

INFRASTRUCTURAL DEVELOPMENT: A DILEMMA OF WELFARE STATE

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INTRODUCTION

Infrastructure¹ is the most vital ingredient of measuring the development of any nation since it is the tool which enables the means to do every activity which ensures the wellbeing of a nation's populace and its growth. The growth of a nation is determined by the prosperity of its citizens both socially and economically. The infrastructure plays the most critical role in the human and economic development of any nation and in fact it is both; social and physical. The social infrastructure influences the human development through better education facilities, better trained and skilled persons and healthier citizens. The education opportunities, health services, skill and human resources development opportunities form the social infrastructure of a society and in that sense for any country whereas the roads, buildings, dams, industries etc. are part of physical infrastructure of any nation. But it remains the social infrastructure which with the contributions from the physical infrastructure ultimately results into the economic growth of any country because the well trained and skilled healthy persons through a better physical infrastructure only can contribute to the prosperity of any nation. The investments in social infrastructure are also termed as 'human capital'. The development wherever one can find or as a matter of fact when the developed countries are taken into account; it is the investment in human capital and development of social infrastructure which brought in the economic development which resulted into the overall development of the country and this includes the worst war-torn nations of Europe. But for development of social infrastructure, the development of physical infrastructure is inevitable; unless a physical infrastructure is created the development in social infrastructure is inconceivable.

The development of physical infrastructure means development of basic requirements such as buildings, transportation, communication, power facilities etc. which highly influences the development of social infrastructure and enhances the economic growth of the country. India among the fastest growing economy of the world requires tremendous focus on such development in infrastructure. This requires focused vision and meticulous planning and which also demand political will and stability. The development of infrastructure is also a most valuable arena of the welfare arm of state and cannot be achieved at a desired pace if only the state undertakes such endeavour therefore it becomes inevitable for the private sector to invest into it or may be a combination of both public and private. In India the 1990s brought in a drastic change in the national economic policy with introduction of liberalisation

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¹ The basic physical and organizational structures and facilities (e.g. buildings, roads, power supplies etc.) needed for the operation of a society or enterprise; Available at: <https://en.oxforddictionaries.com/definition/infrastructure> (Accessed on October 25, 2018)

and an overture towards free market policy. The government realized that to attain economic and social development of the country, the age old socialistic approach demands to be modified and the private sector has to be welcomed in participating in infrastructural development of the country and will thus surely hasten the economic development of the country. The new economic policy envisioned the desired approach by inviting private players for investing in the infrastructural development efforts. But to the larger extent it remained with the state to invest in infrastructural development, be it in the physical or social infrastructure. This may be due to the hugeness of the infrastructural projects related to transportation or power or education or health but communication became an exception where the private sector fared too well in comparison to the public sector contribution. The concern which come to the fore because of infrastructural projects being undertaken are the issues of land acquisitions and the state seemed to be more bent towards a capitalistic approach rather than a socialistic one diluting somewhere the concept of being a welfare state. This paper intends to focus upon the present scenario of infrastructure development in India, the impediments and issues in infrastructural developments and concerns in compensation mechanisms with special reference to the power sector in India.²

THE SCENARIO OF INFRASTRUCTURAL DEVELOPMENT IN INDIA

The Indian economy is one of the fastest growing economies of the world and one of the largest amongst the developing countries. The amount of focus of the government of India towards infrastructure development is reflected in the Union Budget for 2018 – 19 which allocates a whopping Rs. 5.97 Lakh Crores (US\$ 92.22 billion approx.). The required investment in infrastructure is estimated around Rs. 50 Trillion (US\$ 777.73 billion approx.) by the year 2022 to achieve a sustainable development and increasing demand of investments will be witnessed in the areas of roads and highways, power and renewable energy. These areas promise higher valuations and earnings for investors and thus may be construed as one of the most lucrative business opportunities. In India only 24 percent of the National Highway is Four Lane and the demand to develop the remaining 76 percent provides immense business opportunity. Similarly further in transportation segment the government policy of Regional Connectivity Scheme (RCS) offers great opportunity in development of airports. The enhanced momentum from the government to develop infrastructure has already showing results wherein major global giants have started investments in India. Huge investments in the construction development and infrastructure activities has already witnessed heavy increase in Foreign Direct Investments (FDI) which is now amounting to US\$ 24.67 billion (December, 2017) of investment in comparison to US\$ 12.36 billion (April, 2000). The government of India in the kind of policies for instance ‘Housing for All’ and ‘Smart City Projects’ promise to overcome the impediments in investments in infrastructure and to reduce all possible hiccups as it plans to invest around Rs. 2.05 Lakh Crores (US\$ 31.81 billion) in coming years. The pace of development of infrastructure in India is well reflected through the 91 M&A deals worth US\$ 5.4 billion which were made during the year 2017 and the power sector contributed the maximum through 39 M&A

² De, P. and Ghosh, B. 2003 How Do Infrastructure Facilities Affect Regional Income? An Investigation with South Asian Countries, Research and Information System for the Nonaligned and Other Developing Countries

amounting to US\$ 4.4 billion. The private sector which was encouraged by the policies of government of India also responded very positively by participating in most of the infrastructure segment including transportation, roads, airports, power and communication. In India the logistics is attaining an annual growth rate of 10% and by 2019 – 20 will be around US\$ 215 billion. The World Bank's Logistics Performance Index (LPI) ranked India at the 36th position in a list of 160 countries in the year 2016 which was due to an increment of 19 places to the previous year's position. The Agility Emerging Markets Logistics Index in 2018 ranked India at the second position.³ Similarly the foreign investments reported in the construction development sector which includes housing, township and infrastructure building is reported to at US\$ 24.67 billion between April 2000 and December 2017 and US\$ 12.36 billion in Construction (Infrastructure) activities during the same period.⁴ The figures reflect an encouraging scenario of an overall development in infrastructure in India but lacks in the arena of social infrastructure which comprises the education and health sectors. The figures though encouraging but there are many issues which are real hindrances in a faster growth rate, may be statutory provisions and regulations but the issue of land acquisitions remain as the foremost impediment.

ISSUES AND CHALLENGES IN INFRASTRUCTURAL DEVELOPMENTS

The impediments in infrastructure development are multipronged and it ranges from the statutory regulations to constraints of finance to laxity in identification and finalization of projects to land acquisition issues to lack of trained manpower and many unforeseen domestic issues. Firstly, the cumbersome processes involved in obtaining the approvals required at every stage of any project is a major concern and infact at times they are required from multiple levels of government which get entangled in due course because of lack of coordination among various agencies. The resultant standstills badly effect the execution of any project. Similarly, the environmental regulations being at a very nascent stage of evolution impedes the execution of projects due to lack of clarity in concept and procedure. These also involve lacunae on the part of agencies responsible for such regulations and their negligence brings in compliance of further norms which further slow-down the projects. These may be overcome once there is clarity in procedures and guidelines and moreover a better coordination between various agencies which surely comes out of efficient and transparent governance.⁵

Secondly, the financial constraints are major issue which may be due to over expectations from the private sector investments in developing infrastructure. The private sector finds it difficult as the projects are of high capital demands and returns on investments are not instant but time taking. The investments from the private sector are often generated from debts and most of the investors soon become overloaded with such debts and on the other option of

³ Prepared by Agility for ranking emerging countries in terms of their logistics performance; Media sources: DIPP, Aranca Research, Equirius Capital, EY; Available at: <https://www.aranca.com/> (Accessed on: October 25, 2018)

⁴ IBEF June, 2018; Available at: www.ibef.org (Accessed on: October 25, 2018)

⁵ Pradeep Agrawal, Infrastructure in India: Challenges and the Way Ahead, IEG Working Paper No. 350, 2015, Available at: <http://www.iegindia.org/upload/publication/Workpap/wp350.pdf> (Accessed on: October 25, 2018)

raising funds from equity market seems to be less encouraging because of qualms of execution and delayed returns. Again these doubts are more influenced by the regulatory necessities, the unpredictable equity market and to some extent on the fluctuating global economic issues. The issue of financing can be resolved by the better idea of having investments from the Public-Private Partnership model, where the government comes into with partnership with the private to finance an infrastructure project but still it remains at a very nascent and evolving stage in India. Another idea may be of foreign corporates who are able to bring in the required funds and technical expertise to execute huge projects but again the impediment is due to cumbersome approval processes and regulatory compliances involved. The answer to this problem is again better coordinated and transparent governance.⁶

Thirdly, the biggest barricade issue is of land acquisition and it is a reality because of which many projects have been stopped or deferred. The causes are primarily the objections of the indigenous people whose lands are acquired for infrastructure development. The reservations of the local communities or the farmers is not without any valid reason, it is the apprehension which has risen among them from the age old system of land acquisitions based on redundant and archaic laws.⁷ The compensations thus given were never satisfying and the mode of calculation of compensations lacked heavily on transparency and the deals always smelled foul. The aggrieved people suffered for decades because of the superfluous promises which were never kept. Many a times the land was acquired forcibly or seemed to be done so under the pretext of some or the other archaic laws by the state. The valuation done by the state for the land so acquired had huge deviations from the original market price and these led to huge number of litigations which further delays the execution of infrastructure projects. The inappropriate and unpleasant rehabilitations of project affected persons also aggravated the distrust of indigenous communities. The age old law; Land Acquisition Act 1894 has been repealed by the Land Acquisition and Rehabilitation and Resettlement Act, 2013 (LARR) and further amended to the new Act; The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation And Resettlement Act, 2013 and further amendment proposed in 2014 and then most recently replacing the ordinance of 2014 via a bill in 2015. The LARR Act promised to resolve all the disputes pertaining to land acquisitions by accommodating a mandatory approval of 80 percent of the landowners for any acquisition and also to compensate in quadruple the current market price of the land. These provisions on the other hand makes more difficult for the corporations to acquire land and also for the investors as the project viability gets influenced.

However, the plight of Land Oustees⁸ and the Project Affected Persons⁹ is far more dreadful than any development of infrastructure or any investment in such projects and its uncertainties' or the economic growth of any nation because any group however minute they are, can never be left in suffering for the benefit of a larger number. The problem is also witnessed because of non-uniformity in such rehabilitation laws among the States and even

⁶ *Ibid*

⁷ *Ibid*

⁸ Herein after referred as LOs

⁹ Herein after referred as PAPs

with variety of regulations affecting such acquisitions which are made by different public sector units but uniformity may be once achieved when 'The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation And Resettlement Act, 2013' is enforced in its totality. The majority of issues arises from the huge infrastructures majorly coming from the power sector be it a hydro project or a thermal project.

CHALLENGES BEFORE THE POWER SECTOR: A BREIF OVERVIEW

The study¹⁰ undertaken with the issues relating to the land oustees with the leading power sector giant NTPC Ltd. a Public Sector Maharatana Company brings forth a newer dimension to the problems that even after the compensations provided as per the regulations of the State and the PSU's own policies for the rehabilitation of the PAP, the PAP are left with many dissatisfactions which have given rise to numerous ongoing litigations. Though NTPC through its policy declaration affirm its commitments in taking care of all those affected with a comprehensive social outreach programme and a motive to balance infrastructure development with an equivalent emphasis on community development.¹¹ The company enlists and provides for many benefits apart from the monetary compensations to the LOs and the PAPs in the nature of employment in the project, petty contracts, shops allotments in their township etc.¹² The policy document clearly defines the Project Affected Family / Person,¹³ Affected area,¹⁴ Agricultural labourer,¹⁵ Agricultural land,¹⁶ Family,¹⁷ Non Agricultural

¹⁰ A purely doctrinal research where only the secondary sources of information were relied upon

¹¹ NTPC, Initial Community Development Policy, 2009

¹² Rehabilitation and Resettlement (R&R) Policy, NTPC 2010

¹³ (i) A family / person whose primary place of residence or other property or source of livelihood is adversely affected by the acquisition of land for a project or involuntary displacement for any other reason; or

(ii) Any tenure holder, tenant, lessee or owner of other property, who on account of acquisition of land (including plot in the abadi or other property) in the affected area or otherwise, has been involuntarily displaced from such land or other property; or

(iii) Any agricultural or non-agricultural labourer, landless person (not having homestead land, agricultural land, or either homestead or agricultural land), rural artisan small trader or self-employed persons, who has been residing or engaged in any trade, business, occupation or vocation continuously for a period of not less than three years preceding the date of declaration of the affected area, and who has been deprived of earning his livelihood or alienated wholly or substantially from the main source of his trade, business, occupation or vocation because of the acquisition of land in the affected area or being involuntarily displaced for any other reason;

¹⁴ "Affected area" means area of village or locality notified by the concerned State Govt. under Land Acquisition Act-1894 (or equivalent Act) for setting up of NTPC project.

¹⁵ "Agricultural Labourer" means a person primarily resident in the affected area for a period of not less than three years immediately before the declaration of the affected area who does not hold any land in the affected area but who earns his livelihood principally by manual labour on agricultural land therein immediately before such declaration and who has been deprived of his livelihood;

¹⁶ "Agricultural land" includes lands being used for the purpose of:

(i) Agricultural or horticulture; (ii) Dairy farming, poultry farming, pisciculture, breeding of livestock or nursery growing medicinal herbs; (iii) Raising of crops, grass or garden produce; and (iv) Land used by an agriculturist for the grazing of cattle, but does not include land used for cutting of wood only;

¹⁷ "family" includes a person, his or her spouse, minor sons, unmarried daughters minor brothers, unmarried sisters, father, mother and other relatives residing with him or her and dependent on him or her for their livelihood; and includes "nuclear family" consisting of a person, his or her spouse and minor children.

labourer,¹⁸ Requiring Body,¹⁹ Vulnerable persons,²⁰ and all the definitions of tribal community as enshrined under the Indian constitution and affirms to abide by the constitutional provisions in matters related to these communities. The policy document clearly identifies the issues²¹ and outlines the principles and strategies²² to address the rehabilitation and resettlement issues. Most prominently the policy document also envisages a

¹⁸ “Non-agricultural Labourer” means a persons who is not an agricultural labourer but is primarily residing in the affected area for a period of not less than three years immediately before the declaration of the affected area and who does not hold any land under the affected area but who earns his livelihood principally by manual labourer or as a rural artisan immediately before such declaration and who has been deprived of earnings his livelihood principally by manual labour or as such artisan in the affected area;

¹⁹ “Requiring body” means a company, a body corporate, an institution or any other organization for whom land is to be acquired by the appropriate Government, and includes the appropriate Government if the acquisition of land is for such Government either for its own use or for subsequent transfer of such land in public interest to a company, a body corporate an institution, or any other organization, as the case may be, under lease, license or through any other system of transfer of land;

²⁰ Vulnerable persons such as the disabled, destitute, orphans, widows, unmarried girls, abandoned women, or persons above fifty years of age; who are not provided or cannot immediately be provided with alternative livelihood, and who are not otherwise covered as part of a family;

²¹ The land that is acquired for power projects is for a public purpose and necessitates Rehabilitation and Resettlement (R&R) of Project Affected Persons (PAPs), a task often accompanied by socio-economic adjustment. The PAPs have to involuntarily face the new social set up.

The land acquisition and consequent displacement disrupts the traditional social system. The changes in the land use pattern alter the agro-based rural economy and affect the life style of people. This calls for a concerted effort to provide means to ensure sustainable livelihood of these PAPs, considering them as stakeholders.

The Rehabilitation and Resettlement Plan (R&R Plan) is to be formulated so that after a reasonable transition period, the affected families improve, or at least regain their previous standard of living, earning capacity and production levels. In case of a onetime negotiated settlement is reached for individual R&R benefits and paid accordingly at the time of payment of land compensation itself, or in cases of projects, not requiring any land acquisition Community Development (CD) plan will be prepared under the R&R Plan in consultation with stakeholders thru VDAC or any other consultative mechanism in force.

NTPC's involvement in the R&R activities will continue until such time as NTPC has taken all actions in accordance with R&R Plan, preparation of Implementation Completion Report (ICR) and evaluation of activities post completion thru the conduction of Social Impact Evaluation (SIE) preferably thru an outside agency.

This policy aims at setting up broad guidelines for the formulation of project specific R&R Plans as per the culture/project specific requirements of each project, the categories and the entitlements of R&R benefits.

²² NTPC believes that the most effective way of addressing the R&R issue is through a proactive approach and an appropriate planning of land acquisition. Towards this, NTPC will adopt the following principles and strategies:

Minimise the land requirement though compact and efficient layout of plant, township and other facilities. Multi storied facilities like township etc. will be planned wherever possible to reduce the land requirement.

Minimise the acquisition of prime agriculture land and other assets to the extent possible and avoid acquisition of the homestead. This will be one of the principal criteria in selecting a site among the techno-economically feasible alternatives and for finalising the boundaries / layout of project including plant, township and other facilities.

All PAPs residing in, working, doing business or cultivating land or having rights over resources within the project area as per the categorization and provisions for eligibility in the policy are entitled for compensation for their lost assets as per the law of the land and for other R&R benefits as per livelihood loss as per categorization detailed in this policy, sufficient to assist them to improve or at least regain their previous standard of living.

commitment to transparency²³ in all the dealings and also includes provisions for consultations²⁴ with the indigenous communities and ensures various researches and impact assessments before embarking on any new project.^{25 26 27} Apart from these measures the company also proposes to involve NGOs and other bodies from time to time to evaluate the ongoing rehabilitation and resettlement processes and also to proactively take measures to ensure the well-being of the affected people.

However, the beneficial and proactive provisions the company has declared through its policy paper it has witnessed many aggrieved people and communities and it has led to many agitations, demonstrations and finally many litigations. There have been continuous efforts from the management of company but like other similar huge infrastructure projects the litigations and dissatisfaction persists. The causes for these dissatisfactions may be some lacunae or negligence in implementation of the policies envisaged in the policy document or there is infact a lack of understanding of the issues persisting with the indigenous community or insufficient valuations and also politicalized instigations for vested interests cannot be denied. The coming into force of The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation And Resettlement Act, 2013 by which uniformity in compensations and dispute resolution mechanism also with flexibility in case to case basis but with transparency seems to be the only way ahead.

CONCLUSION

The issue which acts as detrimental to the crucial demand of developing infrastructure in India seems to be more focused around the issues of the project affected persons may it be the

²³ One important aspect in addressing the R&R issues is of maintaining total transparency in planning and implementation of an activity related to PAPs. Therefore, consultation and participation of PAPs and their representatives along with proper documentation will be encouraged to ensure transparency and a conducive environment of fairness, trust, confidence and co-operation in arriving at a settlement preferably through broad consensus among majority or thru consultative mechanism like VDAC/District Administration etc.

²⁴ For this, NTPC will share information and carryout consultations though formal mechanism of Public Information Centre (PIC) and Village Development Advisory Committee (VDAC) or similar consultative mechanism during the implementation of R&R Plan. This will be supplementary to the set up proposed by NRRP-2007. Informal consultations and participation will also be carried out through Community Based Organisations (CBOs), Non-Government Organisations (NGOs), Clubs engaged in social activities etc. After implementation of R&R Plan, sharing of information will be carried out through the neighbouring village panchayats/ local newspapers.

²⁵ Whenever it is desired to undertake a new project or expansion of an existing project, which involves involuntary displacement of four hundred or more families enmasse in plain areas or two hundred or more families enmasse in tribal or hilly areas, DDP blocks or areas mentioned in the Schedule V or Schedule VI to the Constitution, a Social Impact Assessment (SIA) along with Environment Impact Assessment (EIA) will be carried out in such manner as may be prescribed. Guidelines on the same as and when prescribed by the Government will be followed. Alternately the EIA will continue to cover the Social aspects as well as per the existing practice.

²⁶ A Socio Economic Survey (SES) will be conducted by a professional agency to collect detailed demographic details of the area and which shall form the basis for the preparation of R&R Plan. In case the SIA is done separately than the EIA, need for conducting SES as well could be re-examined.

²⁷ A Social Impact Evaluation (SIE) will also be undertaken after the completion of R&R Plan to evaluate the impact of the R&R program.

land oustees or the internally displaced population. The preamble of The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 provides for a proactive and very socialistic approach which the Act proposes and the legislative intent surely seems to resolve all the issues pertaining to the land acquisitions for all kind of projects and definitely seems to be an answer.²⁸ The Act provides provisions for land acquisitions by the government for its own projects, land acquisitions for projects based on Public-Private-Partnership²⁹ model and even where the land is acquired by the government for providing it to a private entity for any project.³⁰ The provisions provide for all the

²⁸ An Act to ensure, in consultation with institutions of local self-government and Gram Sabhas established under the Constitution, a humane, participative, informed and transparent process for land acquisition for industrialisation, development of essential infrastructural facilities and urbanisation with the least disturbance to the owners of the land and other affected families and provide just and fair compensation to the affected families whose land has been acquired or proposed to be acquired or are affected by such acquisition and make adequate provisions for such affected persons for their rehabilitation and resettlement and for ensuring that the cumulative outcome of compulsory acquisition should be that affected persons become partners in development leading to an improvement in their post-acquisition social and economic status and for matters connected therewith or incidental thereto.

²⁹ Hereinafter referred as PPP

³⁰ Section – 2 (1) The provisions of this Act relating to land acquisition, compensation, rehabilitation and resettlement, shall apply, when the appropriate Government acquires land for its own use, hold and control, including for Public Sector Undertakings and for public purpose, and shall include the following purposes, namely:—

(a) for strategic purposes relating to naval, military, air force, and armed forces of the Union, including central paramilitary forces or any work vital to national security or defence of India or State police, safety of the people; or

(b) for infrastructure projects, which includes the following, namely:—

(i) all activities or items listed in the notification of the Government of India in the Department of Economic Affairs (Infrastructure Section) number 13/6/2009-INF, dated the 27th March, 2012, excluding private hospitals, private educational institutions and private hotels;

(ii) projects involving agro-processing, supply of inputs to agriculture, warehousing, cold storage facilities, marketing infrastructure for agriculture and allied activities such as dairy, fisheries, and meat processing, set up or owned by the appropriate Government or by a farmers' cooperative or by an institution set up under a statute;

(iii) project for industrial corridors or mining activities, national investment and manufacturing zones, as designated in the National Manufacturing Policy;

(iv) project for water harvesting and water conservation structures, sanitation;

(v) project for Government administered, Government aided educational and research schemes or institutions;

(vi) project for sports, health care, tourism, transportation or space programme;

(vii) any infrastructure facility as may be notified in this regard by the Central Government and after tabling of such notification in Parliament;

(c) project for project affected families;

(d) project for housing for such income groups, as may be specified from time to time by the appropriate Government;

(e) project for planned development or the improvement of village sites or any site in the urban areas or provision of land for residential purposes for the weaker sections in rural and urban areas;

(f) project 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 the Government, any local authority or a corporation owned or controlled by the State.

measures including researches and impact analysis and everything which can be demanded and expected from such a crucial and benevolent legislation to some an extent. But still the hesitations remain for its success and it can only be assessed once the Act is enforced to the desired extent and actual implementation is made. The future acquisitions and the ongoing issues will definitely be regulated by the Act and then only the impact can be evaluated, so it seems to wait till the time comes.

Moreover, as a matter of suggestion firstly it is required to strengthen the process of arbitration and conciliation in matters of disputes in the infrastructure development sector whether it may be between the corporate and the State or between the corporate and the aggrieved person/s or any other entity. Secondly if the PPP model is promoted than why not involve the indigenous people as partners and not as merely LOs or PAP or internally displaced people?

(2) The provisions of this Act relating to land acquisition, consent, compensation, rehabilitation and resettlement, shall also apply, when the appropriate Government acquires land for the following purposes, namely:

(a) for public private partnership projects, where the ownership of the land continues to vest with the Government, for public purpose as defined in sub-section (1);

(b) for private companies for public purpose, as defined in sub-section (1):

Provided that in the case of acquisition for—

(i) private companies, the prior consent of at least eighty per cent, of those affected families, as defined in sub-clauses (i) and (v) of clause (c) of section 3; and

(ii) public private partnership projects, the prior consent of at least seventy per cent. of those affected families, as defined in sub-clauses (i) and (v) of clause (c) of section 3,

shall be obtained through a process as may be prescribed by the appropriate Government:

Provided further that the process of obtaining the consent shall be carried out along with the Social Impact Assessment study referred to in section 4:

Provided also that no land shall be transferred by way of acquisition, in the Scheduled Areas in contravention of any law (including any order or judgment of a court which has become final) relating to land transfer, prevailing in such Scheduled Areas

(3) The provisions relating to rehabilitation and resettlement under this Act shall apply in the cases where,—

(a) a private company purchases land, equal to or more than such limits in rural areas or urban areas, as may be prescribed by the appropriate Government, through private negotiations with the owner of the land in accordance with the provisions of section 46;

(b) a private company requests the appropriate Government for acquisition of a part of an area so prescribed for a public purpose:

Provided that where a private company requests the appropriate Government for partial acquisition of land for public purpose, then, the rehabilitation and resettlement entitlements under the Second Schedule shall be applicable for the entire area which includes the land purchased by the private company and acquired by the Government for the project as a whole.