

CHAPTER 5

Rehabilitation and Resettlement

The RFCTLARR Act, 2013, envisages Rehabilitation and Resettlement (R&R) benefits for both affected and displaced families, in order to improve their social and economic conditions, post-acquisition of land. The R&R Policy of the State Government also had certain provisions in this regard. Audit reviewed the R&R benefits granted in the sampled districts and the significant audit findings, in this regard, are as follows:

- *Although, as per the provisions of the RFCTLARR Act, 2013, the affected families, were entitled to R&R benefits, the same were being denied to them. Only displaced families were being given the R&R benefits.*
- *As many as 2,208 affected/ displaced families had not been disbursed R&R entitlements of ₹ 176.51 crore, even after their displacement or acquisition of their lands.*
- *In four projects, 2,390 families, displaced due to land acquisition, had not been given the R&R benefits, even after lapse of 5 to 60 years.*
- *In three projects, 1,915 families eligible for R&R benefits had been paid R&R benefits at rates that were lower than their entitlement, by an amount of ₹ 10.28 crore.*
- *In R&R colonies, basic amenities, like all-weather roads, piped drinking water, drainage, individual toilets, Anganwadi centres and public lighting systems, were lacking.*

Section 3 of the RFCTLARR Act, 2013, defines ‘affected family’ as a family whose land or other immovable property, has been acquired. It also includes families, other than the owner of the land acquired, whose livelihood is primarily dependent on the land acquired. The Act defines ‘displaced family’ as any family, which, on account of acquisition of land, has to be relocated and resettled, from the affected area, to the resettlement area.

5.1 Provisions for R&R

5.1.1 Provisions in the RFCTLARR Act, 2013

Section 19 (2) of the RFCTLARR Act, 2013, provides that the Collector shall publish a summary of the R&R Scheme, indicating the names of the affected and displaced families, arising due to land acquisition. Section 31 of the RFCTLARR Act, 2013, provides for passing of the R&R award by the Collector, for each affected family, as provided in the Second Schedule of the Act. The Second Schedule of the Act provides for different elements of R&R entitlements, like provision for housing units, land, annuity or employment,

subsistence grant, *etc.*⁵². As per Section 108 of the RFCTLARR Act, 2013, where a State law, or a policy framed by the Government of a State, provides for a higher compensation or offers more R&R benefits than calculated under the Act, the affected family may exercise an option to avail such higher R&R benefits.

5.1.2 Provisions in Odisha R&R Policy

The Odisha R&R Policy (ORRP), 2006, provides for R&R benefits for 'displaced' families of all types of projects. Unlike the RFCTLARR Act, 2013, the 'affected' families are not entitled to R&R benefits, under the ORRP, 2006. However, families affected due to acquisition of land for irrigation projects/national parks and sanctuaries, are entitled to R&R benefits. Clause 13 of the ORRP, 2006, provides for revision of rehabilitation grants, every two years, on the basis of the wholesale price index.

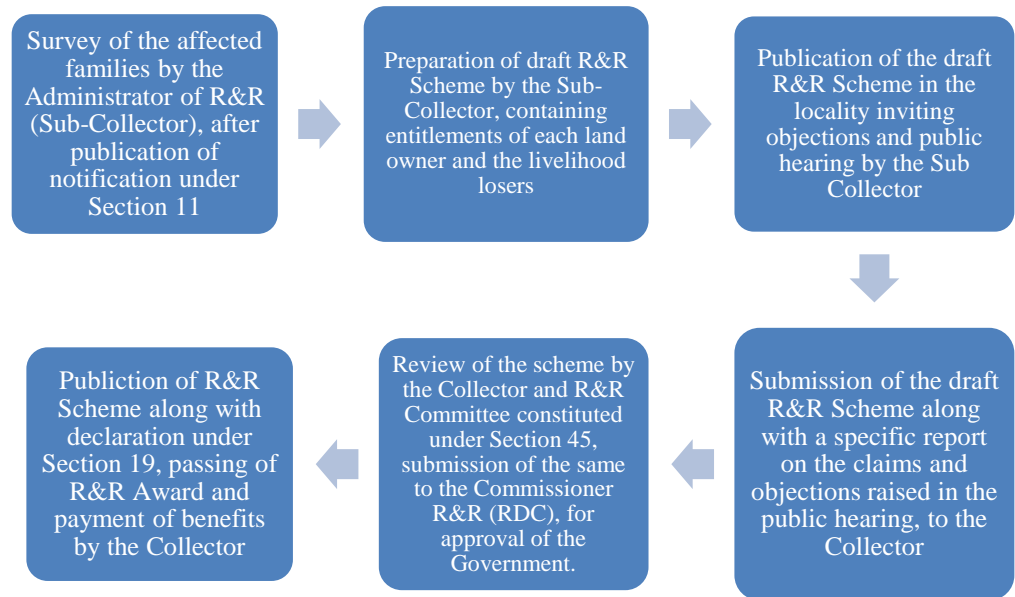
Clause 9 of the ORRP, 2006, lays down that an encroacher family, which is landless⁵³ or homesteadless, as defined in the Orissa Prevention of Land Encroachment Act, 1972, and is in possession of the encroached land, for a period of at least 10 years, continuously, prior to the date of notification of acquisition of the said land, will get *ex gratia*, equal to the compensation amount for similar category of land.

The process of R&R Award, as per the RFCTLARR Act, 2013, is depicted in **Chart 5.1**.

⁵² Provision of housing unit, in case of displacement; land for land to the affected family, in case of irrigation projects; choice of annuity or employment to the affected families; subsistence grant for displaced families, for a period of one year; transportation cost for displaced families; one-time grant to each affected family of an artisan, small trader or certain others; fishing rights to affected families, in case of irrigation/ hydel projects; one time resettlement allowance to each affected family and stamp duty and registration fee, *etc.*

⁵³ 'Landless' means a person, the total extent of whose land, excluding homestead, together with the lands of all the members of his family, who are living with him in common mess, is less than one standard acre and whose total annual income, together with all the members of his family who are living with him in common mess, does not exceed an amount, which the State Government specifies from time to time, in that behalf

Chart 5.1: Process of R&R award



5.2 Grant of R&R benefits

Audit test-checked 315 LA cases, processed in the six sampled districts, during FYs 2017-18 to 2021-22. Of these, in 200 LA cases, compensation towards acquisition of 3,072.088 acres of land, had been awarded by the Collectors, as of November 2022. From the SIA report and information furnished to Audit, it was seen that 14,563 families had been affected, while 786 families had been displaced, due to acquisition of the above mentioned land. District/ Project-wise details of the affected/ displaced families, are given in **Table 5.1**.

Table 5.1: Families affected/ displaced, due acquisition of land

District	Unit	Area acquired (in acres)	No. of families affected	No. of families displaced
Kalahandi	SLAO, RIP	7.660	50	-
Keonjhar	LAO, Keonjhar	4.715	518	-
	SLAO, DBRL	11.050	1,242	-
	PD, R&R KIP	546.113	919	83
Koraput	LAO, Koraput	14.310	23	-
	SLA&RRO, TMIP	195.690	516	117
Mayurbhanj	LAO, Mayurbhanj	8.23	175	-
	PD, R&R, SIP	1519.120	8,310	586
Nabarangpur	LAO, Nabarangpur	0.740	1	-
Sundargarh	LAO, Sundargarh	516.820	1,765	-
	SLAO, TBRLP, Sundargarh	247.640	1,044	-
Total		3,072.088	14,563	786

(Source: Records of the Offices of the test-checked LAOs/ SLAOs)

Deficiencies noticed in regard to provision of R&R benefits, are discussed below:

5.2.1 Denial of R&R benefits to affected families

ORRP, 2006, did not envisage benefits for affected families⁵⁴, while the RFCTLARR Act, 2013, provided for benefits, for both affected and displaced families, in regard to all types of projects. The RDM Department specified (March 2017) that benefit of ₹ 25,000 would be payable to each affected family, having cattle or having a petty shop, in consonance with the RFCTLARR Act, 2013. However, it did not notify any amount that would be payable to affected families towards annuity/ employment and resettlement grant, in line with the provisions of the RFCTLARR Act⁵⁵, 2013.

Audit noticed that the Collectors/ RDM Department did not prepare summaries of R&R Schemes, in regard to the affected families, though this was required under Section 19(2) of the RFCTLARR Act, 2013. Due to non-issue of specific instructions, by the RDM Department or revision of the ORRP, 2006, the R&R Schemes, prepared by the Collectors, did not include the affected families.

In Himachal Pradesh, for acquisition of 27.8356 hectares of land, under RFCTLARR Act, 2013, for the Luhri Hydro Electric Project Stage-I, a joint venture of Government of India, the State Government had approved (November 2021) an R&R Scheme for the project affected families, which provided (November 2021) for payment of annuity/ employment at ₹5 lakh per family and resettlement grant of ₹50,000 per family.

Out of 14,563 affected families, 1,148 affected families of SIP, Mayurbhanj, were provided with R&R benefits, under the ORRP, 2006. However, the remaining 13,415 affected families were deprived of R&R benefits of ₹737.82 crore⁵⁶, towards annuity/ employment and resettlement grant.

Thus, the provisions of the RFCTLARR Act, 2013, were not complied with, insofar as grant of R&R benefits, towards annuity/ employment and resettlement grant, were concerned.

In reply, the SLAOs of TMIP, TBRLP, RIP and Collector, Koraput, stated that no instruction had been received for payment of R&R benefits to the affected families. The PD R&R, KIP, assured that clarification in the matter, would be sought from the Government. The LAO Keonjhar, and SLAO, DBRLP, stated that R&R benefits were not provided, as no livelihoods/ habitations, were affected. The replies are not acceptable, since payment of R&R benefits is envisaged in Section 31 of the RFCTLARR Act, 2013.

Replies of LAO, Sundargarh, LAO, Mayurbhanj, LAO, Nabarangpur and PD, R&R, SIP, had not been received (as of February 2024).

5.2.2 Non-disbursement of R&R entitlements to displaced/ affected families

Section 38 of the Act provides that the Collector should take possession of land, after ensuring full payment of compensation, as well as R&R entitlements, to the entitled persons (within a period of three months, for the compensation, and

⁵⁴ Except certain benefits in cases of families affected by acquisition of land for irrigation projects/ National Parks and Sanctuary projects

⁵⁵ As per the RFCTLARR Act, 2013, annuity/ employment: ₹5 lakh per family and one-time resettlement grant: ₹50,000 per family

⁵⁶ For 13,415 affected families, annuity/ employment at the rate of ₹5 lakh per family and resettlement grant at the rate of ₹ 0.50 lakh per family

a period of six months, for the monetary part of the R&R entitlements, commencing from the date of the award, made under Section 30).

Audit noticed that:

- R&R entitlements of ₹176.51 crore, for 2,208 affected/ displaced families, had not been paid, by the PD, R&R, SIP, Mayurbhanj (₹135.97 crore for 1,321 families) and PD R&R, KIP, Keonjhar (₹40.54 crore for 887 families), as of September 2022.
- In case of SIP, Mayurbhanj, the beneficiaries had not vacated their land, due to non-payment of R&R entitlements.
- In case of KIP, Keonjhar, the displaced families had been evacuated, before full payment of R&R benefits.

The PD, R&R, SIP, stated that, due to non-production of valid documents, like proof of age, lack of ordinary residential status, *etc.*, the R&R assistance had remained undisbursed. The reply furnished by PD, R&R, SIP, was not acceptable, since the affected families had been identified after due survey. PD, R&R, KIP assured that necessary steps would be taken, for disbursement of the amount, at an early date.

5.2.3 Non-rehabilitation of displaced families

Audit noticed in three out of the six sampled districts that, 6,401.901 acres of land, as detailed in **Table 5.2**, were acquired during 1963-64 to 2016-17, requiring rehabilitation and resettlement of 2,390 displaced families. However, the displaced families had not been rehabilitated, as of December 2022.

Table 5.2: Rehabilitation of project displaced families

Name of the Project	Year of acquisition	Area acquired (in acres)	No. of displaced families
Ultra Mega Power Project (UMPP), Sundargarh	2014-15	2,731.431	1,958
Aditya Aluminium Refinery plant by Hindalco Industries Limited (HIL), Koraput	2007-08	431.340	122
Hindustan Aeronautics Limited(HAL), Koraput	1963-64	3,121.150	75
Vedanta Aluminium Limited (VAL), Kalahandi	November 2016 to February 2017	117.980	235
Total		6,401.901	2,390

(Source: Records of the Offices of the test-checked LAOs/ SLAOs)

Audit noticed that:

- In case of UMPP, Sundargarh, R&R benefits had not been provided, due to non-finalisation of the R&R site. The displaced families were staying in their homes, without any income/ livelihood, as their main source of income, *i.e.* agricultural land, had been taken over for the project, since 2014-15.

In reply, the Sub Collector-cum-LAO, Sundargarh, assured that the issue of rehabilitation of project affected and displaced families, would be taken up with the higher authorities, for necessary remedial action.

- In case of HIL, the 122 families, after being displaced from their own homes, were residing on Government land. Though 34.72 acres of land had been sanctioned (February 2008), in favour of IDCO, at Biriguda village, for construction of an R&R colony, the same had not been constructed, as of September 2022.

The LAO, Koraput, stated that the IDCO had been instructed for construction of the R&R colony for proper rehabilitation of the displaced families.

- In pursuance of instructions (January 2014) of the RDM Department, for relocation of displaced families at suitable locations, the Collector, Koraput had constructed (August 2015) 82 dwelling houses, in the Mohanpada village, under Koraput Tahasil, at a cost of ₹4.94 crore, with these funds having been provided by HAL. The displaced families, demanding permanent jobs in HAL, did not turn up for relocation at the R&R colony. Physical inspection (September 2022) of the site, by the representative of LAO, in the presence of Audit, revealed that the houses, as shown in photograph below, had been left unused, in a dilapidated condition, covered with bushes. The doors and windows, sanitary fittings and water tanks fixed on the roof of most of the houses had been stolen.

Image 5.1: Dwelling houses, constructed at the Mohanpada village, lying unused, in a dilapidated condition



Audit observed that, prior to the construction of the dwelling houses, the consent of displaced families, to be rehabilitated, had not been obtained. Further, effective steps had not been taken for safeguarding these houses.

Regarding HAL, the LAO stated that the displaced families were refusing to shift to the new colony, demanding permanent jobs in HAL, which was not under the purview of the district administration. The LAO also stated that, due to non-utilisation of dwelling houses, the same were in a dilapidated condition, as pointed out by Audit. The LAO assured that immediate steps would be taken to safeguard the houses.

- In case of VAL, R&R entitlements of ₹21.61 crore, in regard to 209 out of 235 displaced families, of three villages, were approved (November 2022) by the Sub-Collector, Bhawanipatna. The same had, however, not been paid (as of December 2022). Further, out of 219 houses, constructed for displaced families, 127 had been allotted, while the remaining 92 houses were lying vacant.

The LAO, Kalahandi, did not furnish any specific reply, regarding the delay in rehabilitation of the displaced families.

5.2.4 Non-payment of R&R assistance to displaced families, residing on Government land

As per Clause 9 of the ORRP, 2006, an encroacher family is also entitled to R&R assistance. Audit noticed that the Commissioner R&R, Berhampur, had approved (November 2020) rehabilitation assistance of ₹64.40 lakh, for eight homesteadless families, residing on Government land. Accordingly, their names had been included in the declarations made (May 2021) by the RDM Department, under Section 19 of the RFCTLARR Act, 2013, for acquisition of land. Though the said land had been taken over (February 2022) by the land requisitioning authority and the eight families had been displaced, the R&R assistance had not been paid, as of November 2022.

In reply, the SLA&RRO, TMIP, assured that the matter would be referred to the Water Resources Department, *i.e.*, the land requisitioning department, for early sanction of the R&R assistance. The fact, however, remains that the families had been displaced, prior to payment of R&R assistance, in contravention of the provisions of the Act.

5.2.5 Short award of R&R benefits

Clause 13 of the ORRP, 2006, provided for revision of rehabilitation grants, after every two years, on the basis of the wholesale price index. Accordingly, the RDM Department made the 7th biennial revision (25 May 2021) of rehabilitation grants, in monetary terms, applicable for the period from 1 April 2020 to 31 March 2022. Audit, however, noticed that the R&R benefits had not been paid to 1,915 families, at the enhanced rate, as summarised in **Table 5.3**.

Table 5.3: Short award of R&R benefits

Project	No. of affected/displaced families	Date of sanction of R&R estimate	Amount sanctioned	Amount due, as per the enhanced rate	Short payment
TMIP, Koraput	117	March 2021	9.57	10.25	0.68
SIP, Mayurbhanj	525 ⁵⁷	March 2021 to March 2022	40.52	42.96	2.44

⁵⁷ Includes 325 families, affected by irrigation projects

Project	No. of affected/ displaced families	Date of sanction of R&R estimate	Amount sanctioned	Amount due, as per the enhanced rate	Short payment
KIP, Keonjhar	1,273 ⁵⁸	March 2021 to June 2022	101.30	108.46	7.16
Total	1,915		151.39	161.67	10.28

(Source: Records of the Offices of the test-checked LAOs/ SLAOs)

Audit noticed that:

- In case of TMIP, Koraput, the R&R grant estimates had been approved as per the rates applicable for the period from April 2014 to March 2016 (4th biennial revision).
- In case of SIP, Mayurbhanj and KIP, Keonjhar, the R&R grant estimates had been approved as per the rates applicable for the period from April 2018 to March 2020 (6th biennial revision).
- Though R&R grants had been approved for all the three projects, during the same period, the basis of estimation was different, in all three cases. This indicated that no uniform basis had been adopted for estimation of R&R grants. Despite the lack of uniformity in calculations, the RDM Department had approved these R&R estimates.
- Further, despite upward revision of the R&R rates (May 2021) retrospectively, from 1 April 2020, the approved R&R estimates had not been revised.

Due to non-revision of the R&R assistance, as per the rate prevailing at the time of sanction, these 1,915 eligible families had been paid R&R assistance, that was short by ₹10.28 crore. However, in one case, *i.e.*, R&R grants of ₹13.12 lakh, pertaining to two displaced families of the Birikala village, prepared (January 2017) by the PD, R&R, KIP, on the basis of the 4th biennial revision, were revised (December 2021) to ₹ 14.05 lakh, as per the 7th biennial revision.

In reply, PD, R&R, SIP, stated that the differential revised rates, applicable as per the 7th biennial revision, would be prepared and submitted to Government, for sanction and payment. PD, R&R, KIP, stated that necessary clarification would be obtained and a revised matrix would be prepared, for disbursement of assistance to the affected persons. SLA&RRO, TMIP, stated that it could not adopt the revised rates, as the R&R estimates had been approved by the Water Resources Department, prior to issue of notification of 7th biennial revision. The reply is not acceptable, since the upward revision was effective retrospectively, from 1 April 2020, while the estimates had been approved in March 2021.

Recommendation 5.1: R&R benefits should be made available to all affected families, within six months from the date of award of compensation, as per the provisions of the RFCTLARR Act, 2013.

⁵⁸ Land acquisitions made during 2004-05 to 2010-11. R&R assistance for extended/ left-out displaced families of 13 villages, sanctioned during March 2021 to June 2022

5.2.6 *Non-correction of Record of Rights of lands, provided to the displaced families*

As per Clause 7 (viii) of the ORRP, 2006, the Record of Rights⁵⁹, of the land and houses allotted to the displaced persons, should be handed over to them, by the district administration, while resettling them in the resettlement habitat. As per the guidelines issued (June 2011) by the RDM Department, the Project Authority is to furnish a list of displaced families, with their plot numbers, to the Project Director (R&R), who is to approve the same and recommend it to the Tahasildar. Thereafter, the Tahasildar is to issue RoR in favour of the displaced families.

Audit noticed that 640 displaced families, of three projects⁶⁰, rehabilitated in R&R colonies, during FYs 2014-15 to 2021-22, had not been provided with RoR. In reply, SLA&RRO, TMIP and PD, R&R, KIP, assured that the matter would be addressed, by taking it up with the Tahasildars concerned. The LAO, Kalahandi, did not furnish any response.

5.2.7 *Absence of required infrastructure facilities and basic amenities, in the R&R colonies*

Paragraph 4 of the RDM Department's guidelines (June 2011) provides that schools, anganwadies, nurseries, health institutions, burial/ funeral grounds, play grounds, *etc.*, constructed in the resettlement area shall be maintained by the project authorities, for a period of at least 15 years, or until their transfer to a Government department/ agency/ Local Body. Until transfer of the asset to another agency, the project authorities are required to continue to maintain the asset at their cost.

As per Section 32 of the RFCTLARR Act, 2013, in every resettlement area, as defined under the Act, the Collector is to ensure the provision of all infrastructural facilities and basic minimum amenities, like roads, drainages, electricity, *etc.*⁶¹, as specified in the Third Schedule of the Act.

In order to verify the actual availability of required infrastructural facilities and basic amenities, Audit, accompanied by Departmental officials, conducted surveys of 112 beneficiary families, at 17 R&R colonies, of five projects⁶², during October to December 2022. A summary of the results of the survey is shown in **Table 5.4**.

⁵⁹ A legal document, which contains ownership of land, details of Khata No., Plot No., area, category of land and rent/ water charges payable for the land

⁶⁰ TMIP, Koraput: 470; Kanpur Irrigation Project: 47; Vedanta Aluminium Limited: 123

⁶¹ Road, drainage system, drinking water facility, grazing land, fair price shops, Gram Panchayat Ghar, post office, basic irrigation facility, transportation facility, burial ground, playground, electricity, school, anganwadi centre, public health centre, community centre, places of worship, veterinary centre *etc.*

⁶² TMIP: Boriput, Malikarchi, Bispani, Kendar, Majhipadar VII, Birfulguma, Dakara & Majhipadar; NTPC: Darlipali; KIP: Angulia, Basudevapur, Birikala & Dhobulabeda; SIP: Bijaya Krushna Chandra (BKC) Pur, Rangmatia and Sunaposi; VAL, Kalahandi: Rengopali, Bandhaguda, Kothaduar (RBK)

Table 5.4: Availability of infrastructure facilities in R&R colonies

Infrastructure facilities and basic amenities required in R&R colonies	No. of colonies, where facilities were not available	Names of colonies, found lacking in infrastructure facilities and basic amenities	Number/ names of colonies where facilities available, but were damaged/ defunct
All weather connectivity	3	1. Dhobulabeda of KIP, Keonjhar 2. Rangamatia, 3. Sunaposi of SIP, Mayurbhanj	1. Majhipadar, 2. Malikarchi of TMIP, Koraput
Drainage facility	8	1. Dhobulabeda of KIP, Keonjhar 2. Rangamatia, 3. Sunaposi, 4. BKC Pur of SIP, Mayurbhanj 5. Dakara, 6. Boriput of TMIP, Koraput 7. RBK of VAL, Kalahandi 8. Darlipali of NTPC, Sundargarh	1. Majhipadar, 2. Malikarchi of TMIP, Koraput
Drinking water facilities/ piped water supply	4	1. Majhipadar, 2. Dakara, 3. Bispani, 4. Bifulguma of TMIP, Koraput	1. Angulia, 2. Basudevpur of KIP, Keonjhar 3. Majhipadar, 4. Malikarchi, 5. Kendar of TMIP, Koraput
Primary School	5	1. Angulia, 2. Dhobulabeda of KIP, Keonjhar 3. Sunaposi of SIP, Mayurbhanj 4. Majhipadar-VII of TMIP, Koraput 5. RBK of VAL, Kalahandi	1. Birikela of KIP, Keonjhar 2. Malikarchi, 3. Boriput, 4. Bispani of TMIP, Koraput
Individual toilet facilities	13	1. Angulia, 2. Birikela, 3. Dhobulabeda of KIP, Keonjhar 4. Rangamatia, 5. Sunaposi of SIP, Mayurbhanj 6. Majhipadar, 7. Malikarchi, 8. Dakara, 9. Boriput, 10. Bispani, 11. Bifulguma,	-

Infrastructure facilities and basic amenities required in R&R colonies	No. of colonies, where facilities were not available	Names of colonies, found lacking in infrastructure facilities and basic amenities	Number/ names of colonies where facilities available, but were damaged/ defunct
		12. Kendar, 13. Majhipadar-VII of TMIP, Koraput	
Anganwadi Center	3	1. Birikela of KIP, Keonjhar 2. Bispani of TMIP, Koraput 3. RBK of VAL, Kalahandi	-
Public lighting system	0	-	1. Dakara, 2. Boriput, 3. Bispani, 4. Bifulguma, 5. Majhipadar, 6. Malikarchi of TMIP, Koraput 7. Darlipali of NTPC, Sundargarh

(Source: Records of the Offices of the test-checked LAOs/ SLAOs and Joint Beneficiary Survey of R&R colonies)

Image 5.2 : Incomplete Primary School Building at the Angulia R&R Colony, relating to the Kanpur Irrigation Project, Keonjhar



Image 5.3: Defunct Piped Water Supply System at the Rangamatia R&R Colony, relating to Subarnarekha Irrigation Project, Mayurbhanj



In case of Angulia R&R Colony, the displaced families had been rehabilitated in the Colony, since 2016.

Thus, the required infrastructural facilities, as well as basic minimum amenities, were not provided to the displaced families, in the R&R colonies.

Recommendation 5.2: Basic civic amenities, as provided under Section 32 of the RFCTLARR Act, 2013, should be provided in the R&R Colonies, for the socio-economic upliftment of the displaced families.