aa) or clause (b) of sub-section (1) of section 40, it shall require the company to enter into an agreement with the appropriate government, providing to the satisfaction of the appropriate government for the following matters, namely,—

- (1) the payment to the appropriate government of the cost of the acquisition
- (2) the transfer, on such payment, of the land to the company;
- (3) the terms on which the land shall be held by the company;
- (4) where the acquisition is for the purpose of erecting dwelling houses or the provision of amenities connected therewith, the time within which, the conditions on which and the manner in which the dwelling houses or amenities shall be erected or provided;

1. Subs. by Act 68 of 1984, w.e.f. 24-9-1984.

2. Subs. by Act 631 of 1962 for certain words.



- (4A) where the acquisition is for the construction of any building or work for a company which engaged or is taking steps for engaging itself in any industry or work which is for a public purpose, the time within which and the condition on which, the building or work shall be constructed or executed; and
- (5) where the acquisition is for the construction of any other work, the time within which and the conditions on which the work shall be executed and maintained, and the terms on which the public shall be entitled to use the work.

## 42. Publication of agreement

Every such agreement shall, as soon as may be after its execution, be published in the Official Gazette and shall thereupon (so far as regards the terms on which the public shall be entitled to use the work) have the same effect as if it had formed part of this Act.

## 43. Sections 39 to 42 not to apply where government bound by agreement to provide land for companies

The provisions of sections 39 to 42, both inclusive, shall not apply, and the corresponding sections of the Land Acquisition Act, 1870 (10 of 1870), shall be deemed never to have applied, to the acquisition of land for any Railway or other company, for the purposes of which, under any agreement with such company, the Secretary of State for India in-Council, the Secretary of State, the Central Government or any State Government is or was bound to provide land.

## 44. How agreement with railway company may be proved

In the case of the acquisition of land for the purpose of a Railway Company, the existence of such an agreement as is mentioned in section 43 may be proved by the production of a printed copy thereof purporting to be printed by order of government.

## 44A. Restriction on transfer, etc.

No company for which any land is acquired under this Part shall be entitled to transfer the said land or any part thereof by sale, mortgage, gift, lease or otherwise except with the previous sanction of the appropriate government.

**44B. Land not to be acquired under this Part except for certain purpose for private companies other than government companies**

Notwithstanding anything contained in this Act, no land shall be acquired under this Part, except for the purpose mentioned in clause (a) of sub-section (1) of section 40, for a private company which is not a government company.

Explanation: "Private company" and "government company" shall have the meanings respectively assigned to them in the Companies Act, 1956 (1 of 1956).

## PART VIII MISCELLANEOUS

**45. Service of notices**

(1) Services of any notice under this Act shall be made by delivering or tendering a copy thereof signed, in the case of a notice under section 4, by the officer therein mentioned, and, in the case of any other notice, by an order of the Collector or the Judge.

(2) Whenever it may be practicable, the service of the notice shall be made on the person therein named.

(3) When such person cannot be found, the service may be made on any adult male member of his family residing with him, and, if no such adult male member can be found, the notice may be served by fixing the copy on the outer door of the house in which the person therein named ordinarily dwells or carries on business, or by fixing a copy thereof in some conspicuous place in the office of the officer aforesaid or of the Collector or in the court-house, and also in some conspicuous part of the land to be acquired.

Provided that, if the Collector or Judge shall so direct, a notice may be sent by post, in a letter addressed to the person named therein at his last known residence, address or place of business and '[registered under sections 28 and 29 of the Indian Post Office Act, 1898.] and service of it may be proved by the production of the addressee's receipt.

**46. Penalty for obstructing acquisition of land**

Whoever wilfully obstructs any person in doing any of the acts authorised by section 4 or section 8, or wilfully fills up, destroys, damages or displaces any trench or mark made under section 4, shall, on conviction before a Magistrate, be liable to imprisonment, for any term not exceeding one month, or to fine not exceeding '[five hundred rupees], or to both.

**47. Magistrate to enforce surrender**

If the Collector is opposed or impeded in taking possession under this Act of any land, he shall, if a Magistrate, enforce the surrender of the land to himself and, if not a Magistrate, he shall apply to a Magistrate or (within the towns of Calcutta, Madras and Bombay) to the Commissioner of Police, and such Magistrate or Commissioner (as the case be) shall enforce the surrender of the land to the Collector.



**48. Completion of acquisition not compulsory, but compensation to be awarded when not completed**

(1) Except in the case provided for in section 36, the government shall be at liberty to withdraw from the acquisition of any land of which possession has not been taken.

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

(3) The provisions of Part III of this Act shall apply, so far as may be, to the determination of the compensation payable under this section.

**49. Acquisition of part of house or building**

(1) The provisions of this Act, shall not be put in force for the purpose of acquiring a part only of any house, manufactory or other building, if the owner desires that the whole of such house, manufactory or building shall be so acquired.

Provided that the owner may, at any time before the Collector has made his award under section 11, by notice in writing, withdraw or modify his expressed desire that the whole of such house, manufactory or building shall be so acquired.

Provided also that, if any question shall arise as to whether any land proposed to be taken under this Act does or does not form part of a house, manufactory or building within the meaning of this section, the Collector shall refer the determination of such question to the court and shall not take possession of such land until after the question has been determined.

In deciding on such a reference the court shall have regard to the question whether the land proposed to be taken is reasonably required for the full and unimpaired use of the house, manufactory or building.

(2) If, in the case of any claim under section 23, sub-section (1), thirdly, by a person interested, on account of the severing of the land to be acquired from his other land the appropriate government is of the opinion that the claim is unreasonable or excessive, it may at any time before the Collector has made his award, order the acquisition of the whole of the land of which the land first sought to be acquired forms a part.

(3) In the case last therein before provided for, no fresh declaration or other proceedings under sections 6 to 10, both inclusive, shall be necessary; but the Collector shall without delay furnish a copy of the order of the appropriate government to the person interested and shall thereafter proceed to make his award under section 11.

**50. Acquisition of land at cost of a local authority or company**

(1) Where the provisions of this Act are put in force for the purpose of acquiring land at the cost of any fund controlled or managed by a local authority or of any company, the charges of and incidental to such acquisition shall be defrayed from or by such fund or company.

(2) In any proceeding held before a Collector or court in such cases the local authority or company concerned may appear and adduce evidence for the purpose of determining the amount of compensation:

Provided that no such local authority or company shall be entitled to demand a reference under section 18.

**51. Exemption from stamp-duty and fees**

No award or agreement made under this Act shall be chargeable with stamp-duty, and no person claiming under any such award or agreement shall be liable to pay any fee for a copy of the same.

**<sup>1</sup>[51A. Acceptance of certified copy as evidence**

In any proceeding under this Act, a certified copy of a document registered under the Registration Act, 1908 (16 of 1908), including a copy given under section 57 of that Act, may be accepted as evidence of the transaction recorded in such document.]

**52. Notice in case of suits for anything done in pursuance of Act**

No suit or other proceeding shall be commenced or prosecuted against any person for anything done in pursuance of this Act, without giving to such person a month's previous notice in writing of the intended proceeding, and of the cause thereof, nor after tender of sufficient amends.

**53. Code of Civil Procedure to apply to proceeding before court**

Save insofar as they may be inconsistent with anything contained in this Act, the provisions of the <sup>2</sup>[Code of Civil Procedure, 1908], shall apply to all proceedings before the Court under this Act.

**54. Appeals in proceedings before court**

Subject to the provisions of the Code of Civil Procedure, 1908 (5 of 1908), applicable to appeals from original decrees, and notwithstanding anything to the contrary in any enactment for the time being in force, an appeal shall only lie in any proceedings under this Act to the High Court from the award, or from any part of the award of the court and from any decree of the High Court passed on such appeal as aforesaid an appeal shall lie to <sup>1</sup>[the Supreme Court] subject to the provisions contained in section 110 of the Code of Civil Procedure, 1908, and in Order XLV thereof.]



## 55. Power to make rules

(1) The appropriate government shall have power to make rules consistent with this Act for the guidance of officers in all matters connected with its enforcement, and may from time to time alter and add to the rules so made:

Provided that the power to make rules for carrying out the purpose of Part VII of this Act shall be exercisable by the Central Government and such rules may be made for the guidance of the State Government and the officers of the Central Government and of the State Governments:

Provided further that every such rule made by the Central Government shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, [ before the expiry of the session in which it is so laid or the successive sessions aforesaid], both Houses agree in making any modification in the rule or both Houses agree that the rules should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.]

[ Provided also that every such rule made by the State Government shall be laid, as soon as may be after it is made, before the State Legislature.]

(2) The Power to make, alter and add to rules under sub-section (1) shall be subject to the conditions of the rules being made, altered or added to after previous publication.

(3) All such rules, alteration and additions shall be published in the Official Gazette, and shall thereupon have the force of law.

1. Subs. by the AO 1950 for words "His Majesty in-Council"

2. Subs. by Act 68 of 1984, w.e.f. 24-9-1984.

3. Ins by Act 68 of 1984.