

**GOVERNMENT OF ODISHA
REVENUE AND DISASTER MANAGEMENT DEPARTMENT**

No. RDM-LAA-CLRFIC-0002-2015(part)/ 22485/R&DM, Dated. 22 JUN 2018

From

Dr. C. S. Kumar, IAS
Principal Secretary to Government

To

All RDCs
All Collectors
All LAOs/ Spl LAOs

Sub: Calculation of solatium for determination of compensation under RFCTLAR&R Act, 2013: Clarification regarding

Ref: This Department letter No.4030 dated 07.02.2014/ Lt No 29747 dated 7.09.2017 and Notification No.14131 dated 19.04.2018

Sir/ Madam,

In inviting a reference to the subject cited above, I am directed to say that confusion regarding calculation of compensation under the RFCTLAR&R Act still persists in certain quarters in the field. In this connection, Commerce and Transport Department has sought clarification as to whether 100% solatium will be paid on the cost of land alone or on the cost of land and the cost of structure and or trees attached to the land taken together.

2. In this connection, the relevant provision of the RFCTLAR&R Act, 2013 were examined. The term 'Land' is defined under Section-3(p) of the Act as that "Land includes benefits to arise out of the land and things attached to the earth or permanently fastened to anything attached the earth". Section-27 of the Act provides that "The Collector having determined the market value of the land to be acquired shall calculate the total amount of compensation to be paid to the land owner (whose land has been acquired) by including all assets attached to the land". Similarly, Section-30(1) of the Act envisages that "The Collector having determined the total compensation to be paid, shall, to arrive at the final award, impose a "Solatium" amount equivalent to one hundred percent of the compensation amount. In the explanation, it further states that "For the removal of doubts it is hereby declared that

solutium amount shall be in addition to the compensation payable to any person whose land has been acquired." Further the First Schedule of the Act at sl No 5 while prescribing the manner of determination of value of Solutium states that solatium is "equivalent to one hundred percent of the market value of land mentioned against serial No.1 multiplied by the factor specified against serial number 2 for rural areas or serial number 3 for urban areas plus value of assets attached to land or building against serial number 4 under column 2."

3. It is relevant to reiterate that the State Government in the Notification under reference has prescribed the following sliding scale (from 1 to 2 in urban- rural continuum) on the basis of the radial distance from the nearest urban area to determine the multiplying factor.

Radial Distance from nearest Urban area (in Km)	Multiplying factor
0-10	1
>10- 20	1.2
>20-30	1.4
>30-40	1.8
Above 40	2


4. In careful consideration of the facts above, the Government have been pleased to clarify that solatium will be calculated on the cost of land and cost of building taken together, but not on the additional market value.

5. For better appreciation, the calculation of total compensation to be awarded, supposing the cost of market value of land as Rs.1,00,000/-, multiplying factor being 2 supposing that the land issituated beyond 40 km from the nearest urban area and cost of structure being Rs.1,00,000/-is illustrated below;

Sl	Items (supposing the land value to be Rs.1.00 lakh)	Amount
1	Market Value	1,00,000/-
2	Multipled factor as per distance- 2	X 2
3	Total	2,00,000/-

4	Cost of structure, trees etc	1,00,000/-
5	Total (3+4)	3,00,000/-
6	100% Solatium	3,00,000/-
7	Additional Market value on cost of land @ 12% per year for two years (cut off date being the date of preliminary notification, from 11(1) to 19(1) one year and from 19(1) to Award maxm one year)	24,000/-
8	Grand total (5+6+7)	6,24,000/-

Yours faithfully,


22.6.2018

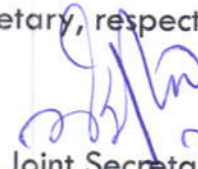
Principal Secretary to Government

Date 22 JUN 2018

22486

Memo No. _____/R&DM

Copy forwarded to P.S. Minister, Revenue and DM/ OSD to Chief Secretary for kind information of Hon'ble Minister and Chief Secretary, respectively.


22/6/18

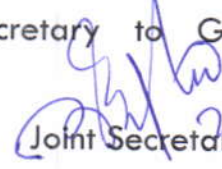
Joint Secretary to Government

Date 22 JUN 2018

22487

Memo No. _____/R&DM

Copy forwarded to CRC-cum-Special Secretary to Government, C&T Department for information and necessary action.


22/6/18

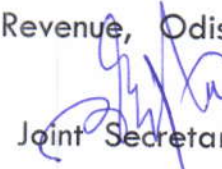
Joint Secretary to Government

Date 22 JUN 2018

22488

Memo No. _____/R&DM

Copy forwarded to Secretary, Board of Revenue, Odisha, Cuttack for information and necessary action.


22/6/18

Joint Secretary to Government

Date 22 JUN 2018

22489

Memo No. _____/R&DM

Copy forwarded to Joint Secretary, LA(B) and (C) Branch, R&R Cell/ IMU Cell for information and necessary action. Joint Secretary, IMU Cell with a request to upload the circular in the Department website.


22/6/18

Joint Secretary to Government