

RESEARCH ON VALUATION OF AGRICULTURAL LAND FOR INFRASTRUCTURE PROJECT- “A CASE STUDY OF SAMRUDDHI EXPRESSWAY”

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Abstract - Valuation is the process of finding the current worth of an asset or a company in which conclusions are arrived at scientific analysis of the available data using different techniques. These is an art of process of estimating value, depending on the circumstances of the case and purpose for which valuation is needed, at the given time, place and market condition. The objective of this study is to identify the market value of Agriculture land and guidelines to study the land acquired which is situated in route of samruddhi expressway.

Land Acquisition is critical for the commencement and completion of construction of National Highways, which begins once the alignment plan and land acquisition plan for a specific project, are approved. The process starts with the appointment of a revenue functionary of the State Government as Competent Authority for Land Acquisition (CALA) for each NH Project. It ends at taking of physical possession of the land by the implementing authority and disbursal of compensation to each affected/interested party.

This project examines the factors affecting the value and price of Agricultural Land in the process of Expressway Construction. It highlights the issues relevant to Agricultural Land value in a market situation of competing use options. In precise use of terms such as value, price and valuation and inadequate data make comparisons difficult.

This project discusses the factors that affect the land acquisition and price of Agricultural Land under different circumstances. This research aims to serve as a guide for planners and decision makers who deal with Agricultural Land transactions under conditions of changing public intervention, whereby potentially competing users accept an exchange value of land. This methodology development is required to relate physical land quality indicators with land value

Key Words: Agricultural Land, Valuation, Land acquisition, Fair compensation, Market Value.

1. INTRODUCTION

Land acquisition is the power of the union or a state government in India to acquire private land for the purpose of **industrialisation, development of infrastructural facilities or urbanisation of the private land**, and to compensate the affected landowners for their rehabilitation and resettlement.

Land Acquisition Cost means **the amount of the Advance made available for the purpose of acquiring the portion of the Property constituting Land**, as such amount is set forth in the Funding Request relating to the acquisition of the Property.

An area is to be classified into two categories agricultural and non-agricultural. The agricultural lands can further be classified agricultural and semi-agricultural lands. The agri. lands in the boundary of a city or a municipality are likely to be declared as rural & urban land. Broadly lands can be classified as urban lands and farmlands.

The urban/rural open lands may be residential/ industrial, and the value of such lands primarily depends on the potentiality of their development by constructing appropriate structures over them. The farmlands are agricultural fields based on which, people can earn their livelihood.

The new Act stipulates that the minimum compensation is to be a **multiple of the total of the ascertained market value, plus value of the assets attached to the property**, plus a solatium equal to 100% of the market value of the property including value of assets.

2. AIM OF STUDY

This study aims to focus on the work of private sector in government work and help analyze the actual condition of land and future scope of the land. The valuation of this expressway helps to resolve the disputes and have fair market value of land involve in this project.

3. OBJECTIVE

- To study legal rights regarding land acquisition.

- To determine factors affecting valuation of Land.
- To search suitable methods for valuation of Agricultural Land.
- To find the fair market value of Agricultural Land for determination of fair compensation to the affected landowner.

4. RESEARCH METHODOLOGY

The research work initiated with study of various valuation techniques like data collected from sub registrar from the past sale instances and data of past valuation report from government authorized valuer to find the market value of the land for land calculation of fair compensation of lands to be acquired for various public purposes. Documents associated with property like sale deed, 7/12 extract, Gut No. and Survey No measurement map, declaration deed, etc. are studied. For our study of valuation of Agricultural Land, we have used the

I) COMPARATIVE SALES METHOD

II) INCOME APPROACH METHOD

For determine the fair market value of Agricultural Land following steps to be used for calculation of fair market value of Agricultural Land in practice,

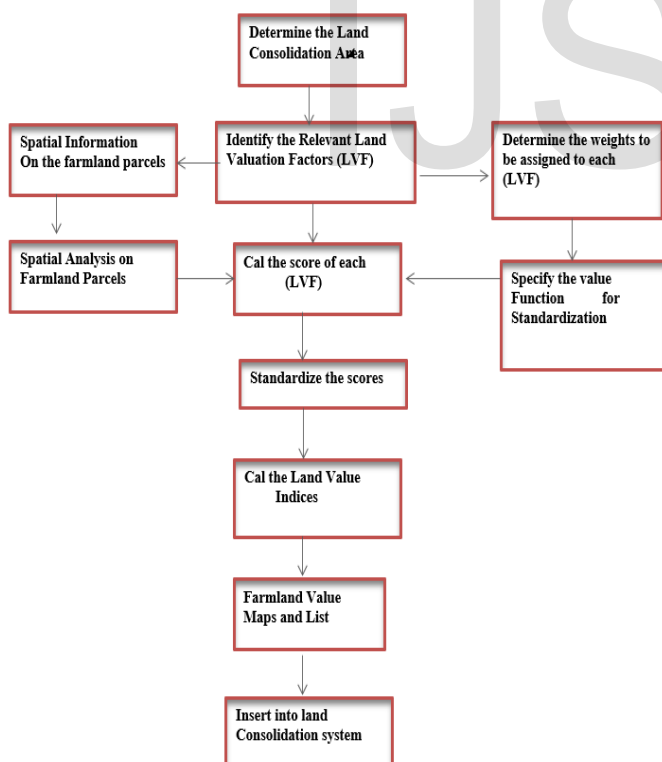


Fig -1: Data collection Analysis

4.1 Different Methods of Valuation used

4.1.1 Comparative Sales Method

It is the most popular method. In this method, value of land is estimated by analysing recent sale prices of

comparable land in the vicinity, adjusting the prices to account for any difference in size, shape, location and other features. The average of last 5 to 10 highest sale instances are calculated and value is arrived.

As per the criteria provided in Section 26 (I) of the RFCTLARR Act, 2013, the Collector (CALA) shall adopt the following criteria in assessing and determining the market value of the land, namely:

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

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

(c) consented amount of compensation as agreed upon under sub section (2) of section 2 of the RFCTLARR Act, 2013 in case of acquisition of lands for private companies or for public private partnership projects, whichever is higher.

4.1.2 Income Capitalization Method) for Orchards, Trees & Plantations)

Another type of method to value land is income capitalization method. This method has two sub-categories:

The Land Acquisition Officers concerned shall determine the Market value of the land with Orchards with due regard to the comparable bonafide sale transactions of a similarly placed Orchards in that locality in recent year, if available, following the guidelines prescribed in the land acquisition Manual. If there have been no such sales, the capitalization method be adopted for valuation of land with Orchards

The details of cost of cultivation, details of trees per acre and fruit bearing stage and compensation for complete horticulture species and details of complete compensation to be paid for each Horticultural species, are applicable.

5. CASE STUDY

- The proposed Maharashtra Samruddhi Mahamarg will be the country's longest and first Greenfield Expressway which will play an all-important role in the overall development of not just the state, but hopefully the country as well. The work on this proposed Expressway has reached a decisive stage.
- The expressway will be 701 km long, directly connecting ten districts, twenty-six talukas and around 392 villages.
- It will have a speed limit of 150 km which will bring Nagpur and Mumbai within 8 hours reach. Thus, travel time from Mumbai to Aurangabad will be 4 hours and from Aurangabad to Nagpur, another 4 hours.
- The expressway, having a total width of 120m with a central median of 22.5m will follow the international standards of design. There will be 8 lanes, 4 on each side. In case there is a need to increase lanes on

either side, a provision has been made in the centre of the expressway. Thus, no more land will be required for expansion in future.

- It will have service roads on both sides that will connect through underpasses.
- An important aspect of the Maharashtra Samruddhi Mahamarg Project – **the acquisition of land through interaction with and by mutual consent of the landowners is almost complete.** The beneficiary-farmers have been promptly compensated by the MSRDC with an amount that is **five times the amount that is higher of the two** – the rate as calculated under the Central Government's Land Acquisition Act along with **details of purchases made in the last three years and the rate as per the current Ready Reckoner. Due to effective implementation of the scheme, the MSRDC has managed to acquire more than 80% of the total 8636 hectares of land** (privately-owned as well as government-owned) that is required for the Maharashtra Samruddhi Mahamarg Project in a short span of time. Achieving such a huge feat for the proposed scheme through proper communication alone is a big and historic achievement.
- As on 2nd June 2018, the collective compensation amount deposited in the bank accounts of the beneficiary farmers who have given up their land for the scheme is ₹4,893 crores. It is crucial that 100% of the requisite land is acquired by the MSRDC to expedite the work on the proposed Expressway. Currently, the MSRDC has acquired approximately 81% of the required land from within 10 districts.
- The process of acquisition of the remaining land, which includes both privately-owned and government-owned land, is faced with some technical difficulties which we need to understand in more detail. The MSRDC has not been able to acquire such land through the direct purchase of land scheme due to the technical difficulties involved. Even after examining all possible alternatives to purchase such land directly through the scheme, the MSRDC had to face a lot of difficulties in the acquisition process. Eventually, it was decided to opt for a legal recourse to counter the technical difficulties.
- Accordingly, the Maharashtra Government issued a notification under Section 15(2) of the Maharashtra Expressway Act for the purpose of acquisition of the balance land which could not be purchased.
- At places where the MSRDC could not purchase the land through direct negotiations, the land will be acquired in accordance with the above notification in this regard. It looks like primarily, a total of 1376 hectares of land from ten districts will have to be acquired as per the said notification. It is necessary to acquire land in accordance with the above notification due to the following reasons

6. CONCLUSIONS

- This paper provided evidence that the current land valuation process carried out in land consolidation projects presents **the acquisition of land through interaction with and by mutual consent of the landowners is very much effective, simple and time saving.** The beneficiary-farmers have been promptly compensated by the MSRDC with an amount that is **five times the amount that is higher of the two** – the rate as calculated under the Central Government's Land Acquisition Act along with **details of purchases made in the last three years and the rate as per the current Ready Reckoner. Due to effective implementation of the scheme, the MSRDC has managed to acquire more than 80% of the total land.**

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8.BIOGRAPHIES



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