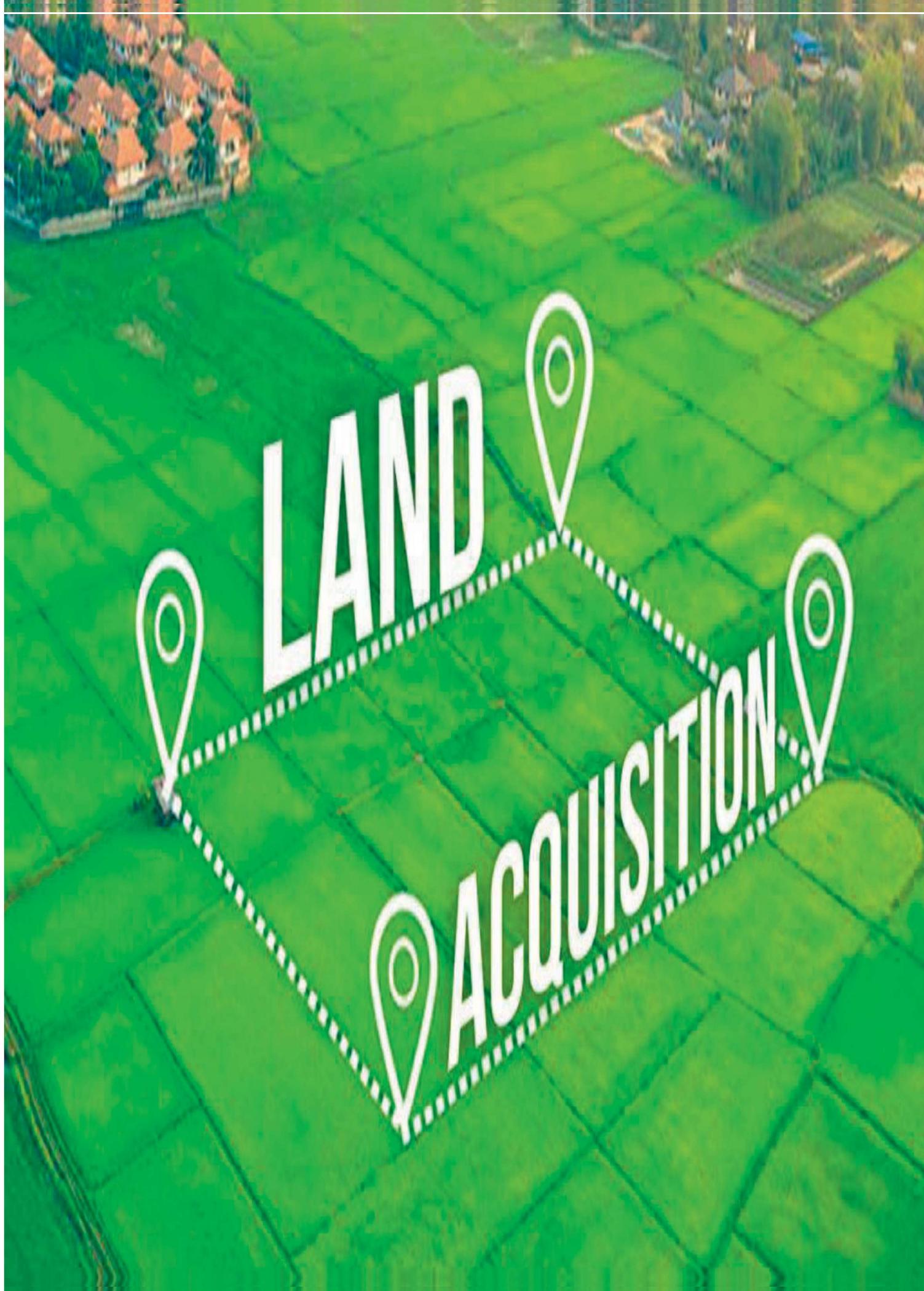


Chapter V

Land Acquisition



Chapter V Land Acquisition

Out of the total land requirement, the Department could acquire 67.43 per cent of land since inception of the project. There was variation between the extent of land requirement as per Detailed Project Report and 2nd Revised Cost Estimate (RCE) for the year 2017-18. There was drastic decrease in extent of government and forest land to be acquired, with corresponding sharp increase in assigned/encroached government land during the period from 2010-11 to 2017-18 RCE causing additional financial burden towards land cost. Incorrect interpretation of Act provisions led to incorrect calculation of additional market value resulting in excess payment of land compensation. Land compensation amount was paid to 27 ineligible non-tribes in contravention to the provisions of the RFCTLARR Act, 2013. There were discrepancies in the extent and classification of land as per land requisitioned by WRD and as per survey reports or land awards of Revenue records. Land awards were passed without proper ownership records.

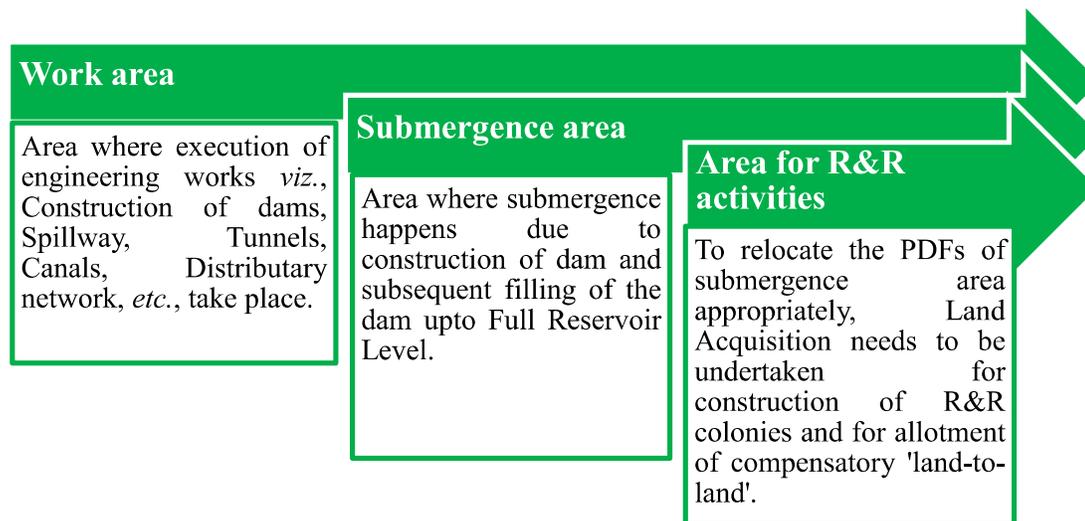
Due to delay in passing of awards for acquisition of village sites along with agricultural land, inordinate delay in passing of awards after disposal of court cases, delay in acquisition of assigned land resulted in avoidable financial burden, as the land which were proposed to be acquired well ahead of introduction of RFCTLARR Act, 2013, were acquired after introduction of the Act. There was irregular payment of land compensation for Khalsa land (Government land) to ineligible beneficiaries. Payment of land compensation amount was made for unclaimed land and without verifying ownership records. Land-to-land transfer/apportionment was made for full extent of land acquired instead of restricting to the permissible limit, thereby resulted in excess transfer of land under 'land-to-land' transfer.

5.1 Introduction

Land Acquisition for projects and issues relating to Rehabilitation and Resettlement of affected people were earlier governed by the Land Acquisition (LA) Act, 1894 until (January 2014) the enactment of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013 by Government of India. In line with RFCTLARR Act, 2013, GoAP had framed (November 2014) AP RFCTLARR Rules, 2014.

Section 24 of RFCTLARR Act, 2013, stipulate that in case of Land Acquisition proceedings initiated under the Land Acquisition Act, 1894 (1 of 1894), where an award under Section 11 has been made five years or more prior to the commencement of this Act but the physical possession of the land has not been taken or the compensation has not been paid, the said proceedings shall be deemed to have lapsed and the appropriate Government, shall initiate the proceedings of such Land Acquisition afresh in accordance with the provisions of Act, 2013.

The PIP mainly consists of three categories of affected areas *i.e.*, Work area, Submergence area & area for R&R activities which require Land Acquisition.



5.1.1 Process of Land Acquisition

As per provisions of RFCTLARR Act, 2013, a preliminary survey is conducted to assess the affected area and requirement of estimated land due to construction of the project by using survey¹⁸³ data. The Project Administrator¹⁸⁴ and Commissioner, R&R appointed by Government are responsible for supervising the formulation and execution of R&R schemes or Plans.

The R&R Officers¹⁸⁵ shall conduct (Section 16 of RFCTLARR Act, 2013) Socio Economic Survey (SES) and undertake a census of the Project Displaced Families (PDFs) in the affected/submerged area. The R&R Officers shall assess the details of land and immovable properties being acquired from each affected family to arrive at the actual requirement of land to be acquired for submergence and R&R activities. The Chief Engineer (CE), PIP shall assess the requirement of land for the work area through survey methods mentioned. The CE and R&R Officers shall submit requisition to the Land Acquisition Officer (LAO) for the total extent of land required. The LAO verifies the extent, classification, and ownership details of land to be acquired by following the due process as per the provisions of RFCTLARR Act, 2013.

The process of Land Acquisition involves assessment of land as per requirement, issue of Preliminary Notification for acquisition and survey of land to be acquired, declaration and passing of Land Acquisition awards, payment of award compensation and grievance redressal, if any. The due procedure followed in acquisition of land under PIP are detailed in *Appendix 5.1*.

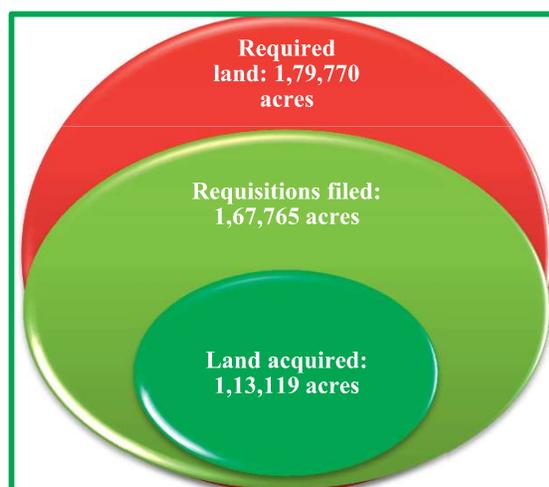
¹⁸³ Preliminary Survey by studying Topo sheets of Survey of India, Field survey by using various methods *viz.*, Fly leveling, double check levelling, chain check surveying with prismatic compass, and Light Detection and Ranging (LIDAR) survey

¹⁸⁴ Section 43 and Section 44(2) of RFCTLARR Act, 2013 for PA and Commissioner, R&R respectively

¹⁸⁵ Project Administrator and Commissioner, R&R

5.1.2 Status of Land Acquisition

As per the records of Special Collector (LA), PIP the total extent of land to be acquired for PIP for Work area, Submergence area and area for R&R activities was assessed as 1,79,770 acres¹⁸⁶. Against the requirement, requisitions were filed (over a period of time) with LAOs for an extent of 1,67,765 acres. However, land to an extent of 1,13,119 acres¹⁸⁷, i.e., 67.43 per cent, has been acquired leaving a balance of 54,646 acres to be acquired (March 2023).



Initially, the Department planned to acquire the land required for Work area, Submergence area and R&R activities in a phased manner starting from lower to higher contours¹⁸⁸.

In November 2021, PPA gave its consent¹⁸⁹ to implement R&R activities in two Phases viz., Phase-I (upto Elevation of (+) 41.15 m) and Phase-II (above (+) 41.15 m). As per the records of WRD, the Land Acquisition for the Work Area was almost completed. However, land required for Submergence area and for R&R activities (including ‘Land-to-land’ transfer) was not fully acquired till March 2023. The physical and financial progress of Land Acquisition as of March 2023 was as detailed in **Table 5.1**.

Table 5.1: Category wise physical and financial progress of Land Acquisition

Component	Total land to be acquired as per requisition filed with LAO		Land Acquisition completed		Balance land to be acquired		
	Physical (in acres)	Financial (₹ in crore)	Physical (in acres)	Financial (₹ in crore)	As per Revenue Records	As per WRD	
					Physical (in acres)	Physical (in acres)	Financial (₹ in crore)
Work Area	26,238.23	1,589.67	24,673.33	1,532.32	1,564.90	71.19	57.35
Submergence	1,04,033.11	6,432.68	74,695.83	2,625.77	29,337.28	30,415.11	3,806.91
R&R Activities	37,493.79	4,073.90	13,749.91	1,298.61	23,743.88	23,762.15	2,775.29
Total	1,67,765.13	12,096.25	1,13,119.07	5,456.70	54,646.06	54,248.45	6,639.55

Source: Information provided by the Special Collector (Land Acquisition), PIP, Rajamahendravaram

The acquisition of balance land was targeted to be completed between March¹⁹⁰ and December 2023. However, the acquisition of balance land of 54,248.45 acres (as per WRD) was not completed as of March 2023. Further, it could be seen from the above that there was variation

¹⁸⁶ Submergence Area: 1,12,930.11 acres; Work Area: 2,462.97 acres; Land-to-land: 26,729.92 acres; Land for R&R activities: 8,581.05 acres; LMC: 14,079.38 acres and RMC: 14,986.70 acres

¹⁸⁷ 73,207 acres acquired under LA Act, 1894 and 39,912 acres acquired under RFCTLARR Act, 2013

¹⁸⁸ Contour upto (+) 35.50 m, (+) 35.50 m to (+) 41.15 m and (+) 41.15 m to (+) 45.72 m

¹⁸⁹ as per minutes of the 14th meeting of Polavaram Project Authority held on 10.11.2021

¹⁹⁰ upto (+)35.50 m: 815.56 acres, between (+) 35.50 to (+) 41.15m: 966.34 acres and between (+) 41.15 to (+) 45.72 m: 52,466.55 acres

of 397.61 acres of balance land to be acquired between the records of LA Authorities and WRD. The variation was not reconciled by both the Departments as of March 2023.

5.2 Planning process for Land Acquisition

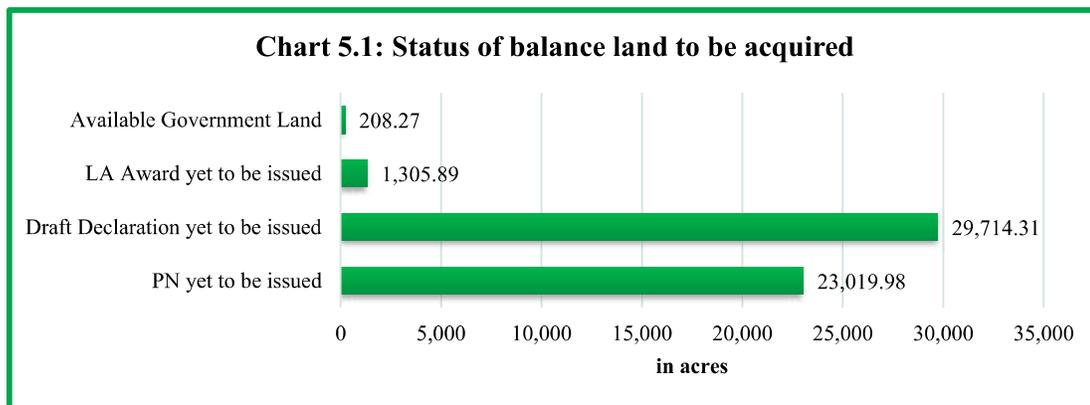
The Section 11 RFCTLARR Act, 2013 prescribes that after requisition for land by requiring body, a Preliminary Notification (PN) containing the details of land to be acquired shall be issued by the District Collector with wide circulation and publication. After issuing PN, the District Collector shall ensure updation of land records within a period of two months and shall conduct a preliminary survey (Section 12) of the land proposed for acquisition. Publication of declaration of an area identified as resettlement area for the purposes of R&R affected families shall be made within a period of 12 months (Section 19) from the date of publication of PN. The District Collector shall make LA award within a period of 12 months (Section 25) from the date of publication of the declaration.

5.2.1 Slow progress of Land Acquisition

As per Proviso to Section 38(1) of RFCTLARR Act, 2013, in case of acquisition of land for irrigation or hydel project, being a public purpose, R&R shall be completed six months prior to submergence of the land acquired. Thus, LA should be completed six months prior to completion of entire project work. As per Ministry of Jal Shakti, GoI, the scheduled date for completion of the entire project was fixed as March 2026 for Phase-I with provision for one year extension.

Audit noticed that:

- (i) As of March 2023, the Department had acquired land measuring 1,13,119.07 acres since inception of the project, as against the requisitioned land of 1,67,765 acres. The Status of balance land to be acquired is at various stages as shown in **Chart 5.1**.



It could be seen from the above that acquisition of a major portion of land is either at PN or draft declaration stage. For land measuring 23,019.98 acres, which is at PN stage, it would require a minimum period of 24 months to complete the entire LA process as per provisions of RFCTLARR Act, 2013. Further, for 29,714.31 acres, a period of 12 months is required for issue of award. In addition to above, out of a total of 1,06,006 PDFs of 373 habitations to be rehabilitated, only 11,677 PDFs pertaining to 38 habitations were rehabilitated (as of March 2023) leaving balance of 94,329 PDFs (88.99 per cent) of 335 habitations yet to be

rehabilitated (*detailed discussion in Chapter VI*). Thus, acquisition of balance land (33 per cent) in a short time of nine months (April to December 2023) seems remote.

Further, the time schedule fixed for LA since commencement of project in 2004, year-wise progress achieved against the targeted land to be acquired and reasons for non-achievement of targets were not forthcoming from the records produced to audit. In the absence of relevant information, Audit could not assess the reasons for the slow pace of acquisition of land.

The Government replied (August 2024) that the balance land under Phase-I would be acquired by January 2025 and for Phase-II by June 2025. Further, it was replied that in addition to Covid-19 pandemic and frequent floods in villages/ habitations, bills worth ₹255.65 crore pertaining to an extent of 1,151.00 acres are pending disbursement. It was also stated that completion of the balance acquisition process is dependent on the availability of budget.

During the Exit Conference, the Government stated (November 2024) that now as GoI had directed for phase wise funding, the LA requirement for Phase-I is approximately 1,00,099 acres, of which 83,659 acres is acquired. Of the balance land, the major portion is for land-to-land exchange and R&R package only. A revised reply would be submitted in view of the changed scenario.

The reply is not convincing, as the balance land to be acquired as of March 2023 was 54,645.93 acres and with slow progress in both LA and R&R of PDFs, completion of entire LA by June 2025 seems remote. Impounding water in the project would not be possible without the completion of LA and R&R. Further, the Government did not furnish the information on time schedules stipulated for completion of LA activities and reasons for non-achievement.

(ii) Though the works of PIP commenced in the year 2004, the DPR and Land Plan (LP) Schedules¹⁹¹ for 6,158.25 acres of land required for distributary network were not submitted to Special Collector (LA) by WRD. As a result, LA for provisioning of distributary network did not materialise, which would delay the completion of PIP.

The Government replied (November 2024) that the LA process is taken-up in phased manner, viz., Phase-I i.e., upto (+) 41.15m and Phase-II (+) 41.15m to (+) 45.72m. After 2019-22 floods, LIDAR survey was taken up to ascertain the number of villages under submergence up to Phase-I, resulting in further addition of 32 villages (48 habitations) which would be marooned or cut off accessibility. Hence, it was decided to complete LA for 32 villages in Phase-I. The timeline for completion of Phase-I of the project is fixed by GoI as March 2026 with provision for extension of one year. Hence there is no delay in LA process.

The reply is not acceptable. Despite a lapse of 18 years from the date of commencement of LA process, the LA process remained incomplete even for Phase-I.

5.2.2 Lack of consistency in assessment of land

Initially, land requirement for the project was assessed, based on DPR prepared in 2005-06. Subsequently, DPRs were revised twice in the year 2010-11 and 2017-18 based on Price Levels of respective years without any change in the Full Reservoir Level (FRL) of (+) 45.72 m.

¹⁹¹ detailed plan of land to be acquired, village and survey number wise

The 2nd Revised Cost Estimate (RCE) was prepared by the Water Resources Department, based on the approved DPR of 2017-18. The Revised Cost Committee (RCC) submitted (March 2020) report on PIP and mentioned that there was increase (2nd RCE) in cost estimate due to adoption of new Land Acquisition Act, 2013 for Land Acquisition, increase in extent of land to be acquired for submergence area and increase in number of PDFs, when compared to 1st RCE. The details of land requirement and villages under submergence, number of PDFs identified, as per DPRs of respective years, *i.e.*, 1st (2010-11 PL) and 2nd (2017-18 PL) RCE is as detailed in **Table 5.2**.

Table 5.2: Variation in requirement of land and PDFs

Category	2010-11 As per			2017-18 As per		
	DPR	1 st RCE	Variation	DPR	2 nd RCE	Variation
Land requirement (in acres)	95,612	1,35,043 ¹⁹²	39,431	95,612	1,79,770 ¹⁹³	84,158
Number of villages submerged	276	276	0	276	368	92
Number of PDFs	44,574	44,574	0	44,574	1,06,006	61,432

Source: Report of the Revised Cost Committee for Polavaram Irrigation Project (2nd RCE)

Audit noticed that:

- (i) There was variation between the figures depicted in DPR and the respective years RCEs in respect of land requirement and PDFs during 2017-18. Though the WRD has submitted the LP schedules to the LA authorities way back in 2006, PNs for the entire land required are yet to be issued.
- (ii) The number of PDFs is dynamic and may vary in each census duly considering adulthood as well as deaths. However, there was no change in number of PDFs (*i.e.*, 44,574) between the two RCEs. Even after a gap of seven years between the two RCEs, the number of PDFs remained the same, which reflects that census was not conducted during the gap period of the two RCEs.
- (iii) Land for R&R activities (land for development of colonies and land-to-land transfer) mainly depends on the number of PDFs, number of colonies to be constructed and R&R infrastructure to be provided. The RFCTLARR Act, 2013 stipulated provision for additional basic infrastructural amenities compared to earlier ones which requires additional land for R&R activities per PDF. As per the provisions of RFCTLARR Act, 2013, one acre of land has to be acquired for 12 PDFs in R&R colony, out of which 0.60 acres of land has to be utilised for construction of housing units and remaining 0.40 acres for providing infrastructure facilities as per norms of District Town and Country Planning Department.

As per 2010-11 RCE, for 44,574 identified PDFs an extent of land measuring 28,637 acres was shown as land required for R&R activities. In 2017-18 RCE for R&R activities, the land required for 1,06,006 PDFs was shown as 35,311 acres.

¹⁹² Submergence area: 95,613 acres, Work area: 10,793 acres and area for R&R activities: 28,637 acres

¹⁹³ Submergence area: 1,12,930 acres, Work area: 31,529 acres and area for R&R activities: 35,311 acres

Thus, for increase in 61,432 PDFs (1,06,006 – 44,574), an additional extent of land measuring 5,119¹⁹⁴ acres was required to be acquired. As against the requirement of 5,119 acres, in 2nd RCE additional land requirement was shown as 6,674 acres (35,311 acres – 28,637 acres), duly inflating the land requirement by 1,555 acres costing ₹169.65 crore (at ₹10.91 lakh per acre as approved by 2nd RCC).

- (iv) Area under submergence mainly depends on the topography and FRL of the project. Even though these two parameters were unchanged during the period, the required land for submergence area increased from 95,613 acres (2010-11 PL) to 1,12,930 acres (2017-18 PL).
- (v) The land required for Work area mainly depends on components of work involved in the project. Hence, the land required for Work area assessed initially based on components to be executed should not change. However, there was increase in land requirement from 920 acres (2005-06/2013-14 PL) to 2,463 acres (2017-18 PL) for work area of Headworks (other than distributary network of 6,158 acres and increase in canal requirement due to increased discharge capacity). The reasons for the increase in land requirement for work area were not forthcoming from the records produced to audit.

The Government replied (November 2024) that the date of Preliminary Notification to acquire land under submergence is the cutoff date for preparation of list of affected people to extend R&R benefits as per R&R policy 2005 and RFCTLARR Act, 2013. Due to the shortfall in LA units (only five LA units functioning for the acquisition of land for the project) and staff, the process could not be taken up in a single year. With delay in issue of PNs and as date of issue of PN is cutoff date for eligibility of a PDF, all people affected are added on attaining 18 years. Hence, the PDFs are increased and as such the requirement of land for rehabilitation. It was also replied that the LA process was initiated as per the LP schedules received from WRD. In 2017, 92 additional habitations were added to the submergence list on the recommendations of the Engineer-in-Chief. Further, it was replied that due to increase in work area for the Headworks and addition of the above-mentioned 92 habitations, the LA process was initiated as per requisitions received from WRD.

The Government did not furnish the information on reasons for inclusion of additional habitations, number of PDFs affected, extent of land that would be submerged and also the reasons for non-inclusion of total requirement of land in the DPR 2017-18.

Recommendation 5.1: The State Government should determine the extent of land under submergence in alignment with Revenue records, PDFs affected, land required for R&R activities and submit a detailed report to GoI for early approval of Revised Cost Estimate.

5.2.3 Decrease in extent of government and forest land for acquisition

As per First Schedule of RFCTLARR Act, 2013, compensation shall be paid to landowners of assigned/D-Patta¹⁹⁵ land whose land is acquired and no compensation is payable for government land.

¹⁹⁴ 61,432 PDFs x one acre/12 PDF=5,119 acres

¹⁹⁵ 'D-Patta' shall have the same meaning as assigned to it in the relevant Central or State Acts or rules or regulations made thereunder and such families are also treated as affected families due to acquisition

Any decrease in government/forest land with consequent increase in assigned land/D-Patta/encroached land results in an increase of project cost with extra financial burden to Government towards cost of acquisition of land.

Scrutiny of Report (March 2020) of Revised Cost Committee (RCC) on 2nd RCE revealed that the quantum of various types of land required *i.e.* Patta land/ D-Patta land/ encroached government land/government land/ forest land for the project have undergone a significant change from RCE at 2010-11 PL to RCE at 2017-18 PL as detailed in **Table 5.3**.

Table 5.3: Extent of various types of land required

Type of Land	2010-11	2017-18	Variation
	(in acres)		
Patta	95,971.54	1,43,093.10	47,121.56
Assigned/ D-Patta	0	5,426.90	5,426.90
Encroached Government land	0	6,944.79	6,944.79
Government land	29,852.00	15,578.00	(-)14,274.00
Forest land	9,219.60	8,727.27	(-)492.33
Total	1,35,043.14	1,79,770.06¹⁹⁶	44,726.92

Source: Report of the Revised Cost Committee for PIP (2nd RCE)

Further, scrutiny of report (August 2020) of Special Collector (LA) revealed that:

- (i) There was drastic decrease in the extent of government land to be acquired by 14,274 acres (29,852 acres -15,578 acres) and forest land by 492.33 acres from 2010-11 to 2017-18 RCE. Whereas there was a sharp increase in assigned/encroached government land from ‘zero’ to 12,371.69 acres and Patta land by 47,121.56 acres during the same period.

The reasons for the decrease in government and forest land to be acquired and increase in assigned/patta land were not forthcoming from the records produced to audit.

- (ii) A gazette notification regarding submergence of villages fully/partially in PIP was promulgated by the Government in July 2005. As such, the Government was aware of the extent of Patta land, Government and Forest land required/available for the Project. Despite knowing the fact that the area is covered under PIP Project area, these were assigned to landless and poor persons for cultivation at free of cost.

The extent of Assigned/D-Patta land during 2010-11 was zero, however, the same increased to 5,426.90 acres during the period 2010-11 to 2017-18.

Thus, the Government has issued D-Pattas for government land between 2010-17, thereby causing extra burden to exchequer towards payment of land cost.

- (iii) The Andhra Pradesh Land Encroachment Act, 1905 stipulate that the Government land should be protected from encroachments and procedure laid for eviction¹⁹⁷ of encroachments to be followed.

¹⁹⁶ the extent of land includes estimated land for Distributary network also

¹⁹⁷ by serving notices as per Section 6 and 7A of Andhra Pradesh Land Encroachment Act, 1905

Though Government land admeasuring 6,944.79 acres was encroached, the action taken by the Department against encroachers or for eviction during 2010-11 to 2017-18, if any, were not forthcoming from the records made available to audit.

The Department replied (May 2023) that D-Pattas were issued for government land for an extent of 8,185.27 acres between 2010-11 and 2020-21, and 1,838.64 acres of land were identified as encroached totaling to a total extent of 10,023.91 acres with compensation award amount of ₹619.83 crore¹⁹⁸. The Department further stated that reconciliation of balance government land was under progress.

The Government replied (November 2024) that the WRD has submitted LP schedules as per the classification of land in Revenue Records, prepared between 1908 to 1920. In the LP schedules submitted by WRD, the subsequent land assignment and encroachments were not considered. A Joint Inspection was conducted by the Land Acquisition Officers, Survey and concerned local Revenue Department to verify the title/ownership of the land. Reconciliation is being conducted for land to be acquired along with the WRD by the Land Acquisition Officials to ascertain the classification of land and to arrive at the final figures. Hence, the extent of the assigned and Government land under encroachment were submitted to the 2nd RCE (2017). It was also replied that as per the existing Government Orders, ex-gratia equivalent to Market Value of the land is to be paid to the assignees and encroachers.

Thus, it is evident that the revenue records were not updated as and when an assignment was made. This resulted in wrongful reporting of classification wise figures and the expenditure to be incurred thereof in the 1st RCE, which was corrected during the 2nd RCE. Further, the Department failed to take timely action in preventing encroachments and eviction of encroachers. This resulted in an avoidable financial burden of ₹619.83 crore to the Government in the form of compensation to be paid, besides time over run on the project works.

Recommendation 5.2: The State Government should take effective steps to protect its land from encroachments and also refrain from assigning land to the landless after notification of an ‘area under submergence’ to avoid payment of compensation for acquiring back the same land.

5.2.4 Discrepancy in land assessment data

As per Rule 3 of AP RFCTLARR Rules, 2014, in case of acquisition for Government, the requisition shall be filed by concerned Secretary of the Department or by an authorised person. After issuing the Preliminary Notification (PN) for acquisition of required land, the officer authorised by the District Collector (DC) shall conduct a preliminary survey of land proposed for acquisition. The DC shall make LA award within a period of 12 months from the date of publication of the declaration.

Scrutiny of LA records of 15 habitations/villages of erstwhile West and East Godavari Districts revealed that there were discrepancies in the extent and classification of land as per land requisitioned by WRD (*i.e.*, LP Schedules) and as per survey reports or land awards (of Revenue records). The discrepancies noticed were as under:

¹⁹⁸ ₹619.30 crore for the D-patta land and ₹0.53 crore for the encroachment

- (i) The extent of Patta land¹⁹⁹ (as detailed in **Appendix 5.2 (A)**) as per LP schedules of WRD was 10,050.11 acres, whereas as per Survey records of Revenue Department the total extent was 9,008.33 acres. Further, the extent of Patta land in LP schedule was shown more in 11 villages²⁰⁰ and less in four villages²⁰¹ when compared to Revenue Records.
- (ii) The extent of government land (as detailed in **Appendix 5.2 (B)**) as per LP schedules of WRD was 3,885.64 acres, whereas as per Survey records of Revenue Department²⁰² the total extent was 3,186.40 acres. Further, the extent of government land was shown less in the survey records by 1,306 acres in respect of six villages²⁰³ and more by 1,880.40 acres in another six villages²⁰⁴ when compared to WRD records. The data on government land was not available with the Revenue Department for the remaining three villages²⁰⁵.
- (iii) The extent of D-Patta land (as detailed in **Appendix 5.2 (C)**) as per LP Schedules of WRD was zero, whereas as per Survey records of Revenue Department the total extent was shown as 3,177.29 acres.

As such, due to discrepancies in land data, there is every possibility of incorrect payment of compensation to individuals.

The Government replied (August 2024) that the WRD have submitted LP schedules as per the revenue records. Reconciliation of the land records was undertaken by the local Revenue and the Survey Department along with the WRD to ascertain the classification of land and to arrive at the final figures, which is in progress.

It is evident from the reply that the land classification is not updated completely even after 18 years from the announcement of the project. The delay in Land classification assessment may lead to complications in payment of compensation to the landowners and reimbursement of LA expenditure by GoI.

5.2.5 Inordinate delay in publication of Preliminary Notification and uploading in the government website

As per Section 11 of RFCTLARR Act, 2013 and Section 4 of Land Acquisition Act, 1894, whenever it appears to the appropriate Government that land in any area is required or likely to be required for any public purpose, a Preliminary Notification (PN) to that effect along with details of the land to be acquired in rural and urban areas shall be published in the official website of the Government. Further, as per Section 19 of RFCTLARR Act, 2013, a draft declaration shall be made to that effect and the same shall be uploaded in the website of the Government.

As per Section 4 and Section 7 of RFCTLARR Act, 2013, for acquiring the required land, PN is to be issued within eight months from the start of the Social Impact Assessment. However,

¹⁹⁹ type of land deed issued by the government to an individual or organisation

²⁰⁰ Narlavaram, Tirumalapuram, Repakagommu, Ganugulagondi, Madipalli, Sarugudu, Koida, Thatkurugommu, Pudipalli, Yenugulagudem and Kondrukota

²⁰¹ Yerravaram, Telladibbalu, Sivagiri habitations and Chigurumamidi Revenue Village

²⁰² as government land does not attract payment of compensation, the same was not taken into consideration while preparing LA awards

²⁰³ Narlavaram, Tirumalapuram, Repakagommu, Ganugulagondi, Madipalli and Yenugulagudem

²⁰⁴ Sarugudu, Yerravaram, Koida, Chigurumamidi, Thatkurugommu and Pudipalli

²⁰⁵ Kondrukota Village, Telladibbalu and Sivagiri habitations

as the dates of commencement of Social Impact Assessment for the LA cases were not available, the date of receipt of LP schedules were taken to compare the time taken for issue of PN.

To verify the time taken for issue of PN and draft declaration by the concerned Department, Audit verified²⁰⁶ Land Acquisition cases pertaining to 30 (24 *per cent*) out of 123 submerged habitations under Phase-I of the project.

Audit noticed that:

- (i) No specific timelines were stipulated for publication of PN after receipt of LP schedules. There was a time gap ranging between 13 to 99 months (*as detailed in Appendix 5.3*) in publication of PN from the date of receipt of LP Schedules, in case of 20 habitations/villages²⁰⁷ during the period September 2006 and April 2016. This ultimately led to a delay in notification of draft declaration and grant of award for the land acquired.
- (ii) The Act stipulates uploading of entire LA process from PN to draft declaration on government website. However, details of PN, draft declaration and LA Awards passed, were not uploaded on the government website.

Non-uploading of LA details in the official website of the Government creates non-transparency in Government activities.

The Government replied (November 2024) that even though LP schedules were given to the Revenue Department in 2006, the LA process was undertaken in three to four spells due to paucity of staff in the LA units. It was also replied that GoI has fixed the timeline for completion of Phase-I of the project as March 2026, with provision for one year extension. Land for R&R colonies and land to be acquired for land-to-land under Phase-I would be completed by May 2025 and December 2025 respectively. The LA automation is under consideration at Government level and the process of online module would be completed in couple of months. Further, it was replied that the online module ‘Land Acquisition and Rehabilitation & Resettlement Module (e-LARRM)’ is under progress and would be made available in public domain.

Thus, inordinate delay in publication of PN had prolonged the LA and R&R process and even after a lapse of a decade from the date of implementation of RFCTLARR Act, 2013, LA and R&R automation process was still in progress (as of November 2024) depriving the public of real-time information.

5.3 Declaration and passing of Land Acquisition awards

The RFCTLARR Act, 2013 stipulates that after PN and Survey, any objections/grievances received would be resolved by LA authorities and draft declaration would be published within a period of 12 months from the date of publication of PN. After resolving objections, if any, on declaration, the District Collector shall make an award within a period of 12 months from the date of publication of the declaration provided that the appropriate Government shall have

²⁰⁶ selected through Simple random sampling method

²⁰⁷ under Special Deputy Collector (LA) offices at Kovvur, Eluru and Rajamahendravaram

the power to extend the period of 12 months if, in its opinion, circumstances exist justifying the same. The stages of declaration and passing of awards is shown below:

Final Declaration	• Declaration under Section 19 within 12 months from the date of Preliminary Notification
Disposal of objections	• Disposal of the objections, raised in pursuance of the public notice under Section 21
Award	• Passing of Final Award under Section 25 within 12 months from the date of Declaration

Audit noticed delays and discrepancies in declarations and land awards as discussed in the following paragraphs.

5.3.1 Passing of land awards without proper ownership records

As per Section 3 of the RFCTLARR Act, 2013, the 'Landowner' includes a person who is entitled to be granted Patta rights on the land under any law of the State including assigned land. As per Section 77(1), on making an award under Section 30, the District Collector shall tender payment of compensation awarded to the persons interested/entitled thereto according to the award and shall pay it to the landowner by depositing the amount in their bank account.

Scrutiny of LA awards passed by Special Deputy Collector (SDC), LA, Kovvur revealed that in Kondrukota Village, the names of 79 beneficiaries possessing 90.95 acres of land were included in LA awards declared (October 2010 and 2011) by the Special Collector (LA) Rajamahendravaram with survey numbers for extent of land held (as detailed in the **Appendix 5.4**).

Audit noticed that the names of the 79 beneficiaries were not traced against the said survey numbers in Revenue records (Fair Adangal and RSR (Revenue Survey Records)) produced. Also, the Department did not furnish the Pattadar Passbooks (PPB) along with any other supporting documents to prove ownership of the persons mentioned against the survey numbers concerned. In the absence of proper ownership records²⁰⁸ and as these beneficiaries opted for cash in lieu of land-to-land, the genuineness of title is doubtful.

The Government replied (November 2024) that the then Land Acquisition Officer has passed the Awards based on the Revenue Records available with Tahsildar, Kukunoor and Velairpadu Mandals. After submission of the Title Deeds and Pattadar Passbooks by the remaining beneficiaries, the compensation was paid / R&R benefits were extended to the rightful owner in the year 2008 and 2010, after confirmation by the then LAO.

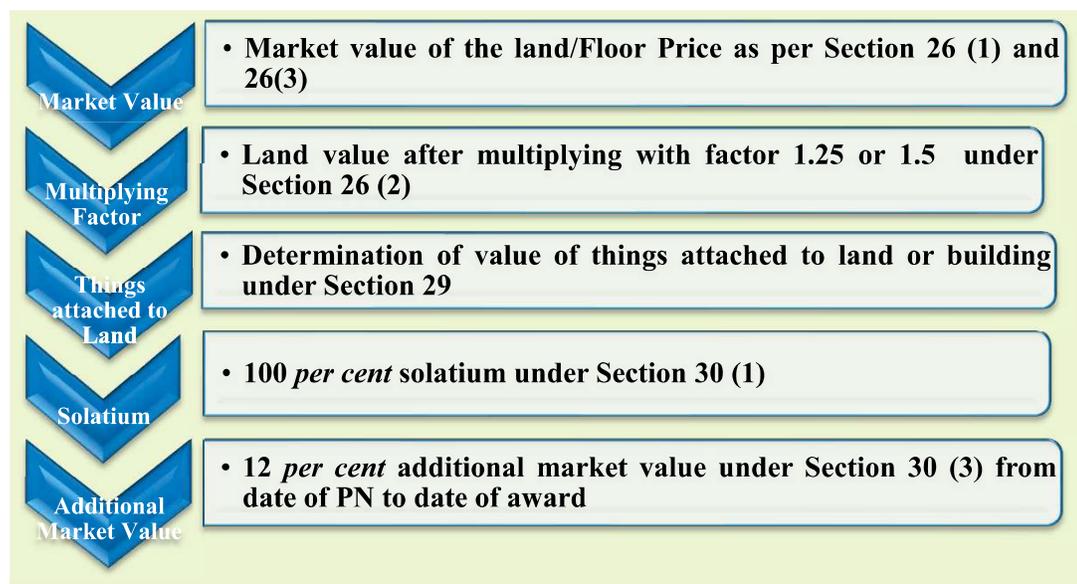
The reply is not acceptable, as the Department failed to produce the ownership records / title deeds of the 79 beneficiaries who have already availed / yet to receive the R&R benefits / compensation.

²⁰⁸ Fair adangal, Title Deed, Pattadar Passbooks, Tax receipts, etc.

Passing of LA awards without obtaining/verifying proper ownership records/documents was indicative of casual attitude on the part of LA authorities in collecting title deeds / ownership records to verify the correctness of landowners from whom the land is acquired.

5.4 Payment of award compensation

As per Section 38 of RFCTLARR Act, 2013, after passing LA awards, the land award compensation shall be paid within three months from the date of award to all parties whose land or other immovable property or assets attached to the land or building have been acquired. In case of any disputes regarding payment, the amount shall be deposited in the LA & RR Authority²⁰⁹ account. Sections 26 to 30 of the RFCTLARR Act, 2013 stipulates payment of following components of compensation to the ‘landowners interested’ including assigned landowners.



5.4.1 Incorrect interpretation of Act provisions led to excess fixation of land compensation

As per Section 30(3) of the RFCTLARR Act, 2013, in addition to the market value²¹⁰ of the land (under Section 26), the District Collector shall, in every case, award an amount at 12 per cent per annum²¹¹ on such market value for the period commencing on and from the date of publication of the notification of the Social Impact Assessment study to the date of the award or the date of taking possession of the land, whichever is earlier.

Audit noticed that the Department while arriving at the land compensation award amount pertaining to Toyyeru and Dandanggi Villages of Devipatnam Mandal and Thutigunta and Sivagiri Villages of Polavaram Mandal, calculated (between September 2014 and May 2015)

²⁰⁹ Land Acquisition and Rehabilitation & Resettlement Authority established under Section 51 of the RFCTLARR Act, 2013

²¹⁰ the market value of land is the estimated value of the land as per the records maintained by the respective State Government

²¹¹ (Market Value x 12 per cent) X (Number of Days from Draft Notification to Award)/365

12 per cent additional market value (AMV) per annum on Multiplied Market Value²¹² instead of on 'Market Value' as shown in **Table 5.4**.

Table 5.4: Incorrect calculation of interest on additional market value

Sl. No.	Name of the Habitation	Award Number	Number of days between PN and Award	Extent of land (in acres)	Market Value of land per acre (in ₹)	Additional Market Value (₹ in crore)		
						To be paid	Actually paid	Excess Amount paid
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)=(H)-(G)
1.	Toyyeru- Block-2	01/2015	1,852	223.58	1,50,000	2.04	3.06	1.02
2.	Toyyeru-Block-2	02/2015	1,852	77.60	1,50,000	0.71	1.06	0.35
3.	Toyyeru-Block-3	08/2015	1,772	175.31	2,50,000	2.55	3.83	1.28
4.	Dandangi- Bit-4	04/2015	1,028	59.06	2,50,000	0.50	0.75	0.25
5.	Dandangi- Bit-4	03/2015	1,028	121.76	2,50,000	1.03	1.54	0.51
6.	Thutigunta Village	189/2012	848	110.99	2,50,000	0.77	1.16	0.39
7.	Sivagiri	11/2013	538	25.88	2,50,000	0.11	0.17	0.06
Total								3.86

Source: Information furnished by the Department

The incorrect interpretation of section 30 (3) of RFCTLARR Act, 2013 led to incorrect calculation of AMV resulting in excess payment of compensation amount by ₹3.86 crore.

The Government replied (August 2024) that clarification was issued (September 2015) regarding application of 12 per cent of AMV only on market value and not on the multiplied market value. Since then, AMV was calculated on market value only and not on multiplied market value.

During the Exit Conference, the Government accepted (November 2024) the observation and stated that the incorrect interpretation and payments happened until issue of clarification (2015) in this regard.

The reply confirms that incorrect interpretation of the Act provisions by the Department has led to an additional burden on the exchequer till receipt of clarification from the Government. However, the excess amount paid was not recovered.

5.4.2 Deposit of compensation amount in the Authority Account

As per Section 77(2) of RFCTLARR Act, 2013, if the person entitled for compensation did not consent to receive it, or if there be no person competent to alienate the land, or if there be any dispute as to the title to receive the compensation or as to the apportionment of it, the District Collector shall deposit the amount of compensation in the LA and R&R Authority (Authority) account. The Authority is a quasi-judicial body which disposes of grievances and makes payments.

5.4.2.1 Non-maintenance of records of Authority Account

Audit noticed that in Special Deputy Collector (LA) offices at Kovvur, Rajamahendravaram and Eluru, compensation amount of ₹27.38 crore pertaining to disputed/contested cases, was

²¹² multiplying factor of 1.5 x Market Value of land

deposited (between 2015 and 2023) in the Authority account and was lying in the account for a period ranging between one and eight years (as of March 2023) without any settlement as detailed in **Table 5.5**.

Table 5.5: Year wise amount deposited in Authority account

Year of Deposit	Amount deposited in Authority Account (in ₹)
2015	19,66,441
2016	20,87,926
2017	80,81,747
2018	1,49,61,996
2019	24,55,11,229
2022	11,54,306
Total	27,37,63,645

Source: Information furnished by the Special Deputy Collectors (LA).

Further, the details of cases along with reasons for deposit of amount in the Authority account was not available with the Department. The WRD did not furnish relevant records/accounts pertaining to drawal and disbursal of compensation amounts of disputed cases.

In the absence of the details, Audit could not verify the details of beneficiary wise amounts deposited in Authority account and reasons for non-transfer of such amounts to the eligible beneficiary.

This shows lack of follow-up mechanism for early settlement of deposited amount to the landowners whose cases were disposed off by the LA & RR authority in accordance with provisions of the Act.

The Government replied (November 2024) that earlier the disputed amount was first deposited to LAO's account and was then transferred to the LA & RR Authority account by cheques. As certain irregularities were noticed, instructions were issued to deposit the disputed amounts directly to the Personal Deposit account of LA & RR Authority concerned. Subsequently, a separate module was created in the Comprehensive Financial Management System, wherein the disputed amounts were directly deposited to the LA & RR Authority before raising the bills in respect of disputed cases and hence, the delay occurred.

The reply is silent regarding non-transfer of amounts to the eligible beneficiaries account or refund of amount to Government account.

5.4.2.2 Payment of disputed amount to ineligible landowners

The Executive Engineer, Indira Sagar Polavaram Head Works (ISPHW) Division-5, Sitanagaram had submitted (2009) LP Schedules for acquisition of land²¹³ admeasuring 859.68 acres which were under submergence. However, the then Special Deputy Collector (SDC) Land Acquisition, PIP, has belatedly passed the awards (on various occasions during the period from 2015 to 2017) for acquisition of 859.68 acres of land and awarded a compensation of ₹55.87 crore.

As per the orders of SDC (LA), Rajamahendravaram ₹33.87 crore out of the ₹55.87 crore was deposited in Authority Account, Visakhapatnam due to Civil Miscellaneous Appeal/Settlement cases, title disputes. The balance amount of ₹22 crore was also to be deposited with

²¹³ Patta land in Sy. No. 1 to 109 of Kondamodalu Village, Devipatnam Mandal

Authority account, as there were several disputes between tribes and the non-tribes over ownership of land.

Audit observed that despite there being orders of the Land Acquisition Officer in the award passed and directions of Hon'ble High Court of Andhra Pradesh to deposit the amount to Authority account:

(a) The then SDC(LA), Chinturu had paid ₹4.81 crore to nine non-tribe farmers for the land pending adjudication of title without remitting the same to Authority account.

(b) The then Special Collector (LA), PIP, Rajamahendravaram holding the additional charge of SDC (LA), PIP LMC Unit-1, Rajamahendravaram made payments to 18 ineligible (non-tribes) farmers to a tune of ₹14.71 crore from amounts to be remitted to Authority account.

This resulted in unauthorised/illegal payment of ₹19.52 crore²¹⁴ (during July 2019, January and February 2022) to 27 wrongful landowners. The action proposed, if any, to recover the amount from the wrongful landowners and the action taken on the erring officials was not on record.

The Project Administrator, PIP submitted (July 2022) a detailed enquiry report to the Chief Commissioner of Land Administrator (CCLA) and requested the District Collectors concerned to initiate recovery of the amount as per the provisions of RFCTLARR Act, 2013, from the ineligible farmers and also to initiate action against the erring officials. A criminal case was booked (August 2022) against the erring officials and 27 members who have received amount on false claim. Aggrieved by the registered case, two of the 27 members filed (October/November 2022) a case in Hon'ble High Court of Andhra Pradesh. The Hon'ble Court had issued interim directions and stated that there shall be interim suspension of the impugned proceedings as prayed by the petitioners.

Audit noticed that thereafter no action has been taken by the Department for settlement of the case and recovery of amount of ₹19.52 crore from ineligible people.

The Government replied (November 2024) that the District Collector, Alluri Sitaramaraju District has directed to initiate criminal cases and invoke provisions of Revenue Recovery Act, 1884 against 27 individuals. The SDC (LA), LMC Unit-I, Rajamahendravaram issued notices to the individuals (October 2022) to remit the land compensation amount of ₹19.52 crore to the Special Deputy Collector account. An amount of ₹0.53 crore was recovered from two individuals and a balance of ₹18.99 crore is pending recovery. In the meanwhile, 14 out of the 27 individuals have filed writ petitions before the Hon'ble High Court of Andhra Pradesh, wherein interim orders were issued to suspend the impugned proceedings. In response, counter affidavits were filed for all the above-mentioned cases.

5.4.3 Payment of Land Acquisition compensation for ineligible land

As per Section 38 of the RFCTLARR Act, 2013, after passing LA Awards, the land award compensation shall be paid to all parties whose land or other immovable property or assets attached to the land or building have been acquired.

5.4.3.1 Payment of Land Acquisition award compensation for Khalsa land

As per guide to Village Revenue Administration issued by Andhra Pradesh Rural Development

²¹⁴ ₹4.81 crore was paid (July 2019) to nine non-tribe farmers and ₹14.71 crore to 18 non-tribe farmers

Corporation, ‘Khalsa’ denotes ‘government village’. The Khalsa land are the land seized by Government for which inami / vatan rights were abolished and are not to be alienated to others, whose ownership rights are vested in the Government. The holders of such land cannot sell Khalsa land without prior permission of Government. The State Government can permit sale only after recovering appropriate value from the seller as determined by the District Collector, and not otherwise. Hence, payment of compensation for acquisition of Khalsa land is not allowed.

Scrutiny of LA records of Special Deputy Collector (LA), Eluru revealed that compensation for Khalsa land admeasuring 363.71 acres amounting to ₹30.96 crore was paid to PDFs in Kukunoor and Velairpadu Mandals²¹⁵ of erstwhile West Godavari District as detailed in **Table 5.6**.

Table 5.6: Land Acquisition compensation for Khalsa land

Name of the Habitation	Name of the Mandal	Khalsa land acquired (in Acres)	Award Number & date	Compensation paid (₹ in crore)
Cheeravalli	Kukunoor	42.36	20/2017-18 dated 29.05.2017	4.12
Kivvaka	Kukunoor	44.04	22/2017-18 dated 29.05.2017	4.18
Damarcharla	Kukunoor	54.12	19/2017-18 dated 29.05.2017	5.55
Repakagommu	Velairpadu	129.15	13/2016-17 dated 06.03.2017	9.23
Thatkurugommu	Velairpadu	94.04	15/2016-17 dated 06.03.2017	7.88
Total		363.71		30.96

Source: Information provided by the Department

As the land was categorised as Khalsa land, where the rights were vested with Government, the Land Acquisition process should be on par with acquisition of Government land. Hence, payment of compensation for Khalsa land was irregular and led to extra financial burden on Government. Further, reasons for inclusion of names of individuals as landowners in Khalsa land awards were not forthcoming from the records produced to audit.

The Government replied (August 2024) that after the end of Nizam Rule in 1948, Jagirdar Abolition Act, Estate Abolition Act, Enemy Property Act and Inam Abolition Act come into force and entire land in Telangana area became Government/Khalsa land. Over a period, the occupants got the Occupancy Rights Certificate (ORC) under Section 38 E of the Hyderabad Tenancy and Agricultural Land Act, 1950. The Union of India allotted certain land to the Nizam for personal use, which were written in Blue Book. For the land not recorded in Blue Book and under the occupation of Kowldars/occupants, the Survey and Revenue Department has conducted inspection of the land and pattadar rights were sanctioned in the form of ORC. Hence, payment of LA compensation was released by the LAOs for Khalsa land, only after verification of occupancy and Patta rights sanctioned by the Revenue Authorities.

During the Exit Conference, the Government stated (November 2024) that the supporting documents for the reply furnished in August 2024 would be submitted.

²¹⁵ Mandals merged to Andhra Pradesh from Telangana during May 2014

However, the documentary evidence of ORC's issued/ ownership documents for the land under contention to Audit were not furnished to verify the correctness of payment of LA compensation to the genuine beneficiaries.

5.4.4 Avoidable financial burden due to delay in passing of awards

Section 25 of RFCTLARR Act, 2013 stipulates that the Collector shall make an award within 12 months from the date of publication of the declaration. In case of failure, the entire proceedings for the Land Acquisition shall lapse, provided that the appropriate Government shall have the power to extend the period for 12 months if in its opinion, circumstances exist for justifying the same.

Section 24 of RFCTLARR Act, 2013 stipulates that the Land Acquisition process under LA Act, 1894 shall be deemed to have lapsed, if in any case of Land Acquisition proceedings initiated under the LA Act, 1894, where no award under section 11 of the said Land Acquisition Act has been made, then, all provisions of RFCTLARR Act, 2013 relating to the determination of compensation shall apply.

5.4.4.1 Delay in passing of awards for village site along with agricultural land

As per Section 23 (2) of LA Act, 1894, in addition to the market value of the land, in every case a sum of 30 *per cent* on such market value, shall be paid for acquisition of the land. As per Section 30 of RFCTLARR Act, 2013, in addition to land compensation value a solatium of 100 *per cent* of the compensation value shall be payable to the beneficiaries.

Audit noticed that LA award proceedings in respect of eight habitations of Kondrukota Village, Polavaram Mandal was pronounced (April 2012) for 321.58 acres at a cost of ₹8.72 crore by SDC (LA) Kovvur as per LA Act, 1894. However, the compensation for structures in village site was belatedly finalised in January 2016, though LP schedules were received in the year 2007 and award for agricultural land was pronounced in April 2012. For the compensation of structures in village habitation site, award was passed (January 2016) under RFCTLARR Act, 2013.

The delay in passing eight awards for village site belatedly had resulted in a maximum avoidable financial commitment of ₹10.99 crore, as detailed in **Table 5.7**.

Table 5.7: Statement showing additional financial commitment

(Amount in ₹)		
Sl. No.	Name of the Habitation	Solatium (100 <i>per cent</i> of compensation amount + Amount allowed for standing crops + Damages) paid under section 28 of RFCTLARR Act, 2013
1.	Tallavaram	4,12,05,115
2.	Kothuru	2,05,49,127
3.	Kothuru Colony	61,33,996
4.	Vadapalli	2,35,02,576
5.	Gajulagondi	1,69,06,014
6.	Kothamamidigondi	65,56,550
7.	Madhapuram	2,11,55,182
8.	Mulagalampadu	2,09,47,211
(A)	Total	15,69,55,771

(B)	Consideration²¹⁶ admissible as per LA Act, 1894 (30 per cent of ₹15,69,55,771)	4,70,86,731
(A) - (B)	Additional Financial Commitment	10,98,69,040

Source: Data furnished by the Department

The Government replied (November 2024) that the award for agricultural land was passed in April 2012 based on Land Plan Schedules received from WRD. Subsequently, the revised LP schedule for the structures of village site was received belatedly from the WRD in February 2015. Accordingly, the Land Acquisition process was initiated, and the award was passed in January 2016 and hence, there was no delay.

The reply is silent regarding the reasons for revision of LP schedules when already award was passed in April 2012 itself. Further, the reasons for delayed submission of revised LP schedule for the structures of village site was also not furnished.

5.4.4.2 Inordinate delay in passing of awards after disposal of court cases

The Executive Engineer, PIPHW Division-6, Purushothapatnam submitted (September 2007) LA requisition with SDC (LA), Rajamahendravaram for land under submergence measuring 783.52 acres²¹⁷ of Toyyeru Village. The Land Acquisition of Toyyeru Village was divided into three blocks²¹⁸ (Block-1 to Block-3).

The LA proceedings were initiated (2009) for acquisition of private land measuring 366.53 acre (Block-2) and 176.30 acres (Block-3) in Toyyeru Village by SDC (LA). The Draft Notification was issued (December 2009 and July 2010 respectively) after due approval²¹⁹ for both the blocks under Section 4(1) of the LA Act, 1894. Subsequently, Draft Declaration for acquiring the land of both the blocks was approved²²⁰ by SDC(LA), Rajamahendravaram in December 2010.

At this stage, some of the landowners filed (2011 and 2012) writ petition²²¹ in Hon'ble High Court of Andhra Pradesh. Subsequently, all the writ petitions were disposed of in February 2013 as 'Infructuous'.

However, Audit noticed that the Land Acquisition Awards were pronounced by SDC(LA), Rajamahendravaram for Block-2 (January 2015) and Block-3 (June 2015) with a delay of 23 and 28 months respectively from the date of disposal of court cases. Due to delay in pronouncing the LA Award, the compensation for Land Acquisition was paid as per the provisions of the RFCTLARR Act, 2013 resulting in an additional financial burden of ₹11.43 crore as detailed in **Table 5.8**.

²¹⁶ 30 per cent solatium was calculated based on new rates (January 2016) as old rates (April 2012) were not available

²¹⁷ (Sy No. 1 to 130) (V), Devipatnam (M), Rampachodavaram Division

²¹⁸ Block-1: 167.51 acres (Sy Nos.1 to 21) which includes 141.47 acres assigned land and 26.04 acres government land, Block-2: 439.71 acres (Sy Nos.22 to 92) which includes 366.53 acres private land and 73.18 acres government land, Block-3: 176.30 acres (Sy Nos. 93 to 130) private land

²¹⁹ Ref. No. B1/533/2009 dated 10.12.2009 and Ref. No. B1/534/2009 dated 09.07.2010 respectively

²²⁰ Ref. No. B1/533/2009 dated 15.12.2010 and Ref. No. B1/533/2009 dated 03.12.2010 respectively

²²¹ W.P. No. 5625/2011 and W.P. No. 27333/2012

Table 5.8: Showing payment of excess compensation**(Amount in ₹)**

Description	Block-2	Block-3
Compensation as per Act, 2013, for one acre (A)	7,23,995	7,12,159
Compensation as per old Act (B)	4,83,099	4,75,201
Excess compensation paid for one acre (A)-(B)	2,40,896	2,36,958
Excess compensation paid for 301.17 acres ²²² (301.17 acres x ₹2,40,896) for Block-2 (C)	7,25,50,648	---
Excess compensation paid for 176.30 acres (176.30 acres x ₹2,36,958) for Block-3 (D)	---	4,17,75,695
Total excess compensation paid for Block-2 and Block-3 (C + D)		11,43,26,343

Source: Calculated by Audit as per information provided by the Department

The Government replied (August 2024) that court cases were disposed in February 2013 and by that time new Act came into force from January 2014. Due to a delay in pronouncement of orders by Hon'ble Court there was delay in LA awards.

The reply is not acceptable, as the case was disposed of in February 2013 by Hon'ble Court, there was ample time to issue LA award prior to implementation (from January 2014) of the new Act. Due to delay in issue of LA awards there was avoidable financial burden of ₹11.43 crore on exchequer.

5.4.4.3 Delay in acquisition of assigned land

As per the Land Acquisition Act, 1894, no specific provisions existed for payment of compensation while resumption of assigned land. Further, GoAP has issued²²³ (December 1993) direction for payment of ex-gratia equivalent to the Market Value plus an additional 30 per cent of the Market Value, while resumption of assigned land for public purposes. However, additional market value paid for Patta land is not applicable in the case of assigned land.

Scrutiny of LA records of SDC (LA), Eluru revealed that land to an extent of 226.01 acres (Private land: 195.65 acres and Government land: 30.36 acres) in Katkuru habitation, Velairpadu Mandal was requisitioned through L.P. Schedules (July 2007). Out of 195.65 acres, 188.04 acres of patta land was acquired in February 2008 and acres 3.06 guntas²²⁴ (3.15 acres) of assigned land was acquired belatedly in May 2017. The details regarding balance extent of private land of 4.46 acres to be acquired were not made available to audit.

Audit noticed that at the time of acquisition of patta land (February 2008) of 188.04 acres, the cost of land per acre was ₹1.15 lakh. The market rates of land of the said habitation were revised to ₹3.50 lakh per acre in February 2017. Despite receipt of LP schedules in July 2007, the acquisition for 3.15 acres was delayed and compensation was made based on RFCTLARR Act 2013 which resulted in additional burden of ₹28.37 lakh as detailed in **Table 5.9**.

²²² out of 366.53 acres of land, cash compensation paid for 301.17 acres and remaining 65.36 acres acquired under land-to-land

²²³ GO Ms.No.1307, dated 23.12.1993

²²⁴ acres 3.06 guntas = 3.15 acres (40 guntas = 100 cents / one acre)

Table 5.9: Showing additional financial commitment**(Amount in ₹)**

Description	Amount paid as per RFCTLARR Act, 2013 (Solatium: 100 per cent)	Amount paid as per Government Order issued in December 1993 (Solatium: 30 per cent)
Land extent	3.15 acres	
Market value (per acre)	3,50,000	1,15,000
Total Market Value (MV)	11,02,500	3,62,250
Multiply MV with 1.5 Multiplication Factor	16,53,750	NA
Add solatium	16,53,750	1,08,675
Total LA compensation to be paid	33,07,500	4,70,925
Avoidable financial commitment	28,36,575	

Source: Calculated by Audit as per information provided by the Department

The Government replied (August 2024) that LA was initiated as per the contour level of submergence. The land-to-land and land for colonies acquisition shall be commenced after periodical completion of LA under submergence component. Hence, there would be no delay in the acquisition of land.

The reply is silent regarding the delay in acquisition of assigned land as the Department took more than nine years from the date of LP Schedules to date of draft declaration. This delay led to additional financial commitment of ₹28.37 lakh on the exchequer due to an increase in market value of the land.

5.4.5 Payment of land compensation without validation

As per Section 3, Section 26 to Section 30 read with the First Schedule of RFCTLARR Act, 2013, the compensation shall be calculated as per the provisions laid down under the Act and paid to all parties whose land or other immovable property or assets attached to the land or building have been acquired.

5.4.5.1 Payment of compensation amount for unclaimed land

The SDC (LA), Eluru had paid²²⁵ (December 2020) LA compensation of ₹21.25 lakh to an individual²²⁶ towards land compensation for two acres of unclaimed land (Survey No. 15) in Kandrika Village of Kukunoor Mandal based on LA Award²²⁷ passed (June 2017) by Sub-Collector, Kukunoor.

Scrutiny of Preliminary Notification, Draft Declaration and award revealed that in the sub-division records, name of the individual was not mentioned against the unclaimed land of two acres in the said survey number. However, the basis on which the compensation was sanctioned and paid to the individual was not provided to audit.

The Government replied (August 2024) that the land was notified as unclaimed for an extent of two acres in Survey number 15 in the LA award. Subsequently, as per the proceedings of the LAO & Sub-Collector, Kukunoor compensation was paid based on the online adangal

²²⁵ CFMS Bill No. 2020-946767, dated 14.12.2020

²²⁶ Sri Rayani Srinivasa Rao, S/o. Bikshumaiah of Ibrahimpetta, Kukunoor Mandal

²²⁷ LA Award No. 46/2017-18, dated 29.06.2017

submitted by the individual. Based on a complaint received, the Sub-Collector issued notice (April 2021) to the individual for repayment of the said amount. The individual filed a writ petition in Hon'ble High Court of Andhra Pradesh and the Hon'ble Court had granted stay on the matter.

This shows that compensation was paid without verifying the genuineness of ownership of land and which further led to court litigation.

5.4.5.2 Payment of compensation without ownership records

The SDC (LA) Eluru had sanctioned LA compensation amount of ₹53.12 lakh for land measuring five acres (Survey number 15) in Kandrika Village of Kukunoor Mandal to an individual²²⁸ under LA award²²⁹ passed (June 2017) by the Sub-Collector, Kukunoor.

Audit noticed that the name of the individual was not mentioned as owner of the land in the Preliminary Notification and also in the Draft Declaration. Further, in the sub-division records of Revenue Department the enjoyers' name was different²³⁰ from the one mentioned in the Award.

The Department has not furnished any Title deed, Pattadar Passbook, *etc.*, to audit in support of the land title being in the name of the individual to whom the compensation amount was paid. Also, the basis on which the compensation was sanctioned to the enjoyer of the land instead of the Pattadar was not on record. Thus, the land compensation was paid to an ineligible person.

The Government replied (August 2024) that the individual to whom compensation was paid is the enjoyer of the land and individual has submitted the necessary land records in proof of the ownership of the land in Survey No. 15 admeasuring five acres. Further, the enjoyer has not raised any objection against inclusion of the individual in the award.

Thus, it is evident from the above two cases that compensation was paid without detailed verification of physical documents *viz.*, Title deeds, Pattadar Passbooks, *etc.*, to ascertain the genuineness of ownership. This injudicious action led to unwarranted litigation and payments to ineligible beneficiaries.

5.4.6 Land-to-land apportionment made more than the prescribed limit

As per Second schedule of RFCTLARR Act, 2013, the Government shall acquire land within the project benefited area. In case of irrigation project, each affected family owning agricultural land in the affected area and whose land has been acquired or lost has been reduced to the status of a marginal farmer or landless, shall be allotted a minimum of one acre of land in the command area of the project for which the land is acquired. Provided that in every project where persons losing land and belonging to the Scheduled Castes, or the Scheduled Tribes (SC/ST) would be provided land equivalent to land acquired or two and a one-half acre, whichever is lower.

Scrutiny of LA records of SDC (LA) pertaining to the villages of Sarugudu (*Appendix 5.5*), Yerravaram (*Appendix 5.6*), Telladibbalu (*Appendix 5.7*), Sivagiri (*Appendix 5.8*), Dandangi

²²⁸ Sri Rayani Srinivasa Rao, S/o. Bikshumaiah of Ibrahimpetta, Kukunoor Mandal

²²⁹ LA Award No. 46/2017-18, dated 29.06.2017

²³⁰ Sri Vinjamuri Thatacharyulu

(Appendix 5.9) revealed that land-to-land apportionment to SC/ST was made for full extent of land acquired *i.e.*, more than 2.50 acres in contravention to provisions of the Act as shown in Table 5.10.

Table 5.10: Apportionment of land-to-land more than the maximum prescribed limit

Sl. No.	Name of the Habitation/ Village	Number of Beneficiaries	Extent of Land-to-land (in acres)		
			To be given (C x 2.50 acre)	Allotted in the award	Excess extent allotted
A	B	C	D	E	F
1.	Sarugudu	15	37.50	56.74	19.24
2.	Yerravaram	40	100.00	168.23	68.23
3.	Telladibbalu	2	5.00	8.72	3.72
4.	Sivagiri	31	77.50	131.82	54.32
5.	Dandangi	4	10.00	23.48	13.48
Total		92	230.00	388.99	158.99

Source: Records of respective SDC offices

The Government replied (August 2024) that the Draft Notification, Declaration and Award Enquiry was conducted under Old Act, 1894. The beneficiaries requested to allot land-to-land instead of land compensation amount, since the beneficiaries belong to Scheduled Tribes with source of income from Agriculture. As per the New LA R&R Act, 2013, the District Collector fixed floor price of ₹3.50 lakh per acre for purchase of land under land-to-land. In view of the above, either the sanction of Cash Compensation or purchase of land from other beneficiaries for allotment of land-to-land to the Tribal beneficiaries was same. Hence, on the request made by the beneficiaries, the then LAO and RDO, Jangareddigudem has awarded land-to-land compensation more than 2.50 acres. Hence there is no financial loss to the Government in allotting the land-to-land more than 2.50 acres to the Tribal beneficiaries.

The reply is not acceptable. As per new Act, 2013 provisions, the land-to-land allotment to Scheduled Caste/ Scheduled Tribe beneficiaries should be restricted to a maximum of 2.50 acres, irrespective of quantum of land acquired.

Thus, the apportionment of land-to-land in excess of 2.50 acres had caused financial loss to the Government.