

## **Ruling on LAAR Act**

### **Why in news?**

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SC has appointed a constitutional bench to rule on LARR Act

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### **What is LAA act of 1894?**

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- Land Acquisition Act of 1894, had codified powers of eminent domain, where Landowners were placed at the state's mercy.

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- Under this Government was accorded vast discretion to expropriate land for supposed public use.

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- Requirements of due process were scant, and the amount of money paid in return for land was often inadequate.

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### **What is LARR act of 2013?**

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- Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act), replaced the LAA of 1894.

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- This act provides number of safeguards for the process of acquisition manifestly fairer.

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- It compels a social and environmental impact assessment as a precondition for any acquisition.

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- It also acknowledges a need for a system of rehabilitation and resettlement for those whose livelihoods are likely to be affected by the

transfer of land.

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- These protections intend to alter the traditional relationship between the state and the citizen, allowing communal benefit to occasionally trump interests of pure capital.

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### **What is the compensation mechanism of LAAR 2013?**

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- LAAR 2013 determined the compensation payable to a landowner from whom land had been taken prior to the year 2009.

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- In such cases, the state ought to have not only taken possession of the land but also paid the amounts determined as due, failing which the entire proceedings will lapse.

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- This means that even where the state has put the land acquired to some use, its failure to pay the holder compensation would render the entire proceeding nugatory.

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### **What are the concerns with this act?**

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- There is a divisive provision in the Right to Fair Compensation and Transparency under LAAR 2013.

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- Over the state argued that each of the landowners from whom land was acquired had specifically been told about the quantum of money that they were entitled to receive.

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- Since they neither disputed the amount fixed nor came forward to receive the money, the government claimed it deposited cash payable by it into its own treasury.

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- The government also claimed that the landowners were not entitled to retake their lands by claiming that they hadn't received their

compensation, this action was sufficient to negate the operation of Section 24.

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### **What were the rulings on this act by various courts?**

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- Ordinarily, the court held, the state is always obligated to pay the landowner money in terms of any award made.

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- It was only in exceptional circumstances, the government could deposit those amounts into a court of law.

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- These included cases where a landowner might have refused to receive compensation, for some reason or the other.

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- But even there, a mere payment into the government's own treasury wouldn't suffice.

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- Earlier a three member bench was formed to decide on this, the bench ruled that government's decision is void with lands being returned to their original owners.

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- High Courts across India almost uniformly adopted this verdict, reversing acquisitions in a host of cases.

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- Another three member bench decided that in cases where a landowner refuses compensation, a payment into the government's treasury was sufficient, and that there was no attendant obligation on the state to deposit this money into court.

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- This reading clearly fits neither with the language of the LARR Act nor the law's larger objectives.

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### **What are the things must be taken care?**

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- It must be noted that a three-judge bench cannot overrule a precedent set

by an earlier bench of equal strength.

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- In cases where it thinks the previous bench might have blundered, it, might refer the dispute to the Chief Justice seeking the creation of a larger panel.

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- Maintaining such a rule not only ensures stability in the court's rulings but also provides the court with the necessary flexibility to correct its errors in appropriate cases.

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**Source: The Hindu**

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