

# Chapter VI

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## **Implementation of Rehabilitation and Resettlement**

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### Implementation of Rehabilitation and Resettlement

The Polavaram Irrigation Project involves rehabilitation of 1,06,006 Project Displaced Families (PDFs). As of March 2014 (before declaration as a National Project), only 0.67 per cent of the total number of PDFs were rehabilitated. Even after a lapse of 17 years, the progress of R&R of PDFs is insignificant as only 11 per cent of PDFs were shifted to R&R colonies. Out of 213 R&R colonies proposed, the works of 138 R&R colonies was yet to be commenced. Out of the total land requirement of 8,581.05 acres for construction of 213 R&R colonies, only 2,756.72 acres of land was acquired. The delay in completion of rehabilitation of targeted PDFs caused an increase in estimated cost by ₹19,346.49 crore on R&R of PDFs due to increase in R&R compensation after introduction of RFCTLARR Act, 2013. None of the approved R&R Schemes were uploaded on the official website duly providing the workflow of each acquisition case.

As against the targeted expenditure of ₹7,270.41 crore for payment of R&R cash benefits to 1,06,006 PDFs, an amount of ₹841.34 crore was paid to only 14,500 PDFs. The additional R&R package to ensure payment of ₹10.00 lakh each to PDF sanctioned (₹550.00 crore) by GoAP was not released to PDFs. Out of 13,938 housing units sanctioned in 49 colonies, 11,507 units were completed and only 6,216 PDFs were shifted to completed units. In many of the completed units, the basic amenities viz., toilets, drinking water, electrical connections were not provisioned. There was unfruitful expenditure due to non-completion of compound walls to the housing and other structures. Under land-to-land allotment, there were instances of acquisition of unfit land for cultivation, short/excess allotment of land, allotment of land to ineligible beneficiaries, allotment of land more than the permissible limit. Government belatedly appointed Project Administrator in May 2020 after six years from introduction of RFCTLARR Act, 2013. There was lack of effective mechanism for speedy disposal of grievances. Department did not conduct post implementation Social Audit in any of the completed R&R colony.

#### 6.1 Introduction

Developmental projects like construction of major dams and canals require Land Acquisition, which in turn involves displacement of people from their homes. Displacement is a process by which development projects cause people to lose their land, other assets and access to resources besides causing traumatic, psychological and socio-cultural consequences. This may result in physical dislocation, loss of income and other adverse impacts. To safeguard the interest of the people displaced, a Rehabilitation<sup>231</sup> and Resettlement<sup>232</sup> process is carried out.

<sup>231</sup> Rehabilitation means restoration of the affected people to the former state

<sup>232</sup> Resettlement refers to the process of settling again in a new area

Rehabilitation and Resettlement (R&R) is a process by which those adversely affected are assisted in their efforts to improve, or at least restore their incomes and living standards.

The R&R measures are governed by the Land Acquisition Act, 1894 and the Government of Andhra Pradesh Rehabilitation and Resettlement Policy 2005 until the commencement (January 2014) of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013 by Government of India.

The RFCTLARR Act, 2013 categorically prescribes land compensation and R&R benefits<sup>233</sup> to the affected people along with basic minimum infrastructural amenities in R&R colonies. Under R&R activities, GoAP has to acquire land for construction of R&R colonies and for 'land-to-land' distribution among eligible Project Displaced Families (PDFs) whose lands were under submergence due to the project.



**Picture 6.1: Showing R&R colony**

### **6.1.1 Rehabilitation and Resettlement process**

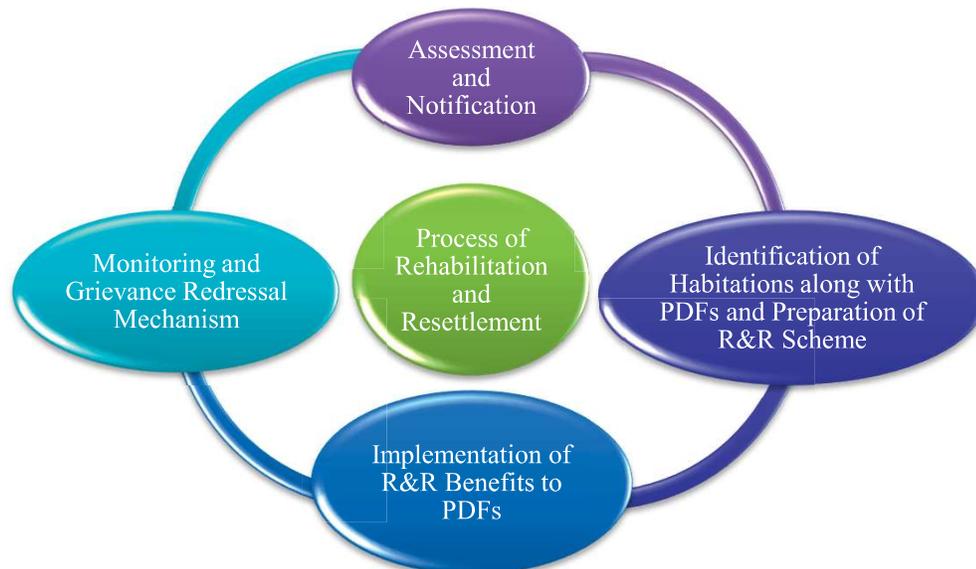
The Project Administrator (PA) and Commissioner, R&R are responsible for formulation and implementation of R&R schemes. Accordingly, R&R Officers<sup>234</sup> conduct survey for identification of PDFs<sup>235</sup> in the affected/submerged area and assess the actual requirement of land for acquisition towards R&R activities in a phased manner. The District Collector publishes R&R Scheme and pronounces awards after approval of draft declaration by Commissioner, R&R. The R&R process requires effective coordination and implementation of the activities as detailed in *Chart 6.1*.

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<sup>233</sup> First Schedule: Land Compensation, Second Schedule: R&R Benefits, Third Schedule: Infrastructure amenities in R&R colonies

<sup>234</sup> RDO Jangareddigudem, Sub-Collector Rampachodavaram, PO (ITDA), KR Puram, PO (ITDA), Chinturu

<sup>235</sup> as per provision to Section 3 of the RFCTLARR Act, 2013, an adult of above 18 years of either gender with or without spouse or children or dependents shall be considered as a separate family

**Chart 6.1: Depicting the procedure involved in R&R activities**

The PA plays a crucial role in planning and monitoring the project's progress. This involves tracking costs, assessing construction advancements, and ensuring adherence to timelines. After publication of PN by the District Collector, the PA conducts a survey and census of the affected families and prepares and implements draft R&R Scheme. The PA oversees Land Acquisition, rehabilitation efforts and construction of houses on spacious land for the affected families. The PA plays a pivotal role in ensuring the successful execution of the Polavaram Irrigation Project, from planning to implementation and community welfare.

### 6.1.2 Status of Rehabilitation and Resettlement

Polavaram Irrigation Project is a multi-purpose project which involves submergence of 373<sup>236</sup> habitations in 222 revenue villages<sup>237</sup> of erstwhile East and West Godavari Districts of Andhra Pradesh, affecting a total population of 1,88,012. The total number of PDFs was assessed as 1,06,006 which includes 56,495 tribal PDFs (approximately 53 per cent).

To accommodate the PDFs, a total of 213 R&R colonies were contemplated at an estimated cost of ₹13,262 crore.

To the end of March 2021, a total of 26 R&R colonies were completed at a cost of ₹131.19 crore and 3,922 PDFs were shifted. In 49 colonies which were in progress, 6,216 PDFs were shifted (March 2023). In November 2021, the PPA decided to consider R&R activities in two Phases *i.e.* Phase-I (upto Elevated Level (+) 41.15 m) and Phase-II (above (+) 41.15 m). In Phase-I, 20,946 PDFs and in Phase-II, 85,060 PDFs were proposed to be rehabilitated.

Scrutiny of records revealed that:

<sup>236</sup> 371 habitations under project submergence and two habitations (Ramannapalem in West Godavari and Nelkota in East Godavari District) affected each under alignment of Left and Right Main Canals

<sup>237</sup> including the villages in seven mandals of erstwhile Khammam District (Telangana State) transferred to residual State of Andhra Pradesh

(a) As per the records of the PA (R&R), 11,677 PDFs were rehabilitated up to Phase-I since inception of the project to till March 2023 as detailed in **Table 6.1**

**Table 6.1: Year wise Rehabilitation of Project Displaced Families**

Year	Number of Habitations	Number of PDFs Rehabilitated
Upto 2013-14	6	714
2014-15	3	485
2015-16	8	2,581
2016-17	0	0
2017-18	0	0
2018-19	0	0
2019-20	0	0
2020-21	5	503
2021-22	13	3,679
2022-23	3	3,715
<b>Total</b>	<b>38</b>	<b>11,677</b>

Source: Information provided by the Project Administrator, Polavaram Irrigation Project, Rajamahendravaram

It could be seen from the above that:

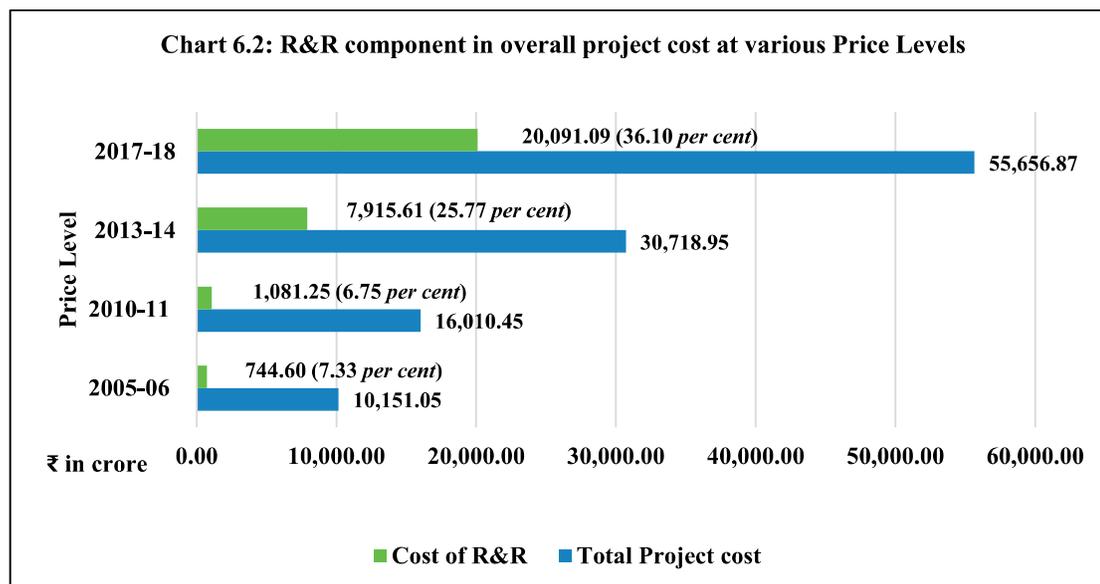
- (i) The rehabilitation of PDFs upto March 2014, was only 0.67 per cent<sup>238</sup> of the total number of PDFs to be rehabilitated.
  - (ii) Even after a lapse of 16 years (up to 2020-21) from the date of commencement of project work in the year 2004, the progress of R&R of PDFs was meagre in Phase-I (except in the year 2015-16). There was nil/insignificant progress of R&R during the period 2016-21.
- (b) Out of 213 R&R colonies proposed, the works of 138 R&R colonies planned under Phase-II costing ₹11,098.20 crore were yet to be commenced.
- (c) As a part of R&R activities, for provisioning of housing units, the 1,06,006 PDFs were given three options as under:
- Option 1: Housing unit of plinth area 379.25 Square feet (Sq.ft.) in land measuring 0.05 acres with all basic infrastructure amenities at the cost of the executing agency.
  - Option 2: As per Special Commissioner, R&R orders (July 2021), in case of self-construction of houses by non-Scheduled Tribe (ST) PDFs in R&R colony, each PDF shall be paid ₹2.85 lakh towards cost of construction, duly providing 0.05 acres vacant plot with all basic infrastructure amenities in the R&R colony.
  - Option 3: Non-ST PDFs, who have opted for self-construction of house outside the R&R colonies shall be sanctioned one time settlement of ₹3.85 lakh<sup>239</sup> along with R&R entitlements.

The number of PDFs rehabilitated as per the records of the Department was 11,677. However, PDFs shifted to 75 R&R colonies (26 completed (3,922 PDFs) + 49 in-progress (6,216 PDFs)) were 10,138. The details regarding the balance of 1,539 PDFs, whether actually shifted or yet to be shifted were not available with the Department.

<sup>238</sup> 714 PDFs out of total 1,06,006 PDFs

<sup>239</sup> ₹2.85 lakh for cost of construction of the house and ₹1.00 lakh towards house site cost

(d) The delay in completion of rehabilitation of targeted PDFs caused extra burden on R&R of PDFs due to increase in R&R compensation after introduction (January 2014) of RFCTLARR Act, 2013. As per 2<sup>nd</sup> RCC report, the estimated cost of R&R increased to ₹20,091.09 crore, an increase of ₹19,346.49 crore when compared to the 2005-06 DPR of ₹744.60 crore. The cost of R&R component in the overall project at different price levels was as shown in *Chart 6.2*.



From the above, it is evident that the estimated cost of R&R as a percentage of the overall project cost increased from 7.33 at 2005-06 Price Level to 36.10 at 2017-18 Price Level.

(e) As of March 2023, the extent of land assessed and acquired for R&R activities upto (+) 41.15 m contour level was as given in *Table 6.2*.

**Table 6.2: Details of land requirement and acquired for R&R activities**

**(in acres)**

Purpose	Extent of land assessed	Land requisitioned to Land Acquisition Officers (LAOs)	Land acquired by LAOs and handed over to R&R authorities	Balance extent of land to be acquired
Land-to-land transfer	16,870.95	16,870.95	9,053.89	7,817.06
R&R colonies	3,105.94	3,105.94	2,756.72	349.22
<b>Total</b>	<b>19,976.89</b>	<b>19,976.89</b>	<b>11,810.61</b>	<b>8,166.28</b>

Source: Information provided by the Project Administrator, Polavaram Irrigation Project, Rajamahendravaram

Out of land admeasuring 16,870.95 acres requisitioned for ‘land-to-land’ for allotment to 6,722 beneficiaries of eight mandals<sup>240</sup>, the Department could acquire 9,053.89 acres only (August 2023), leaving a balance of 7,817.06 acres yet to be acquired. Out of 9,053.89 acres, an extent of 8,478.85 acres was allotted to 3,886 beneficiaries leaving the balance land of 575.04 acres yet to be allotted.

<sup>240</sup> Polavaram, Kukunoor, Velairpadu, Devipatnam, VR Puram, Kunavaram, Yatapaka and Chinturu

As per provisions of RFCTLARR Act, 2013, the R&R activities should be completed six months prior to storage of water in the Reservoir<sup>241</sup>. As the project is scheduled for completion by March 2026, the slow progress in R&R activities indicates that the Department may not be able to impound water in the reservoir even if the Main Dam works were completed as scheduled. As the progress of R&R, since inception (2004) of project to the end of March 2023 was 11 *per cent*<sup>242</sup>, the achievement of balance R&R of more than 89 *per cent* by June 2024 seems remote.

The Project Administrator replied (December 2022) that the acquisition of land was taken up in a phased manner from dam area to higher contour submergence areas. Even after conduct of Gram Sabhas, some of the PDFs failed to produce their identity which led to delay in finalisation of R&R. Further, LA was commenced in 2007 and completed by 2011 and on introduction of RFCTLARR Act, 2013, the PDFs demanded R&R entitlements as per the new Act. The Government issued orders for gratuitous relief to the villages which were not shifted by that time and after receipt of gratuitous relief, the PDFs were shifted. Regarding contour above (+) 41.15 m, Socio Economic Survey was completed in November 2021 and draft scheme preparation is under progress. The PDFs rehabilitation process would be commenced and completed by December 2023. It was further stated that the time schedule stipulated for R&R activities would be furnished in due course.

Thus, despite the completion of Land Acquisition by 2011, the Department could not rehabilitate PDFs prior to introduction of RFCTLARR Act, 2013 which increased the cost of compensation. The reply also confirms that there was no time schedule framed to complete R&R activities before completion of the main project works to impound water in the reservoir.

During the Exit Conference, the Government stated (November 2024) that apart from the 26 colonies completed and 49 in progress, 27 more colonies are planned for the additional 17,500 PDFs identified (increase from 20,946 to 38,060) after the LIDAR survey. All these colonies are planned to be completed by March 2026, with a provision for one year extension. Regarding the completion of only 11 *per cent* of the rehabilitation, it was replied that most of the works in the R&R colonies have come to a standstill since 2022 and the process of providing amenities in the 49 colonies was just started.

The reply is not acceptable, as only 11,677 PDFs were rehabilitated in the past 17 years and considering the pace of construction of R&R colonies, the rehabilitation of another 26,383 PDFs (38,060 – 11,677) by March 2026 seems remote.

***Recommendation 6.1: The State Government should expedite Land Acquisition for R&R activities and fast-track the R&R activities, to relocate the Project Displace Families prior to impounding of water into reservoir.***

## **6.2 Identification of project affected habitations and displaced families**

As per Section 3 of RFCTLARR Act, 2013, displaced family means any family who on account of acquisition of land has to be relocated and resettled from the affected area to the resettlement

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<sup>241</sup> as per 2<sup>nd</sup> proviso to Section 38(1) of RFCTLARR Act, 2013

<sup>242</sup> rehabilitated PDFs/Total PDFs (11,677/1,06,006)

area. Further, as per proviso to the above Section, an adult of above 18 years of either gender with or without spouse or children or dependents shall be considered as a separate family.

### 6.2.1 Incorrect identification of habitations between contours

Assessment of project affected habitations and displaced families is essential to arrive at the actual requirement of land for R&R activities. This was undertaken adopting different methods of survey, census, *etc.*

The Department had conducted (June 2005) detailed field survey and fixed FRL contour up to (+) 45.72 m on the ground by entrusting the work to a firm<sup>243</sup>. Based on the survey, the Department initiated acquisition of land and R&R activities under submergence in a phased manner from lower contour to higher *i.e.*, below (+) 35.00m, between (+) 35.00m to (+) 41.15m and (+) 41.15 m to (+) 45.72 m.

During floods (2020) in Godavari River, 74 habitations lying between contours of (+) 41.15 m and (+) 45.72 m, of two mandals (Velairpadu and Kukunoor) were severely affected and were submerged. In this regard the villagers had previously represented (after 2014-15) to the Government for prioritising the R&R activities and shifting of their villages in the Phase-I itself.

After floods, the PA and Commissioner, R&R requested the Government to undertake LIDAR (Light Detection and Ranging) survey to identify the precise location and elevation of habitations under submergence, so as to arrive at the number of habitations lying below (+) 41.15 m contour and above (+) 41.15 m. Accordingly, the Government accorded<sup>244</sup> (May 2021) approval for conduct of LIDAR survey to a firm<sup>245</sup> (July 2021) at a cost of ₹1.85 crore.

Scrutiny of records of PA revealed that after LIDAR Survey, nine (five<sup>246</sup> fully + four<sup>247</sup> partially submerged) out of the affected 74 habitations with 1,038 PDFs were preliminarily identified as, submergence affected, below (+) 41.15 m contour. The PA addressed (October 2022) the Government for prioritising and initiation of R&R process in these nine habitations by conducting Gram Sabhas, publishing the list of PDFs and completion of R&R colonies.

Neither the report of survey conducted during 2005 nor the LIDAR survey report of 2022 were made available to audit, due to which the genuineness of the categorisation of villages for below (+) 41.15 m and above (+) 41.15 m contours could not be verified.

Thus, nine habitations which actually fall below (+) 41.15 contour as identified by LIDAR survey were incorrectly identified as above (+) 41.15 contour level based on the earlier surveys due to which R&R activities were not taken-up for these habitations. Due to the delayed taking-up of LIDAR survey after 17 years of commencement of the Project works, the habitations which fall under (+) 41.15 m contour but not recognised by the Department earlier had suffered immensely due to floods and submergence issues.

The Government replied (August 2024) that LIDAR survey was conducted for establishing the highly accurate and precise contour of (+) 45.72 m with buffer zone up to (+) 2 m and to

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<sup>243</sup> M/s Vision Labs, Hyderabad

<sup>244</sup> GO Ms. No.162 WR (Proj.I) Department dated 27.05.2021

<sup>245</sup> M/s IIC Technologies Private Limited, Hyderabad

<sup>246</sup> Kakisnoor, Pedamanukollu, Tekuru, Perantalapalli and Tekupalli

<sup>247</sup> Thurpumetta, Kacharam, Yerrametta and Yadavalli

correlate the contours with the submergence habitations at different contours. Based on the LIDAR Survey Report and followed by Joint Inspection by Revenue, WRD, PPA Officials and third-party evaluation by WAPCO'S, additional 48 habitations were identified as impacted under (+) 41.15 m Contour Level. These 48 habitations, which were earlier kept under Phase-II were now prioritised under Phase-I (below (+) 41.15 m). The Preliminary Notification was issued and the Socio-Economic Survey (SES) for these 48 priority habitations was completed and currently, the draft R&R Scheme preparation is under progress.

During the Exit Conference, the Government stated (November 2024) that though the earlier survey was conducted accurately, the intermittent levels like access roads, bridges, *etc.*, were ignored. These were identified only during the floods of 2019-20 and hence the LIDAR survey was planned for identification of all the shortcomings. Now, the survey is completed, and rehabilitation of the newly identified PDFs would be completed before the Phase-I deadline.

The reply confirms that the identification of habitations below (+) 41.15 m contour during 2005 was inaccurate/ fallacious, which led to submergence of habitations.

### 6.2.2 Inconsistency in data on Project Displaced Families

As per Section 38(2) of RFCTLARR Act, 2013, the District Collector shall be responsible for ensuring that R&R process is completed in all respects before displacing the affected families. Further, as per the provisions of 'Second Schedule' of the Act, the displaced PDFs can opt for any one of the three options (*refer Para 6.1.2 (c)*) provided by the Government, in lieu of the house lost due to Land Acquisition.

The Commissioner, R&R, Vijayawada has furnished the following information, as of March 2017<sup>248</sup>, regarding PDFs in PIP as detailed in **Table 6.3**.

**Table 6.3: Showing details of PDFs' rehabilitated as of March 2017**

Contour Level (in metre)	Storage Capacity at Contour level (in TMC)	Total number of PDFs to be rehabilitated		Number of PDFs rehabilitated		Balance number of PDFs to be rehabilitated	
		Number of Villages	Number of PDFs	Number of Villages	Number of PDFs	Number of Villages	Number of PDFs
(+) 35.00	30	27	9,204	15	4,069	12	5,135
(+) 41.15	120	64	11,552	-	Nil	64	11,552
(+) 45.72	194	280	84,845	-	Nil	280	84,845
<b>Total</b>		<b>371</b>	<b>1,05,601</b>	<b>15</b>	<b>4,069</b>	<b>356</b>	<b>1,01,532</b>

Source: Report No.4 of 2018 of CAG Audit Report

As per the records of PA, the latest status of PDFs rehabilitated as of March 2023 was as detailed in **Table 6.4**.

<sup>248</sup> Para No. 2.1.9.2 (ii), Report No.4 of 2018 of CAG Audit Report

**Table 6.4: Rehabilitation of PDFs’ as of March 2023**

Contour Level (in metre)	Total number of PDFs to be rehabilitated		Number of PDFs rehabilitated		Balance number of PDFs to be rehabilitated	
	Number of Habitations	Number of PDFs	Number of Habitations	Number of PDFs	Number of Habitations	Number of PDFs
(+)35.00	58	9,612	28	7,701	30	1,911
(+)41.15	65	11,334	10	3,976	55	7,358
(+)45.72	250	85,060	0	0	250	85,060
<b>Total</b>	<b>373</b>	<b>1,06,006</b>	<b>38</b>	<b>11,677</b>	<b>335</b>	<b>94,329</b>

Source: Records of Project Administrator, Polavaram Irrigation Project, Rajamahendravaram

Audit noticed that:

(i) As per the information furnished by the PA, 3,780 PDFs were rehabilitated upto March 2017 (refer Table 6.1). However, as per data furnished (March 2017) by Commissioner, R&R 4,069 PDFs were rehabilitated. Thus, there was variation in data furnished by PA and Commissioner, R&R.

(ii) As per information provided by Commissioner, R&R, a total of 371 habitations (91 habitations upto (+) 41.15 m and 280 habitations above (+) 41.15 m contour) would be submerged upto FRL (Refer Para No. 2.1.9.2 (ii), Report No.4 of 2018 of CAG Audit Report) displacing 1,05,601 PDFs. However, as of March 2023, it was reported that a total of 373 habitations (123 habitations upto (+) 41.15 m and 250 habitations above (+) 41.15 m contour) would be affected while displacing 1,06,006 PDFs.

Thus, there was mismatch of habitations between contours and PDFs to be rehabilitated, due to which audit could not ascertain the conformity of the figures and optimality of R&R activities taken up.

The Government replied (August 2024) that the reasons for variations between figures submitted during March 2017 and now, is that the PA, PIP office was commenced in 2020 and the figures reported (March 2017) by the Commissioner, R&R were tentative, as SES survey for (+) 41.15 m contour level was completed in December 2017. Further, for the differences in habitations under submergence and PDFs displaced, it was replied that 371 habitations would be submerged upto FRL and two more habitations would be displaced due to alignment under LMC & RMC. The variation between the PDFs was due to the addition of two habitations. It was also replied that SES for above (+) 41.15 m contour habitations were completed in 2022 and hearing of objections under Section 16 of RFCTLARR Act, 2013 for preparation of draft R&R scheme is under progress.

The authenticity of data maintained regarding R&R of PDFs could not be ensured as the data is varying at every stage of R&R activity and there is no consistency in the data produced to audit.

### 6.2.3 Delay in completion of census after issuing Preliminary Notification

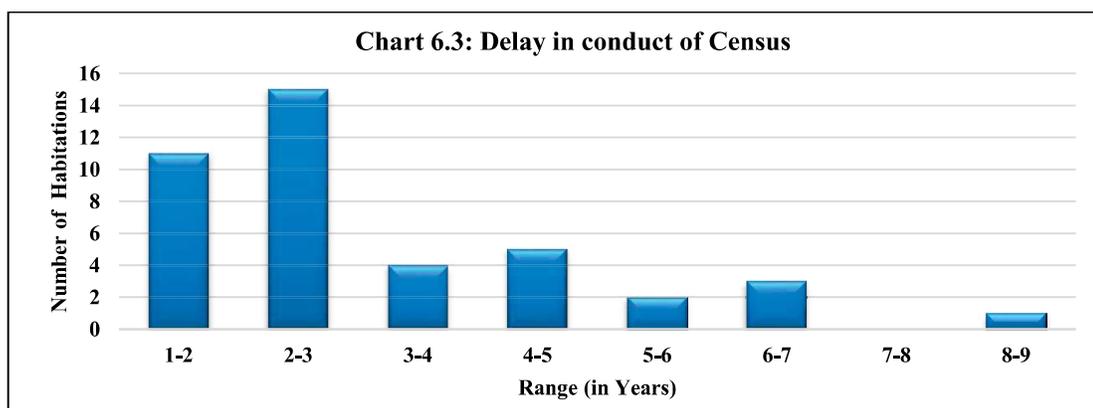
Section 16(1) of RFCTLARR Act, 2013 stipulates that upon publication of the Preliminary Notification by the District Collector, the PA shall conduct a survey<sup>249</sup> and undertake a census of the affected families, in such manner and within such time as may be prescribed. Section

<sup>249</sup> land and immovable properties being acquired of each affected family, livelihoods lost in respect of land losers, amenities and infrastructural facilities which are affected or likely to be affected

19(2) stipulate that the District Collector shall publish a summary of R&R Scheme along with declaration within a period of 12 months from the date of publication of Preliminary Notification (PN). Further, Section 19(7) stipulates that where no declaration is made within 12 months from the date of Preliminary Notification, then such notification shall be deemed to have been rescinded. Also, Socio Economic Survey (SES) should be conducted before the publication of R&R scheme.

Scrutiny of records of the PA revealed that PN were published (between June 2009 to August 2017) for village sites of 77 habitations and SES was completed (between January 2017 to November 2021) for 351 habitations. However, the details of PNs for balance 296 (373-77) habitations and information regarding conduct of SES for balance 22 habitations (373-351) was not furnished to audit.

Audit noticed that the date of completion of SES from date of publication of PN exceeded the prescribed timeline of 12 months in 41 out of 77 habitations as shown in **Chart 6.3** which was in contravention to the provisions of RFCTLARR Act, 2013.



The delay between the date of PN and date of SES was ranging between one to nine years (duly deducting the 12 months as provided in the Act) as detailed in **Appendix 6.1**. This indicates that the timelines stipulated in RFCTLARR Act, 2013 were not adhered to for completion of declaration within 12 months from the date of PN as SES was not completed within the time.

The Government accepted (August 2024) that there was delay in conduct of SES against the stipulation of conduct of the same within one year from the date of publication of PN.

Non-adherence to prescribed timelines results in undue delay in payment to beneficiaries causing social distress along with delayed completion of R&R process with resultant time and cost overrun of the project.

#### **6.2.4 Timelines for implementation and creation of web-based workflow of R&R scheme**

##### **6.2.4.1 Implementation of R&R Schemes without time frame**

As per Section 16 (2) & (3) of RFCTLARR Act, 2013, the PA shall, based on the survey and census prepare a draft R&R Scheme which shall include details of R&R entitlements of each landowner and landless whose livelihoods are primarily dependent on the land being acquired and where resettlement of affected families is involved. Further, the draft R&R scheme prepared by PA shall include time limit for implementation of the scheme. The draft scheme

prepared by PA shall be reviewed by District Collector and subsequently forwarded to Commissioner, R&R for approval.

Scrutiny of records revealed that the Commissioner, R&R has approved (between October 2017 to February 2021) 97 R&R schemes benefitting 16,967 PDFs. However, Commissioner, R&R has not detailed out the time frame for implementation of R&R scheme.

The Department stated (September 2022) that as per Section 38(1) of RFCTLARR Act, 2013, the R&R shall be completed within six months prior to submergence and effective steps are being taken to complete the R&R activities before impounding of water in the reservoir.

The reply is not acceptable, as the Act 2013, specifically emphasises for the time frame for implementation of schemes.

Reply from the Government is awaited (November 2024).

#### **6.2.4.2 Creation of web-based workflow for R&R activities**

Section 18 of RFCTLARR Act, 2013 stipulate that the Commissioner shall cause the approved R&R scheme to be made available in the local language to the Rural/Urban Local Bodies and shall publish in the affected areas. Further, R&R scheme shall be uploaded on the website of the appropriate Government. Rule 16 of AP RFCTLARR Rules, 2014 stipulate that the Commissioner, R&R shall create a dedicated, user-friendly website that may serve as a public platform on which the entire workflow of each acquisition case would be hosted, beginning with the notification of the Social Impact Assessment (SIA) and tracking each step of decision making, implementation and audit.

Audit noticed that none of the approved 97 R&R Schemes were uploaded in the official website<sup>250</sup> of Project Administrator R&R, PIP duly providing the workflow of each acquisition case.

The Government replied (August 2024) that the R&R schemes and awards are available on website<sup>251</sup>.

The reply is incorrect, as the said website does not exhibit any details about the R&R scheme and awards passed / given.

#### **6.2.5 Non-inclusion of basic data in R&R scheme**

As per Section 3(m) of the RFCTLARR Act, 2013, an adult of 18 years or more of either gender with or without spouse or children or dependents shall be considered as a separate family for the purpose of availing R&R facilities.

Scrutiny of records revealed that in Vadapalli Village of Polavaram Mandal, R&R cash benefits of ₹13.52 crore was sanctioned (October 2020) to 194 PDFs (Scheduled Tribe:165 PDFs and non-Scheduled Tribe: 29). Out of ₹13.52 crore, ₹10.19 crore<sup>252</sup> (September 2022) was paid to PDFs.

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<sup>250</sup> <https://www.polavaramrr.ap.gov.in/>

<sup>251</sup> <https://www.polavaramrr.ap.gov.in/publicinformationtoaccess>

<sup>252</sup> Bill No.2021 - 835875 for 100 PDFs: ₹6.75 crore + Bill No.2021 - 940626 for 28 PDFs: ₹1.94 crore and Bill No.2021 - 1219242 for 23 PDFs: ₹1.51 crore

Audit noticed that:

- (i) In the data furnished by the Revenue Authorities, in approved R&R Scheme and Awards passed, the information regarding the age of PDFs was not available. Hence, Audit could not ascertain whether the compensation was paid to the eligible individuals who were above 18 years or not.
- (ii) In order to avail R&R compensation and for validation/identification of PDF, all the PDFs shall submit Ration Card or Aadhaar details. However, Audit noticed that in the approved R&R Scheme, the Ration card or Aadhaar details in respect of 22 PDFs were not available. As such, Audit could not ascertain whether the compensation amounts were disbursed to genuine beneficiaries.
- (iii) Data relating to SES conducted for verification of genuineness of PDFs and their assets was also not furnished to audit, due to which audit could not cross-verify SES data with the approved R&R scheme and the Award passed.

The Government replied (August 2024) that the R&R scheme and Awards were prepared as per Form-X prescribed in the AP RFCTLARR Rules, 2014 read with RFCTLARR Act, 2013. The information regarding the age of PDFs is shown in the SES data and based on which the R&R awards are being passed. To validate/identify the affected families in the habitation, the Aadhaar card and Ration cards details were referred as primary documents. However, for some PDFs who were not having/lost Aadhaar and Ration card, enquiry was conducted by the concerned Tehsildar, followed by concerned R&R Officer and if found eligible, then names were added to the R&R Scheme. Further, all the eligibility details of the affected families are placed before the Gram Sabha, calling for objections and duly considering the objections, R&R Schemes are being prepared.

Though the Government replied that the details were verified by the concerned Revenue officials / R&R Officers and validated in the respective Gram Sabhas, the verified data was neither clubbed / attached with the Award nor made available to audit, due to which the authenticity of the basic data / disbursement of compensation to the genuine beneficiaries could not be ensured.

### **6.3 Implementation of Rehabilitation & Resettlement Benefits**

The Second Schedule<sup>253</sup> of RFCTLARR Act, 2013 extends the following elements of R&R entitlements for all the affected families (both landowners and the families whose livelihood is primarily dependent on land acquired).

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<sup>253</sup> sections 31(1), 38(1) and 105(3) of RFCTLARR Act, 2013

Housing Unit	Land	Cash Benefits	Other Benefits
<ul style="list-style-type: none"> <li>• Provision of housing units in case of displacement</li> </ul>	<ul style="list-style-type: none"> <li>• Land-to-land to the extent eligible as per Act/Rules.</li> <li>• Developed land.</li> </ul>	<ul style="list-style-type: none"> <li>• Cash benefits like Choice of Annuity or Employment.</li> <li>• Subsistence grant for displaced families for a period of one year.</li> <li>• Transportation cost for displaced families.</li> <li>• Cattle shed/Petty shops cost.</li> <li>• One-time grant to artisan/small traders/others.</li> <li>• One-time Resettlement Allowance.</li> </ul>	<ul style="list-style-type: none"> <li>• Fishing Rights to the eligible families.</li> <li>• Stamp Duty and Registration Fee.</li> </ul>

The Third Schedule extends 25 basic minimum infrastructural amenities to be provided in the R&R colonies at the cost of the Requisitioning Authority to ensure that the resettled population in the new village or colony can secure a reasonable standard of community life. The amenities include provisioning of internal roads within the resettled villages and an all-weather external road with link to the nearest pucca road, proper drainage as well as sanitation plans, assured sources of safe drinking water, drinking water for cattle, *etc.*

### 6.3.1 Land Acquisition for R&R activities

#### 6.3.1.1 Pending acquisition of land for R&R colonies

The R&R benefits to be compensated as per Revised Cost Committee (RCC) report at 2017-18 Price Level were as detailed in **Table 6.5**.

**Table 6.5: R&R entitlements at 2017-18 Price Levels**

Category	2017-18 Price Level	
	Quantity	Cost
Construction of houses (in number)	1,05,505	3,275.95
R&R benefits <sup>254</sup> (in number)	1,05,505	6,735.41
Infrastructure (in number)	1,05,505	7,235.02
Land for R&R colonies (in acres)	8,581.05	1,089.38
Land to land (in acres)	26,729.92	2,939.81

Source: Revised Cost Committee Report 2017-18 PL

As per RCC report, the total land required for construction of 213 R&R colonies at 2017-18 PL was 8,581.05 acres. Of this, an extent of 2,756.72 acres (32 *per cent*) was acquired, leaving a balance extent of 5,824.33 acres yet to be acquired.

Due to non-acquisition of total required land for R&R colonies, there was delay in completion of R&R colonies and rehabilitation of PDFs to the respective colonies. Further, the reasons for

<sup>254</sup> choice of annuity, subsistent grant, transportation cost for displaced families, compensation for cattle shed/petty shop, one time grant to artisan, small traders, *etc.*

non-acquisition of balance land for R&R colonies and the timelines for completing the same were not forthcoming from the records produced to audit.

The Government replied (August 2024) that out of an extent of 8,872.47 acres to be acquired for construction of R & R colonies, the land measuring 3,102.14 acres was acquired leaving a balance of 5,767.26 acres. Out of 5,767.26 acres, the acquisition of 1,443.59 acres pertaining to Phase-I was at different stages<sup>255</sup>. It was also replied that the LAOs were instructed to complete the balance LA process for Phase-I before January 2025. Further, it was also replied that the process for LA of the balance land of 4,326.74 acres for Phase-II would be initiated after completion of Phase-I LA process.

From the reply of the Government, it was evident that the requirement of land to be acquired was increased by 291.42 acres. However, the reason for the increase in requirement was not furnished to audit.

### 6.3.1.2 Acquisition of unfit land for cultivation

Audit noticed that the Special Deputy Collector (LA), PIPLMC<sup>256</sup>, Unit-I, Rajamahendravaram acquired (2017) land to an extent of 69.53 acres for allotment under land-to-land to eligible PDFs, declared (2017) under six LA Awards<sup>257</sup> pertaining to five villages in Devipatnam Mandal.

The Deputy Inspector of Survey, Rampachodavaram had reported (August 2018) that out of 69.53 acres, 40.47 acres were handed over to the beneficiaries and the balance 29.06 acres was unfit for cultivation. The tribal land losers did not accept the land unfit for cultivation. The Sub-Collector, Rampachodavaram while reporting<sup>258</sup> (August 2018) the above issue to the Joint Collector & Project Administrator (R&R), PIP, Kakinada, requested to take necessary action.

Despite lapse of more than five years from pronouncement of awards, no efforts were made to allot alternate land to the beneficiaries. Further, the unsuitable land acquired at a cost of ₹2.24 crore, as detailed in **Table 6.6**, has remained idle for the last five years.

**Table 6.6: Details of land which is unfit for cultivation**

(Extent of land in acres)							
Sl. No.	Village & Award Number	Total extent acquired	Already handed over	Fit for cultivation	Unfit for cultivation	Cost per Acre (in ₹)	Wasteful expenditure (₹ in crore)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)= (F) X (G)
1.	Indukuru, 06/2017 and 17/2017	13.68	1.57	7.89	4.22	7,70,219	0.33
2.	Pedabhimpalli 03/2017	9.25	2.23	1.54	5.48	7,72,521	0.42
3.	Sarabhavaram, 09/2017	12.39	0.00	0.00	12.39	7,63,233	0.95
4.	Lothupalem, 14/2017	20.15	12.92	1.57	5.66	7,70,712	0.44
5	Indukurupeta, 05/2017	14.06	12.75	0.00	1.31	7,63,397	0.10
	<b>Total</b>	<b>69.53</b>	<b>29.47</b>	<b>11.00</b>	<b>29.06</b>		<b>2.24</b>

Source: Information as furnished by the Department

<sup>255</sup> PN stage: 1,319.41 acres; Declaration stage: 17.24 acres; Award stage: 75.54 acres and Award passed & pending Payment stage: 31.40 acres

<sup>256</sup> Polavaram Irrigation Project Left Main Canal

<sup>257</sup> Indukuru (Award Nos. 6/2017, 17/2017), Pedabhimpalli (Award No. 3/2017), Sarabhavaram (Award No. 9/2017), Lothupalem (Award No. 14/2017), Indukurupeta (Award No. 5/2017)

<sup>258</sup> RC No. G/R&R/77/2018 dated 16.08.2018

The Government replied (November 2024) that pursuant to joint inspection report led by Deputy Inspector of Survey, 6.05 acres out of 69.53 acres was deemed unfit for cultivation. It was reported that certain areas were covered in rock formation and tank. Consequently, the issues of the specific land were brought to the notice of officer concerned to make it fit under Mahatma Gandhi National Rural Employment Guarantee Scheme. After completion, the land would be allotted to the PDFs.

### 6.3.1.3 Non-provisioning of amenities to R&R colonies

The Joint Collector and Project Administrator, PIP, East Godavari District instructed (March 2021) all the Executive Engineers executing R&R works in East and West Godavari Districts to incorporate the amenities suggested by user Departments and modify the infra<sup>259</sup> items in revised DPRs for the ongoing R&R colonies.

Scrutiny of revised DPR data revealed that in some of the R&R colonies of East and West Godavari Districts, the minimum prescribed infrastructure items mentioned in Third Schedule were stated as ‘No Need’ as detailed in *Table 6.7*.

**Table 6.7: Amenities mentioned as ‘No Need’ in DPRs of R&R colonies**

Infrastructure items	East Godavari District	West Godavari District
	Number of colonies: 16	Number of colonies: 32
	Number of colonies in which the Infra item was stated as ‘No Need’	
Veterinary Hospital	12	25
Fertiliser/ Rythu Bharosa Kendram	15	17
Health Centre	11	11
Anganwadi Centre	2	0
Post Office	7	25
Panchayat Buildings	15	25
Community Halls	2	19
Cremation Places	3	10
Sanitation & Sewerage	14	23
School buildings	1	10

Source: Records of the O/o The Project Administrator, Rajamahendravaram

It was not forthcoming from the records of the Project Administrator, why the Department had described the essential infra items as ‘No Need’ and had not provided the minimum amenities required as per the provisions of RFCTLARR Act, 2013.

The Department replied (December 2022) that the infrastructure facilities and amenities in R&R colonies were provided to the maximum extent of reimbursable limit of ₹6.52 lakh per PDF fixed by GoI. Any of the facilities that are existing nearby the colonies are excluded stating “No need” after consultation with the line Departments during the convergence meeting and finalised by the Project Administrator.

The reply is not acceptable, as the Department has not provided the location and the distance at which these amenities are available in the surrounding areas of R&R colonies to ascertain that there is no requirement for these amenities in the R&R colonies.

<sup>259</sup> Veterinary hospital, Rythu Bharosha Kendras, Health Centre, Anganwadi Centre, Post Office, Panchayat buildings, community halls, cremation places, sanitation & sewage, school building

During the Exit Conference, the Government stated (November 2024) that the amenities were decided as ‘No Need’ based on the Revenue Divisional Officers’ reports. The stock of the situation as pointed by Audit would be taken and the latest position would be updated/intimated.

The Department has submitted (November 2024) certain documents<sup>260</sup> of the existing amenities nearby the R&R colonies, in support of the ‘No Need’ claim and stated that these amenities were within the range of three kilometres from the R&R colonies.

On analysing the geographical locations with respect to the R&R colonies, Audit noticed that some of the amenities stated to be within three kilometres from the R&R colonies were actually located at a distance of more than six to seven kilometres.

### **6.3.2 Land Acquisition towards land-to-land**

Second schedule of the RFCTLARR Act, 2013, stipulate that in lieu of compensation to be paid for land acquired, each affected family owning agricultural land<sup>261</sup> whose land has been acquired or lost and who has been reduced to the status of a marginal farmer or landless, shall be allotted, in the name of each person included in the records of rights with regard to the affected family, a minimum of one acre of land in the command area of the project for which the land is acquired. In the case of persons belonging to Scheduled Castes or Scheduled Tribes, losing land would be provided land equivalent to land acquired or two and a one-half acre, whichever is lower.

#### **6.3.2.1 Allotment of land under land-to-land**

For 81 beneficiaries<sup>262</sup> identified in six villages of West Godavari District under ‘land-to-land’ scheme, a total of 192.61 acres<sup>263</sup> were acquired. Audit noticed discrepancies in the allotment process as under:

(i) Under ‘land-to-land’ scheme, an extent of land measuring 52.45 acres was requisitioned for allotment to 16 beneficiaries<sup>264</sup>. However, an extent of land admeasuring 65.24 acres was allotted (beneficiary-wise allotment detailed in *Appendix 6.2*), thereby resulting in excess allotment of 12.79 acres as shown in *Table 6.8*.

(ii) Under ‘land-to-land’ scheme, an extent of land admeasuring 77.24 acres was requisitioned for 22 beneficiaries<sup>265</sup>. However, an extent of land admeasuring 37.80 acres only was allotted (as detailed in *Appendix 6.3*), thereby allotting 39.44 acres lesser as shown in *Table 6.8*.

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<sup>260</sup> Photographs and geographic location of the existing amenities

<sup>261</sup> Section 3 of RFCTLARR Act, 2013 “agricultural land” means land used for the purpose of agriculture or horticulture, dairy/poultry farming, pisciculture, sericulture, seed farming breeding of livestock or nursery growing medicinal herbs, raising of crops, trees, garden produce and land used for the grazing of cattle

<sup>262</sup> Sivagiri (34) + Thutigunta, Yerravaram and Sarugudu (21) + Tallavaram and Vadapalli (26)

<sup>263</sup> Tallavaram and Vadapalli (26 beneficiaries, 62.10 acres of land) +Thutigunta, Yerravaram and Sarugudu (21 beneficiaries, 48.76 acres of land) + Sivagiri (34 beneficiaries, 81.75 acres)

<sup>264</sup> Sivagiri (5) + Thutigunta, Yerravaram and Sarugudu (8) + Tallavaram and Vadapalli (3)

<sup>265</sup> Sivagiri (18) + Thutigunta, Yerravaram and Sarugudu (2) + Tallavaram and Vadapalli (2)

**Table 6.8: Details of excess/less extent of Land-to-land allotted than the land acquired (in acres)**

Sl. No.	Habitation	Number of beneficiaries	Extent of land acquired as per LA Awards	Extent of land-to-land allotted	Excess/less extent of land allotted towards land-to-land
<b>Excess extent of land-to-land allotted</b>					
1.	Sivagiri	5	17.73	22.47	4.74
2.	Thutigunta (ST community)	8	26.27	33.54	7.27
3.	Tallavaram (ST community)	2	2.57	3.07	0.50
4.	Vadapalli (ST community)	1	5.88	6.16	0.28
<b>Total</b>		<b>16</b>	<b>52.45</b>	<b>65.24</b>	<b>12.79</b>
<b>Lesser extent of land-to-land allotted</b>					
1.	Sivagiri	18	64.57	29.68	34.89
2.	Thutigunta-ST	2	1.91	1.56	0.35
3.	Vadapalli-ST	2	10.76	6.56	4.20
<b>Total</b>		<b>22</b>	<b>77.24</b>	<b>37.80</b>	<b>39.44</b>

Source: Information furnished by the Department

Thus, allotment of land to PDFs under ‘land-to-land’ scheme was not in line with acquisition/requisition made for land requirement. The reasons for discrepancy and action taken to rectify the allotment of land was not on record.

The Government replied (August 2024) that some land losers in the villages have already received the land-to-land for their land more than 2.50 acres previously as per the L.A. Act, 1894. Hence the villagers of Sivagiri Village of Polavaram Mandal has also requested to issue land-to-land benefits as issued previously for their land under acquisition. Hence, on the request made by the (31) beneficiaries, the then L.A.O and Special Deputy Collector (L.A), PIPRMC, Unit-I, Kovvur has awarded land-to-land compensation more than 2.50 acres.

During the Exit Conference, the Government stated (November 2024) that the excess land was allotted to the beneficiaries on their request in lieu of the cash compensation, as the land was acquired at a cost of ₹2.5 lakh per acre, whereas the land compensation is to be paid at ₹ 3.5 lakh per acre. As such there was no burden on the exchequer. In some cases, the beneficiaries requested for cash compensation instead of the land allotment.

The reply is not acceptable. Allotment of excess land in lieu of cash compensation is against the provision of the Act, 2013. Obliging to these requests in the current circumstances might complicate the Land Acquisition process.

### 6.3.2.2 Allotment of land-to-land to ineligible beneficiaries

Out of 143 beneficiaries<sup>266</sup> to whom land was allotted under ‘land-to-land’ scheme by Revenue Divisional Officer, Jangareddigudem, 95 beneficiaries<sup>267</sup> as detailed in **Table 6.9**, were allotted land measuring 166.52 acres though their names were not included in the Land Acquisition Awards (as detailed in **Appendix 6.4**).

<sup>266</sup> Sivagiri (56) + Thutigunta, Yerravaram and Sarugudu (87)

<sup>267</sup> Sivagiri (22) + Thutigunta, Yerravaram and Sarugudu (2+34)+ Tallavaram, Vadapalli (2+35)

**Table 6.9: Allotment of land under land-to-land to ineligible persons**

Sl. No.	Name of the Habitation	Number of beneficiaries	Extent of land-to-land given (in acres)
1.	Sivagiri	22	35.55
2.	Thutigunta	2	6.44
3.	Yerravaram	34	67.67
4.	Tallavaram	19	26.15
5.	Vadapalli	18	30.71
<b>Total</b>		<b>95</b>	<b>166.52</b>

Source: Information furnished by the Department

The Government replied (August 2024) that in case of death of PDF concerned, the land was allotted to their legal heirs after due enquiry and hence there is no discrepancy in respect of awardee names in land-to-land allotment orders.

The documentation in support of the reply was not provided to Audit. Further, the reply seems to be suspicious as 95 death cases were being reported out of 143 allottees.

### 6.3.2.3 Allotment of land more than the permissible limit

Scrutiny of records revealed that in respect of the 49 ST beneficiaries (as detailed in **Appendix 6.5**), the land-to-land was allotted more than the prescribed limit of 2.50 acres as detailed in **Table 6.10**.

**Table 6.10: Allotment of land in excess of the permissible limit**

(in acres)					
Sl. No.	Name of the Habitation	Number of beneficiaries	Maximum permissible extent of land can be given	Extent of land-to-land allotted	Excess extent of land allotted
A	B	C	D= (C) x 2.50 acre	E	F
1.	Sivagiri	12	30.00	55.12	25.12
2.	Thutigunta	22	55.00	94.86	39.86
3.	Yerravaram	15	37.50	60.64	23.14
<b>Total</b>		<b>49</b>	<b>122.50</b>	<b>210.62</b>	<b>88.12</b>

Source: Information furnished by the Department

The Government replied (August 2024) that in the mentioned villages, Preliminary Notification was issued under old LA Act, 1894 and hence the land-to-land was allocated as per RR policy 2005, in which it is mentioned that under para 6.5 land up to 2.5 hectares (6.18 acres) shall be given to Tribal land losers under land-to-land in lieu of compensation. Accordingly, the tribal land losers were allotted land-to-land as permissible under the RR policy 2005 and hence there is no deviation.

The reply is not acceptable, as the 'land-to-land' allotment orders of RDO was issued between the years 2016 to 2021 after implementation of new Act, 2013. Hence, excess allotment of land is not in order.

### 6.3.3 Implementation of Rehabilitation & Resettlement cash benefits

As per Second schedule, PDFs are entitled for the following R&R cash benefits:

Employment/ Choice of Annuity per family ₹5.00 lakh
Subsistence Grant of ₹36,000 for displaced families for a period of 12 months at ₹3,000 per month
Additional subsistence grant of ₹50,000 for SC/STs
Transportation cost of ₹50,000
One time resettlement allowance of ₹ 50,000
One-time financial assistance for Cattle shed/petty shop / Kirana shop/pan shop of ₹ 25,000
One time grant to Artisan, small traders, or self-employed person of ₹ 25,000

#### 6.3.3.1 Payment of cash benefits

As per Section 38 of RFCTLARR Act, 2013, the District Collector shall take possession of land after ensuring that full payment of compensation as well as R&R entitlements are paid to the entitled persons within a period of three months for the compensation and six months for the monetary part of R&R entitlements listed in the Second Schedule commencing from the date of the award.

Scrutiny of records of the Project Administrator revealed that as against the targeted expenditure of ₹7,270.41 crore for payment of R&R cash benefits to 1,06,006 PDFs, as of March 2023, an amount of ₹841.34 crore<sup>268</sup> was paid to 14,500 PDFs as detailed in **Table 6.11**.

**Table 6.11: Contour wise payment of R&R Cash benefits**

Sl. No.	Contour Level (in m)	(₹ in crore)					
		R&R Cash Benefits estimated		R&R Cash Benefits Paid		R&R Cash Benefits to be paid	
		Number of PDFs	Amount	Number of PDFs	Amount	Number of PDFs	Amount
1.	Upto (+) 41.15	20,946	1,291.39	14,181	821.51	6,765	469.88
2.	(+) 41.15 to (+) 45.72	85,060	5,979.02	319	19.83	84,741	5,959.19
	<b>Total</b>	<b>1,06,006</b>	<b>7,270.41</b>	<b>14,500</b>	<b>841.34</b>	<b>91,506</b>	<b>6,429.07</b>

Source: Records of Project Administrator, Polavaram Irrigation Project, Rajamahendravaram

The reasons for non-payment of R&R cash benefit to balance PDFs was not forthcoming from the records produced to audit.

Further, scrutiny of records in two R&R offices<sup>269</sup> relating to payment of R&R benefits revealed that out of 7,407 identified PDFs in Polavaram (3,198 PDFs) and Devipatnam

<sup>268</sup> ₹821.51 crore was paid to 14,181 PDFs up to (+) 41.15 m contour and ₹19.83 crore was paid to 319 PDFs for above (+) 41.15 m contour

<sup>269</sup> Office of the Revenue Divisional Officer, Jangareddigudem and Office of Sub-Collector, Rampachodavaram

Mandals (4,209 PDFs), 972 PDFs<sup>270</sup> of 45 habitations were shifted (as of March 2023) to R&R colonies without payment of entitled R&R cash benefits of ₹64.88 crore<sup>271</sup> (as detailed in **Appendix 6.6**).

Shifting of PDFs before payment of R&R cash compensation is against the provisions of RFCTLARR Act, 2013.

The Government replied (August 2024) that the PDFs are shifted from the submergence habitation only after payment of R&R Cash benefit and handover of constructed house with amenities under Schedule III of RFCTLARR Act, 2013 in the R&R colony and it is purely voluntary. However, some PDFs in certain habitations where their houses are completed but R&R Cash benefits were not paid, shifted voluntarily to new R&R colonies due to various reasons *viz.*, maximum Co-PDFs shifted to new colony, flood affect during rainy season in the old habitation, interested to shift to the new R&R colony with good amenities and infrastructure *etc.* Of the 20,946 PDFs identified under Phase-I, 14,496 PDFs were paid R&R Cash Benefits of ₹841.47 crore. Of the remaining 6,450 PDFs, bills pertaining to 5,230 PDFs were raised for ₹342.71 crore and payment of bills pertaining to the remaining 1,220 PDFs is in progress.

The reply is silent on failure to extend the legitimate R&R cash benefit even to the already shifted PDFs. Further, delay in extending R&R cash benefit would delay the entire process of completion of PIP within the targeted date and this also causes social and financial distress among PDFs.

#### **6.3.3.2 Non-payment of additional R&R package to Project Displaced Families**

The GoAP accorded sanction<sup>272</sup> (June 2021) for payment of ₹550.00 crore towards additional R&R package to PDFs in addition to the cash emoluments extended under Second Schedule of RFCTLARR Act, 2013 and to ensure that each PDF receives R&R package of ₹10.00 lakh.

Audit noticed that additional R&R package was not paid to PDFs. The reason for non-payment of additional R&R package to the beneficiaries is not on record.

The Government replied (August 2024) that the package of ₹10.00 lakh includes all the monetary emoluments under the RFCTLARR Act, 2013 is an assurance given (June 2021) by the Government. The balance payment as assured under additional R&R package would be made to the PDFs as per availability of budget.

During the Exit Conference, the Government stated (November 2024) that though assurance given, guidelines and rules for payment were yet to be finalised.

Thus, it is evident that the R&R package of ₹10.00 lakh was not extended to PDFs.

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<sup>270</sup> Office of the Revenue Divisional Officer (435 PDFs of 19 habitations of Polavaram Mandal) + Office of Sub-Collector (537 PDFs of 26 habitations of Devipatnam Mandal)

<sup>271</sup> Office of the Revenue Divisional Officer (₹ 29.10 crore, 435 PDFs of 19 habitations of Polavaram Mandal) + Office of Sub-Collector (₹35.58 crore, 537 PDFs of 26 habitations of Devipatnam Mandal)

<sup>272</sup> G.O.RT.No.224 WRD (R&R-A2) Department dated 30.06.2021

### 6.3.4 Provisioning of housing units

As per Second schedule of RFCTLARR Act, 2013, if a house is lost in rural areas, a constructed house shall be provided as per the Indira Awas Yojana specifications. House with not less than 25 Sq. m<sup>273</sup> i.e., 269 Sq. ft. to be constructed as per Indira Awas Yojana Specifications.

However, the Special Commissioner (R&R), Vijayawada instructed<sup>274</sup> (July 2021) to provide a house of plinth 379.25 Sq. ft. in a land admeasuring 0.05 acres, with all the basic infrastructure amenities in the R&R colonies to be constructed by the Government. Option-wise (*refer Para 6.1.2 (c)*) details of payments made to the beneficiaries up to (+) 41.15 m contour was as detailed in **Table 6.12**.

**Table 6.12: Option wise details of payments made**

(₹ in crore)					
Option	Total number of PDFs opted	R&R benefits payable including housing unit	Self Construction/ One Time Scheme benefit	Number of PDFs availed the benefit	Amount paid for self construction
Option-1	17,718	1,083.97	Government construction	13,459	Government construction
Option-2	1,476	95.87	42.07	617	0.06
Option-3	1,752	111.55	67.45	105	--
<b>Total</b>	<b>20,946</b>	<b>1,291.39</b>	<b>109.52</b>	<b>14,181</b>	<b>0.06</b>

Source: Information provided by the RDO, Jangareddigudem and Sub-Collector, Rampachodavaram

#### 6.3.4.1 Housing units kept vacant for want of essential amenities

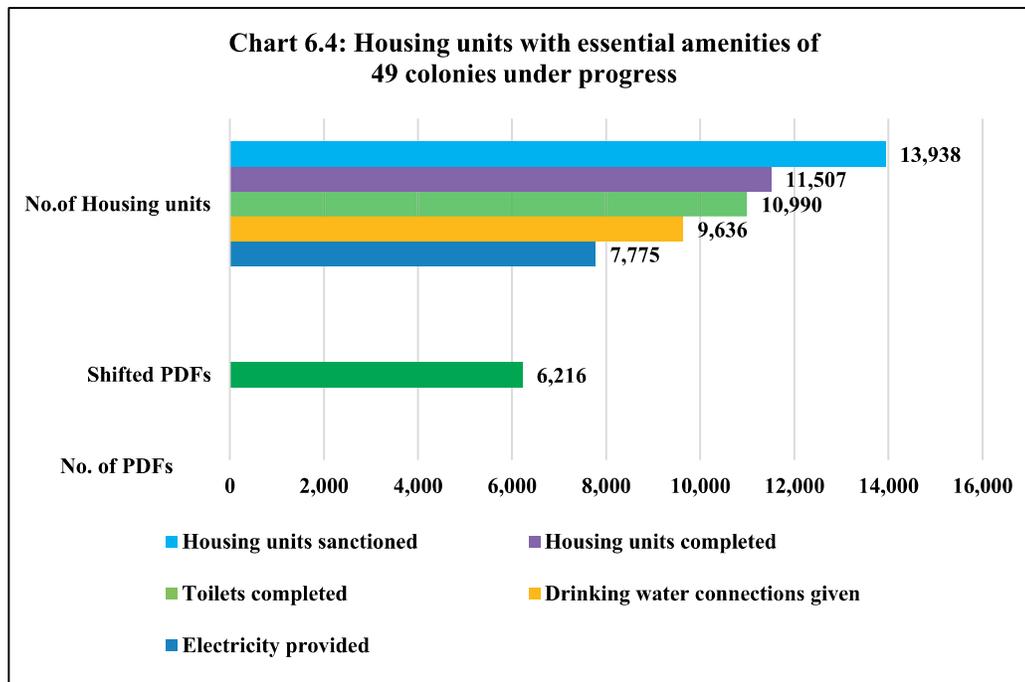
The PIP is targeted for completion by June 2024. To accommodate PDFs upto FRL (+) 45.72 m, a total of 213 R&R colonies were contemplated prior to March 2014, out of which construction of 75 colonies were taken up upto (+) 41.15 m contour. Out of these 75 colonies, 26 colonies were completed (March 2021) with rehabilitation of 3,922 PDFs and 49 colonies were under progress.

Audit noticed that the District Collectors allotted works to various Executing agencies<sup>275</sup> and the sites for construction of R&R colonies were handed over to the said agencies between 2018 and 2020. In the 49 colonies under construction, a total of 13,938 housing units were sanctioned, of which structures of 11,507 units were completed (as of March 2023). Total PDFs shifted to these housing units till March 2023 were 6,216. The number of housing units constructed, and amenities provided to the housing units in 49 colonies is as shown in **Chart 6.4**.

<sup>273</sup> the same was 20 Sq. m prior to 2019

<sup>274</sup> RC.No.1708/CRR/B/2020 dated 18.07.2021

<sup>275</sup> Roads & Building, Panchayat Raj, Tribal Welfare, Andhra Pradesh State Housing Corporation Limited and Andhra Pradesh Education Welfare Infrastructure Development Corporation



The status of work (as of March 2023) related to houses completed by the executing Departments in the 49 R&R colonies which are in progress is detailed in *Appendix 6.7*.

Audit noticed that:

- Out of the proposed 13,938 housing units, 11,507 units were completed (March 2023) leaving a balance of 2,431 units to be completed. In 11,507 completed housing units, only 6,216 PDFs were shifted. The balance 5,291 (11,507 units- 6,216 units) completed housing units (46 per cent) were lying idle due to non-provisioning of basic amenities.
- Toilets in 517 housing units (11,507- 10,990), drinking water connections to 1,871 housing units (11,507-9,636) and electric connections to 3,732 housing units (11,507- 7,775) were not provided. Due to non-provisioning of essential amenities, the intended purpose of constructing housing units was not achieved. Reasons for non-commencement of balance 2,431 units (13,938 - 11,507) and reasons for not providing the basic amenities in the already constructed units were not forthcoming from records.
- Though the lands were handed over to the executing agencies for construction of R&R colonies between 2018 and 2020, even after a lapse of three to five years, 44.22 per cent of works were still pending completion.

The Government replied (August 2024) that out of 13,938 housing units allotted, 11,595 units were completed and occupied. The remaining 2,137 houses are under progress and the remaining 206 units are yet to be started. Out of 13,799 toilets units, 11,063 were completed, 1,459 toilets are under progress and the remaining 1,277 are to be started. Drinking water connections to 1,852 housing units and electric connections to 3,496 housing units are under progress.

During the Exit Conference, the Government stated (November 2024) that due to incomplete infrastructure and pending payment of R&R benefits, the PDFs are not shifting to the R&R

colonies. The infrastructure would be completed in next six months and the PDFs would be shifted to the already constructed houses.

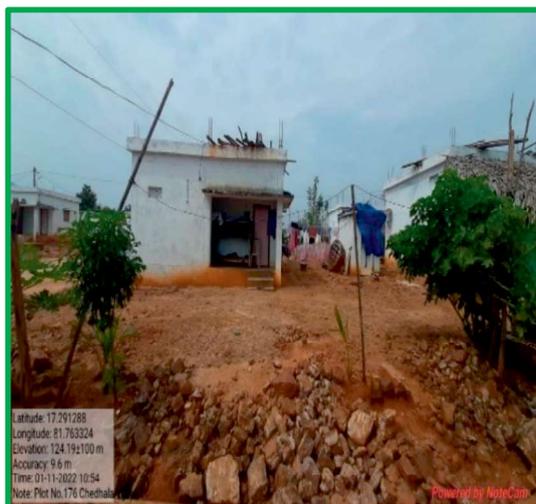
#### 6.3.4.2 Non-provision of additional common facilities

The Special Commissioner, R&R had issued (March 2021) circular instructions to all the executing agencies for provision of the following common and mandatory facilities to each and every house in all the R&R colonies of Polavaram Irrigation Project:

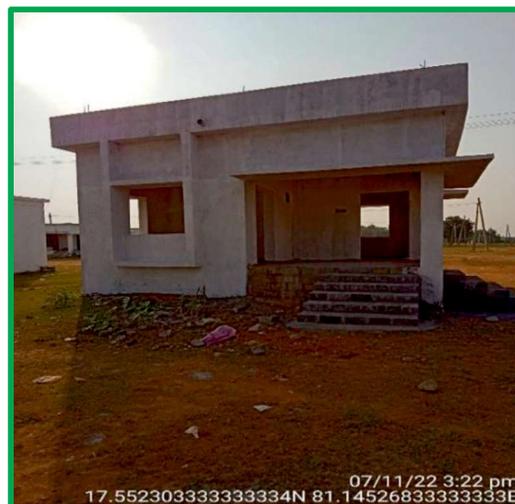
- Plinth protection around the house and all the Reinforced Cement Concrete buildings/structures *i.e.*, Anganwadi Centre, Post Office, school building, shopping complex, *etc.*
- Pathway of one meter width to houses, toilets and infra buildings with brick on edge wall sides.
- Wash place beside bathroom (for cleaning of vessels and clothes) with brick on edge wall around the place.
- Three number of tap points to each house *i.e.*, at Kitchen, Toilets and wash place.
- One almirah (built in cupboard) in bedroom.
- Suitable earth for plantation and vegetable growth in the open spaces of house sites.

Further, executing agencies were instructed that the above facilities be included in the DPR. During the beneficiary Survey in selected R&R colonies (September to November 2022), audit noticed that many of the above additional facilities were not provided for all the houses as shown in **Pictures 6.2 to 6.5**.

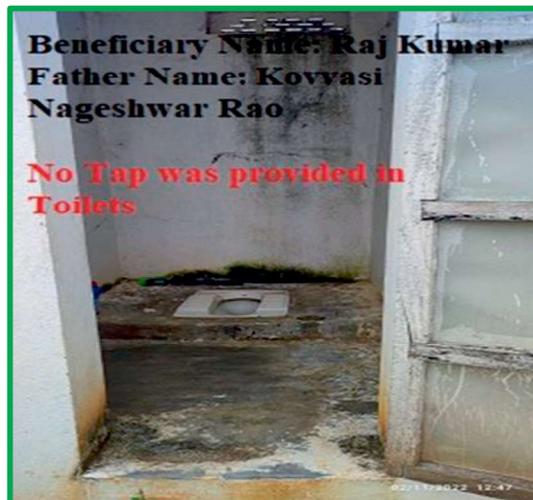
**Picture 6.2 to 6.5: Photographic images related to non-provisioning of additional facilities viz., No plinth protection, pathway to the house, no wash place, no tap points provided.**



**No plinth protection and pathway to the house, (Plot No.176)**



**No plinth protection to Panchayat Office building (Plot No.52)**



Tap connection not provided in toilet



Tap connection not provided in Kitchen

The Government replied (August 2024) that due to limitations in unit cost per PDF as per RCC and to maintain uniformity in execution of houses in all colonies, one almirah in Bedroom and one in Kitchen are provided. One Tap connection with platform for cleaning & washing of clothes is also provided to each house. The remaining facilities would also be provided in due course.

The reply confirms that despite instructions from the Special Commissioner, R&R, to all the executing agencies, to provide the mandatory additional common facilities, these facilities were not provided to the PDFs.

### 6.3.5 Unfruitful expenditure due to non-completion of compound wall

Third Schedule to the RFCTLARR Act, 2013 stipulate that appropriate security arrangements must be provided for settlement, if needed. As most of the resettlement colonies are located in/near farms, construction of compound walls would be one of the basic security arrangements to be provided as per the provisions of the Act.

The District Collectors of erstwhile East Godavari and West Godavari Districts entrusted works related to development of R&R colonies to various executing agencies<sup>276</sup>. Of these, APSHCL<sup>277</sup> was allocated works of four colonies<sup>278</sup> in East Godavari District and 11 colonies<sup>279</sup> in West Godavari Districts. Scrutiny of records of EE, APSHCL, Rampachodavaram, East Godavari District revealed that a provision of ₹4.64 crore was made in Detailed Project Reports for construction of compound wall around the R&R colonies of Krishnunipalem, Indukuru-1 and Indukuru-2 as detailed in *Table 6.13*.

<sup>276</sup> Roads & Building, Panchayat Raj, Tribal Welfare, Andhra Pradesh State Housing Corporation Limited and Andhra Pradesh Education Welfare Infrastructure Development Corporation

<sup>277</sup> Andhra Pradesh State Housing Corporation Limited

<sup>278</sup> Indukuru-1 (350), Indukuru-2 (134), Krishnunipalem (1067) and Velagapalli (102)

<sup>279</sup> Yerravaram (95), Saripalli (315), Sarugudu (60), Sivagiri (128), Taduvai (3905), Vankavarigudem (94), Buttaigudem (168), Dharbagudem (220), Doramamadi (198), Rachannagudem (153) and Swarnavarigudem (444)

**Table 6.13: R&R colonies where incomplete compound walls were constructed**  
(₹ in crore)

Sl. No.	Name of the R&R colony	Amount of provision made in DPR	Expenditure incurred
1.	Krishnunipalem	1.81	0.92
2.	Indukuru-1	1.76	0.50
3.	Indukuru-2	1.07	0.02
<b>Total</b>		<b>4.64</b>	<b>1.44</b>

Source: Information furnished by the Department

A joint inspection of above colonies revealed that the work of construction of compound wall (commenced in 2019-20) in all the above three colonies was incomplete and the construction was stopped in 2021 after incurring an expenditure of ₹1.44 crore. The stoppage of work resulted in unfruitful expenditure of ₹1.44 crore towards these incomplete compound walls in three R&R colonies.

**Picture-6.6 & 6.7: Photographic images of incomplete compound walls**



**Krishnunipalem R&R colony**



**Indukuru-I R&R Colony**

The Government replied (August 2024) that the construction of compound wall was stopped after partial construction due to limitations in unit cost per PDF and to maintain uniformity in execution in all R&R colonies. After completion of all R&R colonies, these colonies would be kept in safe custody of Gram Panchayat and thus, the security/encroachment of public properties within the R&R colonies would be dealt by the Gram Panchayat concerned.

The reply is not acceptable, as the amenities are to be provided based on the requirements of the location. As such, compound walls are necessary as these colonies are adjoining farms and forest. Non-provision of the same may result in encroachments and social conflict due to trespassing.

#### **6.4 Monitoring Mechanism and Other Issues**

As per Section 43(2) & (3) of the RFCTLARR Act, 2013 the Project Administrator (PA) shall function efficiently to meet the special time-frame. The PA shall be provided with such powers, duties and responsibilities as may be prescribed by the appropriate Government. The PA shall be provided with office infrastructure assisted by officers and employees who shall be subordinate to him as the appropriate Government may decide subject to the superintendence, directions and control of the appropriate Government and the Commissioner for R&R. The formulation, execution and monitoring of R&R Scheme shall vest in PA.

#### **6.4.1 Delayed formation of Project Administrator Office**

The PA plays a pivotal role in ensuring the successful execution of the Polavaram Irrigation Project, from planning to implementation and community welfare. Though RFCTLARR Act, 2013 was effective from January 2014, Government had appointed<sup>280</sup> the Project Administrator for the project only in May 2020<sup>281</sup>. Thereafter, the Project Administrator office commenced its operations from July 2020.

Thus, there was a delay of six years in the formation of the Project Administrator office since commencement of RFCTLARR Act, 2013. The delayed appointment of PA may also be one of the reasons for flaws in implementation of LA and R&R.

The Government replied (August 2024) that before the establishment of Project Administrator's office, the Joint Collectors of erstwhile East Godavari & West Godavari Districts were supervising the R&R units and acted as the Project Administrators in their respective jurisdiction of Polavaram Irrigation Project.

The reply is not acceptable. The RFCTLARR Act, 2013 had specifically mentioned about appointment of Project Administrator to oversee the formulation, execution and monitoring of R&R Scheme for effective and timely completion of rehabilitation of PDFs. The delay in the appointment of PA had led to flaws in implementation of R&R scheme.

#### **6.4.2 Functioning of R&R units with meagre staff**

Scrutiny of records relating to cadre strength of staff working in five R&R units revealed that out of 65 temporary posts sanctioned (outsourcing or retired staff posts), only 42 posts were filled while 23 posts (35 *per cent*) were lying vacant.

The Government replied (August 2024) that 65 temporary posts were sanctioned and are to be filled on outsourcing or with retired employees. Out of the 42 working posts, 10 Retired employees resigned, and the remaining 32 outsourcing employees were working. Most of the qualified persons or retired employees are not coming forward to work in R&R units which are in Tribal areas. However, steps are being taken to fill the vacant posts.

During the Exit Conference, the Government stated (November 2024) that previously these units were not functioning, hence staff were not deployed. Now as the activity has taken pace, the vacant posts are proposed to be filled and District Collectors were instructed in this regard.

#### **6.4.3 Lack of effective mechanism for speedy disposal of grievances**

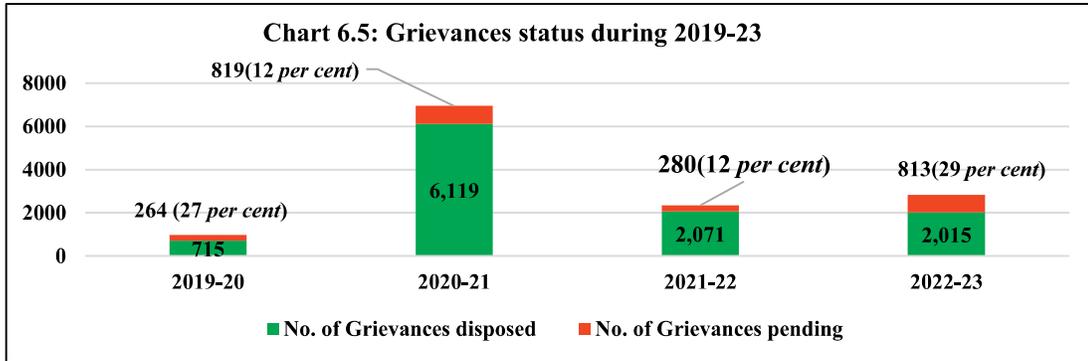
A Grievance redressal cell and a web portal was developed (2019) for quality redressal of grievances. The grievances are uploaded by the public in the web portal for redressal.

Scrutiny of records of the Department revealed that to the end of March 2023, a total of 13,096 R&R related grievances were received during the period 2019-20 to 2021-22. Out of these 13,096 grievances, 10,920 were disposed off leaving a balance of 2,176 grievances (17 *per cent*) pending disposal. Majority of the grievances uploaded in the website pertains to discrepancies in name of the PDF, ration card number, bank account number, Aadhaar number, *etc.* Year wise details of pending and disposed cases are shown in **Chart 6.5**.

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<sup>280</sup> G.O.Ms.No.42, GA (SC.A) Department dated 10.05.2020

<sup>281</sup> prior to this Special Commissioner (R&R) and concerned District Collectors have overseen the R&R activities



Audit noticed that no timelines for disposal of grievances raised was fixed. Further, information relating to grievances received and disposed of prior to 2019-20 was not available with the office, which indicates that the Project Administrator Office, exclusively formed as a controlling office for the purpose of looking after all the R&R activities of the Project, was not maintaining all the relevant information relating to the grievances raised /disposed.

The Government replied (August 2024) that a web portal ([www.polavaram.ap.gov.in](http://www.polavaram.ap.gov.in)) has been created to upload grievance petitions and to maintain online records of uploaded/ disposed grievances. The web portal has been designed with a mechanism that every petition is enquired initially by the mandal level officer and next by the R&R Officers followed by PA and also by providing appeal opportunity. Also, the PA issues orders to the concerned officers with clear and strict timelines to redress all grievances promptly, effectively and to improve overall administrative efficiency for ensuring transparent processes for rehabilitation and to support the affected communities. After the establishment of PA, PIP, the grievance redressal mechanism was strengthened & streamlined.

The reply is silent regarding non-settlement of pending grievances. Further, the said website does not show the details of grievances received and disposed of.

Thus, an online mechanism has not been developed to have real time position of grievances.

#### **6.4.4 Non-conduct of Social Audits in R&R colonies**

Section 45 and 44(3) of the RFCTLARR Act, 2013 stipulate that where land proposed to be acquired is equal to or more than one hundred acres, the appropriate Government shall constitute a Committee under the chairmanship of the District Collector, to be called the R&R Committee. The Committee shall monitor and review the progress of the implementation of R&R scheme and carry out post-implementation Social Audits in consultation with the Gram Sabha in rural areas and municipality in urban areas. The Commissioner, R&R is responsible for the post-implementation Social Audit.

Para 8.2 of AP R&R Policy 2005 also stipulate that the Government has to conduct third party concurrent audit of implementation of R&R plan and such audit report shall be placed before State Level Monitoring Committee from time to time.

Audit noticed that the Department had not conducted post implementation Social Audit in any of the completed R&R colonies. It is pertinent to mention that during the Beneficiary Survey (Refer Chapter VII) of selected PDFs in R&R colonies, it was noticed that there were several issues regarding non extension of entitled R&R benefits, quality of works taken up in R&R

colonies, non-provision of certain amenities and also non/poor maintenance of infrastructure and amenities.

The Government replied (August 2024) that Project Level Monitoring Committees (PLMC) were constituted as per Section 45(1) of the RFCTLARR Act, 2013 in erstwhile East and West Godavari Districts. Three PLMC meetings were conducted in erstwhile East Godavari District (between October 2021 and June 2022) and five in erstwhile West Godavari District (between September 2021 and August 2022). Further, it is submitted that the statutory Social Audit would be conducted once all works are completed in all respects to assess the socio - economic standards.

During the Exit Conference, the Government replied (November 2024) that once the PDFs are shifted to 49 colonies which are in progress, the Social Audit would be taken up.

The reply is not acceptable. The Social Audit is intended to assess how effectively the R&R plan is implemented and to what extent the PDFs are satisfied with the compensation provided in lieu of forgoing their valuable properties and social life attached to their original land.

Due to non-conduct of Social Audit in the completed and occupied R&R colonies, the Department lost an opportunity to get feedback and take corrective action in the ongoing / remaining R&R colonies.