

REVISION OF POLICY IN RESPECT OF CHANGE OF USER / SALE OF LAND ACQUIRED BY COMPANIES UNDER PART VII OF THE LAND ACQUISITION ACT, 1894

The Maharashtra Revenue and Forest Department had issued a policy dated January 11, 2018 ("**Policy**") in respect of change of user or sale of land acquired under Part VII of the Land Acquisition Act, 1894 ("**Act**"). The Policy *inter alia* states that companies shall be permitted to apply before the competent authority for grant of permission for change of user of land or sale of land in accordance with the terms and conditions and payment of premium as contained in the Policy, provided that the company had acquired such land prior to 1970 under Part VII of the Act and the manufacturing units of such companies have been compelled to be moved outside the city limits or shut down due to factors such as pollution, etc.

However, certain provisions and aspects of the Policy needed clarification. The revenue minister and the committee, pursuant to detailed discussions, issued a Government Resolution dated June 29, 2022 ("**GR**"), for revising / amending certain aspects of the Policy.

The GR deleted Section C(5)(i) and (ii) of the Policy and thereafter inserted Section C(5) which provides the process for transfer of land and/or re-use of the land along with percentage of premium to be levied with regards to such transfer and/or re-use of land. Further, the GR stipulates the procedure for calculating the premium. In addition to the above, the GR also stipulates calculations of penalty surcharge for regularisation of breach of condition.



The GR further prescribes certain conditions in respect of the sale of flats and commercial units that are proposed to be constructed on such transferred land.

In addition to the afore stated, the GR also aids support to any land for which permission for transfer or change in use was obtained prior to the sanction of the Policy and implementation of the same has not yet been concluded. With regards to any land which had obtained permission for transition of usage of land and the premium for which has not been paid yet, the GR states that such cases should be regularized by paying the premium calculated as per the rate in the annual market price table which is applicable on the date of payment of premium as per the revised GR.

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