

# Standing Committee Report Summary

## Land Acquisition, Rehabilitation and Resettlement Act, 2013 – Implementation and effectiveness

- The Standing Committee on Rural Development and Panchayati Raj (Chair: Mr. Saptagiri Sankar Ulaka) presented its report on ‘Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act) - Implementation and Effectiveness’ on December 18, 2025. Key observations and recommendations of the Committee include:
- **Strengthening Gram Sabha:** The Committee observed that consent of Gram Sabha is often obtained as mere formality. It recommended making Gram Sabha consent mandatory for all land acquisitions, not just in scheduled areas, which are areas with predominantly tribal population covered in the fifth and sixth schedule of the Constitution. It suggested granting Gram Sabha veto power over land acquisition proposals that do not align with community interests. The Act mandates the government to undertake social impact assessment (SIA) studies before land acquisition to evaluate its impact on livelihoods and communities. The Committee recommended to make SIA recommendations binding.
- **Rehabilitation:** With rehabilitation, the Committee noted issues such as: (i) inferior quality of land-for-land options, (ii) resettlement colonies lacking basic services, and (iii) employment commitments remaining unmet. It recommended that no possession should be allowed until rehabilitation sites with functional services are ready. Further family-wise livelihood plans with milestones should be prepared, women should be counted as joint-owners, and independent annual audits should be conducted.
- **Role of NMC:** The Committee noted that the National Monitoring Committee (NMC) under the law has not been able to reduce grievances related to projects such as Ken-Betwa River linking and Polavaram. Impact assessments in these projects have been segmented and livelihood impacts have been inadequately presented. The Committee recommended that in such cases, social and environmental assessments should be integrated. It recommended that the NMC should be empowered to actively intervene in such cases, establish clear monitoring guidelines, and set up a centralised grievance redressal portal.
- **Preventing land misclassification:** The Committee noted that to reduce compensation, greenfield land is being classified as brownfield land and rural land is being covered as urban land. It recommended the Ministry to establish a Central Monitoring Mechanism to help prohibit arbitrary conversions and reclassification. It also recommended mandating detailed disclosures and enforcing penalties against manipulating officials.
- **Implementation in scheduled areas:** The Committee noted of several deficiencies in implementation of the Act in scheduled areas including: (i) land undervaluation, (ii) delayed and superficial Gram Sabha consultations, without proper documentation, and (iii) mechanical issuance of compliance certificates without genuine community engagement. It recommended the Ministry to: (i) monitor and ensure full procedural compliance, (ii) ensure transparent disclosure of market value and compensation awards, and (iii) prohibit possession of land until complete delivery of rehabilitation and resettlement package.
- **Fair compensation in tribal areas:** The Committee noted of several issues in implementation of the Act in tribal areas, such as: (i) outdated circle rates leading to undervaluation of land, (ii) community resources being excluded, (iii) delays in payments without adjusting for inflation-related loss, and (iv) families without formal land titles being given only token help. It recommended: (i) calculating ‘livelihood value’ beyond land value, (ii) updating circle rates using independent valuers, and (iii) providing indexed interest for payment delays.
- **PESA compliance:** The Committee emphasised aligning LARR Act with provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA). It recommended: (i) mandating Gram Sabha consent in scheduled areas under PESA, (ii) empowering Gram Sabhas to approve or reject proposals as part of the Social Impact Assessment process, and (iii) training officials in tribal culture for better implementation.
- **Integration with FRA:** The Committee observed that in many instances, forest land is being acquired in violation the Forest Rights Act (FRA), 2006. It noted that often the affected families receive inadequate compensation of around Rs 15 lakh despite losing land, and livelihoods. It recommended integrating FRA provisions with LARR and incorporating Community Forest Resource titles, such as those related to common forest land within village boundaries, in compensation and rehabilitation process.

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