



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण  
(पोत परिवहन, सड़क परिवहन और राजमार्ग मंत्रालय)  
**National Highways Authority of India**

(Ministry of Shipping, Road Transport and Highways)

जी-5 एवं 6, सेक्टर-10, द्वारका, नई दिल्ली-110 075

G-5 & 6, Sector-10, Dwarka, New Delhi-110075

दूरभाष / Phone : 91-11-25074100/25074200

फैक्स / Fax : 91-11-25093507 / 25093514

एक्स. / Extn.: 2223 / 2318 / 2468 / 2553

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**POLICY MATTERS: ADMINISTRATION/FINANCE No.07/2007**  
**(Decision taken on LA&EM Division's File No.NHAI/LA/29/Policy)**

**Sub: Procedure for scrutinizing the proposals of estimates of land acquisition and utility shifting**

NHAI is acquiring land under National Highways Act, 1956 in all the States except J&K where acquisition is being undertaken under their own State Act. Under the provisions of the NH Act, Competent Authority determines the compensation under sub-section (7) of Section 3G. As per the provisions of the Act, the Competent Authority while determining the amount of compensation shall take into consideration the following factors:

- (a) the market value of the land on the date of publication of the notification under Section 3A;
- (b) the damage, if any, sustained by the person interested at the time of taking possession of the land, by reason of the severing of such land from other land;
- (c) the damage, if any, sustained by the person interested at the time of taking possession of the land, by reason of the acquisition injuriously affecting his other immovable property in any manner, or his earnings;
- (d) if, in consequences of the acquisition of the land, the person interested is compelled to change his residence or place of business, the reasonable expenses, if any, incidental to such change.

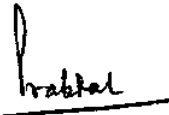
2. NHAI is receiving large number of proposals of demand note of compensation amount from various Competent Authorities. It has been observed that the demand of compensation amount is varying to a very great extent. There have been instances where exorbitant rates without any basis have been adopted for calculating the compensation amount. Due to these abnormal demands in certain states, NHAI is finding it difficult to process and finalize the same. All these high demands are not only impacting the viabilities of the projects, but are also causing delay in finalizing the LA activities.

3. In view of the above, it has been decided that all the proposals related to compensation amount must be broadly scrutinized by the PIUs. The basis of adopting various rates may be examined by the PDs before submitting the proposals to the Headquarters. Generally, Competent Authorities use either the

transaction rates of similar type of land in the adjoining areas or adopts the circle rates/ or the guideline value which State Government notifies for payment of minimum stamp duty. The Project Directors should broadly examine that the estimates are in line with this.

4. Similarly, in cases of proposals for estimates of utility shifting, it has been observed that due diligence is not done at PIU level in examining the proposals on the ground that these proposals have been prepared by Government agencies and, therefore, need no scrutiny. At times these estimates do not match with the ground conditions. Even the rates in the estimates are not as per the schedule of rates of the concerned Department. In view of this it has been decided that the Project Directors should also broadly examine the estimates related to utility shifting, specifically with respect to whether estimates match with ground conditions and whether concerned Department/Organization have adopted their schedule of rates.

5. Project Directors are also directed to immediately prepare a Data Bank of the rates of compensation of land as well as rates for various utility shifting so that whenever an estimate comes in future it could be compared with the relevant information in the Data Bank. This Data Bank should immediately be prepared by including all information relating to various projects/works that have so far been undertaken. The Data Bank so prepared be sent to the concerned Technical Divisions at the Headquarters and should be shared between different PIUs (particularly the nearby ones) so that PIUs get the benefit of information available with other similarly placed PIUs while examining the proposal of estimates.



(Prabhat C. Chaturvedi)  
Member (Administration)

Distribution:

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