



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

(Ministry of Shipping, Road Transport and Highways)

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No. 11041/217/2007-Admn.

February 08, 2008

POLICY MATTERS : ADMINISTRATION/FINANCE (24/2008)

(Decision taken in Fin. Div. File No.NHA/F&A/LA/122)

Sub: Processing of cases for land acquisition – Management of funds and correction of Record of Rights.

Earlier various Policy Circulars have been issued in connection with processing of cases for land acquisition and allied matters. NHA Works Manual prescribes the detailed guidelines to be followed for land acquisition.

The Internal Auditors have raised certain issues pertaining to fund management, maintaining the accounts of compensation paid, TDS (IT) on land compensation and timely correction of Record of Rights. The observations of Internal Auditors have been considered and following additional procedures are to be adopted:

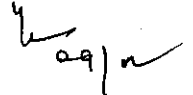
1. The amount of compensation, as determined by the Competent Authority (Land Acquisition) under Sec.-3(G) of the Act and approved by HQs, is required to be deposited in an account jointly operated by the Competent Authority (Land Acquisition) and PD NHAI. Invariably it is noticed that there is a time lag between the amount deposited in the joint bank account and actual disbursement to the claimants. With a view to avoid idling of funds, the PD NHAI, being the joint signatory, may ensure opening of savings bank account instead of current account and invest the amount in linked FDR for short periods.
2. The amount deposited in the joint bank account for land acquisition is accounted for under "CWIP-Land" and the joint bank account shall not be a part of books of account of NHAI. In order to monitor the flow of funds, a memorandum account shall be maintained by the PD, NHAI in the following format & submit a copy of the same along with Trial Balance as at 31 March of each year :

Sl No.	Opening Balance in the beginning of the month / year	Amount deposited into joint account during the month/ year	Interest earned during the month/ year	Total	Compensation paid during the month/ year	Balance to the end of the month/ year
1	2	3	4	5 (2+3+4)	6	7 (5-6)

Note : Where the balance as per column no.7 does not tally with the balance as per joint account, a reconciliation statement should be prepared bringing out the discrepancies.

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3. Any amount lying undisbursed for more than a year from the date of last and final transaction in the joint bank account, along with interest earned may be remitted back to the accounts of NHA after closing the joint bank account. The amount received back may be credited to "CWIP-Land". The PIU may maintain suitable records about the undisbursed amount for releasing eligible payment, if any at a later date.
4. Deduction of income tax at source (u/s 194/LA) as required under Income Tax Act may be ensured by Competent Authority (LA).
5. This issues with the approval of the Competent Authority.



(V. K. Sharma)
General Manager (Admn.)

To:

1. PS to Chairman
2. PS/PA to All Members / CGMs/ CVO
3. All GMs/DGMs/Managers
4. All PIUs/CMUs/SPVs
5. Librarian/Hindi Officer