



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(सड़क परिवहन और राजमार्ग मंत्रालय)

National Highways Authority of India

(Ministry of Road Transport and Highways)

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No.11041/217/2007-Admn.

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01.07.2016

POLICY MATTERS – ADMINISTRATION / FINANCE (177/2016)

(Decision taken in file no. NHAI/11013/DGM (LA&Coord)/2016)

Sub:-Guidelines regarding fund management and payment of LA compensation amount to landowners / persons interested as per award of Competent Authority (Land Acquisition), through centralized LA compensation account of NHAI- transfer of LA compensation by CALA through NEFT/RTGS from CALA-PD joint accounts maintained in the locality where land in being acquired under NH Act, 1956 -regarding.

Payment of compensation under section 3G of NH Act for land acquired is being made from accounts jointly operated by the Competent Authority (Land Acquisition) and the concerned Project Director (PD), NHAI. The procedure for management of funds in such joint bank accounts have been enumerated in NHAI Policy Circular No.11041/217/2007-Admn. dated 08.02.2008 [Policy Matters: Administration/Finance(24/2008)]and11041/21/2002/Admn-III dated 13.05.2004 [Policy Matters-Administration/Finance(83/2004)]. Guidelines were issued vide circular Nos. No.11041/217/2007-Admn dated 19.09.2014 {Policy Matters: Administration/ Finance (147/2014)} and No.11041/218/2007-Admn dated 09.02.2016 {Policy Matters: Administration/Finance (168/2016)} regarding opening of CALA-PD joint accounts and payment of LA compensation from such accounts through NEFT/RTGS.

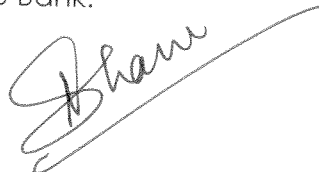
2. It has now been decided to implement a centralized fund management system, the broad contours of which are as follows:

- Bank will open a Centralized CALA account in New Delhi (Main account). The branch in which the said account is opened shall be called the nodal Bank-branch.
- Thereafter Bank will open zero balance State CALA-PD joint accounts (subsidiary accounts) at the respective project locations. The accounts will be opened project-wise, i.e., if the same Revenue officer is appointed as Competent Authority for two different projects, separate accounts will have to be opened for the two projects.
- Limits will be assigned (as per award / awards declared by CALA and approved by Competent Authority in NHAI) to these state CALA-PD accounts and Drawing power for these accounts would keep on reducing for each payment made from the state CALA accounts. CALA/ Project Director / Authorized officers in NHAI HQ shall be able to view the limits assigned and the balance available as on date in

Sharma

the concerned subsidiary account. Limit once assigned by the Finance Division as per demand placed with the Finance Division, NHAI, by the Project Director concerned based on approved award of CALA, shall not be changed by NHAI as the account is primarily a CALA account in terms of section 3H(1) of NH Act, 1956.

- In case more than one award of the same CALA for the same project is approved by NHAI HQ at different points of time, the limit will increase with the addition of the approved amounts. For example, if the first award is for Rs.100/- and at the time when the second award of Rs.60/- is declared by the same CALA for the same project, payment of Rs.20/- has already been made as per the first award, in this case though the limit assigned would increase to Rs.160/-, the available balance for payment by CALA shall be Rs.140/-. Effectively, the new limit will be Rs.140/-. Any interest earned will be debited and transferred to the designated account of NHAI (account of NHAI other than LA compensation amount).
- CALAs will issue cheques for payment through NEFT or RTGS / online remit funds through electronic mode for paying land compensation to the beneficiaries / TDS from CALA-PD joint accounts upto limits assigned by the Finance Division, NHAI HQ.
- Balance of all these subsidiary accounts would be made NIL by debiting to the Centralized CALA account (Main account) before day end operations of the nodal Bank-branch. The process is to be automatically controlled by the Bank by feeding Standing Instructions in the system.
- Statement of accounts/ reconciliation statements / MIS for all the subsidiary accounts will be provided by the nodal Bank-branch in Delhi to NHAI HQ and the Project Director/ CALA, as per their requirements.
- A Login ID & Password may be issued to the NHAI authorities under Internet Banking Platform and all the subsidiary accounts linked with the Centralized CALA account can be viewed by the authorized officials. All IT support systems, security of the system and software for operationalizing the Centralized CALA account system shall be the responsibility of the Bank.



- The fund in the existing CALA-PD joint accounts shall not be transferred to the subsidiary accounts opened under this Centralized CALA account system. However, the existing CALA-PD joint accounts shall be closed after the existing available balance in the account is exhausted.

3. Implementation of the LA compensation fund management system by Bank / NHAI HQ / Project Director(PD) / Competent Authority, Land Acquisition (CALA):

A centralized LA compensation account (main account) shall be opened in New Delhi (nodal Bank-branch) by the Finance Division, NHAI. The name of the Bank-branch where such account (Main account) is opened will be intimated to all concerned by the Finance Division, NHAI. The system of fund management and payment of LA compensation through the main account and CALA-PD joint accounts (subsidiary accounts) shall be as follows:

- (i) The said Bank will issue directions to its local branches to open zero balance CALA-PD joint accounts in the name of CALA and PD as per the advice of the concerned PD supported by a copy of relevant 3a notification. The said CALA-PD joint account (subsidiary account) would be linked to the Centralized LA account (Main account)
- (ii) After a 3G award is declared by a CALA and approved by the Competent Authority, NHAI, the Project Director concerned will raise a demand to the Finance Division of NHAI in respect of the approved amount which will then be released (under intimation to the Project Director) in the said centralized LA compensation account in New Delhi by the Finance Division, NHAI, with a direction to the nodal Bank-branch to allow payment by the Bank-branch where CALA-PD joint account is being maintained, upto the total limit of the said approved amount. The details of the relevant Bank-branch holding the CALA-PD joint account through which the aforesaid payment of LA compensation is to be made shall be intimated to the Bank at the time of releasing the approved amount.
- (iii) Separate project-wise CALA-PD joint accounts should be maintained locally by PD and CALA in locally available branches of the said Bank where the centralized LA compensation account is maintained by NHAI. A monthly reconciliation of all such accounts should be maintained by the Project Director for record and audit purpose.



- (iv) CALA will submit a pay order under his sole signature for payment of LA compensation to the beneficiaries as per the 3G award or for payment of TDS to Income Tax Authorities and such pay order shall be submitted in the local bank where the CALA-PD joint account for the project is being maintained and operated. The Bank-branch shall honour such pay orders by CALA through debit / debits from the local account (subsidiary account) and the said Bank where the centralized LA compensation account (Main account) is being maintained by NHAI shall allow such payment of LA compensation or TDS upto the limit of the amount approved, as mentioned in Sl.No.(ii) above. At the end of the day whatever balance is there in the Local Branch LA Compensation Account shall be adjusted with the Centralized LA compensation account, leaving the local Bank-branch with zero balance and the total payments of the said local branch will show in the Central LA Compensation account as one entry for the day.
- (v) No debits from the said centralized LA compensation account or CALA-PD joint account will be permitted except for making the following payments:
- (a) Payment of LA compensation to beneficiaries determined by CALA.
 - (b) Payment of interest to NHAI.
 - (c) Payment to Income Tax authorities of Tax deducted at source (TDS) from LA compensation amount being paid to beneficiaries by CALA.
 - (d) Payment of administrative charges made applicable by CALA as per State Govt. order in this regard.
- (vi) The said Bank in which the centralized LA compensation account is being maintained shall credit the interest accruing to the funds on a regular basis. Thereafter, the said interest shall be debited from the centralized LA compensation account and credited to a designated account of NHAI. The Bank shall also submit to NHAI account statement every month. All TDS related to interest accruing to the centralized account, will be made in the name of NHAI and related statement issued as and when required.
- (vii) At par facility shall be accorded by the bank in which the centralized LA compensation account is opened for all payments through its Bank-branches in India.
- (viii) NHAI shall be at liberty to change the Bank or add new Bank for Centralized LA compensation account as well as for project-wise zero balance CALA-PD joint accounts.



(ix) The Bank or Banks through which this system of payment of LA compensation through the Centralized CALA account (Main account) is implemented shall allow the concerned CALA to issue cheques / transfer fund under his own single signature from the subsidiary account (CALA-PD joint account) for the purpose of debits mentioned in Sl.No. v(a), v(c) & v(d) above. As the account is primarily a CALA account, the Project Director concerned who holds subsidiary account (CALA-PD joint account) jointly with CALA shall not be allowed by the Bank to debit any amount from the subsidiary account. However, the Bank shall provide hard copy of details of transactions in the subsidiary account (CALA-PD joint account) separately to the Project Director and CALA on a demand in this regard by the Project Director or CALA or both in respect of the period / periods for which such details are demanded.

(x) **Additional guidelines for Competent Authority (Land Acquisition) :**

(a) Bank Account of Beneficiaries:

- (i) Competent Authority (Land Acquisition) shall submit along with all LA compensation awards a survey number-wise summary of data containing the minimum information mentioned in the proforma enclosed with this circular as Annexure-I.
- (ii) All land owners / interested persons who have been awarded compensation under section 3G by CALA shall submit the details of their savings bank account to CALA for the purpose of transfer of LA compensation. If any person who is a beneficiary of such payment does not have a bank account, the same should be opened by him / her and the details of such account furnished to CALA.
- (iii) The details of bank account will include the name of the beneficiary, IFSC Code of the bank branch in which the beneficiary holds the account, name of bank and name & address of the branch where the beneficiary holds the savings account.
- (iv) Competent Authority (Land Acquisition) may follow the procedure mentioned below, for obtaining information regarding details of bank account for transfer of LA compensation amount through NEFT/RTGS, from the beneficiaries of LA compensation:
 - a. The persons interested/beneficiaries would appear before the CALA for receiving LA compensation.
 - b. The persons interested / beneficiaries would be identified and thereafter they would be asked to provide the details required for transfer of LA compensation through NEFT/RTGS.
 - c. CALA would consolidate the daily demand and issue payment orders to the bank.



(b) Payment through RTGS/NEFT:

(i) For payment of land acquisition, compensation as determined under Section 3G of NH Act, 1956, CALA shall issue a payment order to the Branch Manager of the bank-branch where the joint account of CALA & PD is being held along with the details as per format in Annexure-II enclosed with this circular. The said payment order shall contain a request for transfer of the amount stated under Column 10 in the table in the said Annexure-II, to the respective beneficiaries as per details therein.

A cheque drawn on the said joint bank account signed by CALA for the total amount under Column 10 of the table in the said Annexure-II will have to be enclosed with the aforesaid letter. The cheque will be payable to "Yourself" i.e. to the bank-branch where the joint account is held. However, if a system of paperless transfer of fund to beneficiaries of LA compensation is made available to CALAs by the Bank, the same may be utilized by CALA.

(ii) The 11 character IFSC Codes, required for fund transfer to beneficiaries, are to be found printed on cheque leaves issued by the banks and are distinct for each bank – branch.

(iii) For the purpose of payment of LA compensation as per procedure mentioned in this circular, it shall be the responsibility of CALA alone to requisition cheque books and receive the same either directly or through a person authorized by him/her from the CALA-PD joint account bank-branch. Project Director, NHAI may only render assistance to CALA in the form of providing man-power for doing the job in case the same is requested by CALA.

(c) Closure of existing CALA-PD joint accounts:

The management of the available funds in the CALA-PD joint accounts which were opened prior to the date of issue of this circular shall be guided by the circular Nos. No.11041/217/2007-Admn dated 19.09.2014 {Policy Matters: Administration/ Finance(147/2014)} and No.11041/218/2007-Admn dated 09.02.2016 {Policy Matters: Administration/Finance(168/2016)} till the same is exhausted. After the available LA compensation fund is exhausted, the said CALA-PD joint account shall be closed and new accounts opened, if required, as per guidelines in this circular.

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(xi) Additional Guidelines for Bank:

(i) The Bank should agree to open necessary account of persons who are likely to be beneficiaries of land acquisition compensation amount, immediately after intention to acquire under section 3A is notified so that there is no problem or delay in payment of LA compensation. Bank should have adequate geographical coverage through its branches in the villages/areas where land is being acquired. If, however, some beneficiaries of LA compensation are already having bank accounts and if no fresh account is desired by such beneficiaries, then the said bank – branch shall not be required to open fresh bank account for the said beneficiaries of LA compensation.

(ii) Within seven days of receipt of the pay order / cheque / transaction through electronic mode from the CALA for disbursement of LA compensation to beneficiaries, a certificate to the effect should be given by the Branch Manager of the Bank-branch to CALA and PD that the amount has been credited to the account of beneficiaries.

(xii) Additional Guidelines for Project Directors:

(a) Project Director, NHAI shall obtain survey number-wise details of payment made by CALA and the name of beneficiaries against each survey no. as per format in Annexure-I of this circular and the same shall be maintained for the purpose of records.


(b) While requisitioning LA compensation funds from NHAI HQ, the PIUs should ensure that approval of the Competent Authority, NHAI is available.

(c) The management of the existing available funds in the CALA-PD joint accounts which were opened prior to the date of issue of this circular shall be guided by the circular Nos. No.11041/217/2007-Admn dated 19.09.2014 {Policy Matters: Administration/ Finance(147/2014)} and No.11041/218/2007-Admn dated 09.02.2016 {Policy Matters: Administration/Finance(168/2016)}. After the existing available LA compensation fund is exhausted, the said CALA-PD joint account shall be closed and new accounts opened, if required, as per guidelines in this circular.



4. This circular shall supersede the circular Nos. No.11041/217/2007-Admn dated 19.09.2014 {Policy Matters: Administration/ Finance(147/2014)} and No.11041/218/2007-Admn dated 09.02.2016 {Policy Matters: Administration/Finance(168/2016)}. However, guidelines in the aforesaid circulars shall continue to apply till such time the LA compensation funds in the existing CALA-PD joint accounts, opened in terms of the aforesaid circulars, are exhausted. Copies of the said circulars are enclosed herewith for ready reference.

5. This issues with the approval of Competent Authority.



(N.K. Sharma)
CGM (Coord.)

To:

All Officers & Employees of HQ/ROs/ PIUs/ CMUs/ Site Offices

AWARD STATEMENT SHEET

Name of project :

NH No. :

Section of NH:

Award No:

Competent Authority (LA):

S.No.	Survey No.	Area of land acquired	Name of interested person to whom compensation is awarded along with father's name	Market value awarded for land	Amount of compensation as per section 28 of RFCTLARR Act, 2013 (applicable to NH Act w.e.f 01.01.2015) for the land under col. 3	Amount of compensation for buildings	Amount of compensation for structures other than buildings, like bore wells etc.	Total compensation as per First Schedule of RFCTLAR R Act, 2013 (applicable w.e.f 01.01.2015)	Amount for R&R	Any other additional compensation amount	Total compensation (col. 9+10+11)	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13

Competent Authority (Land Acquisition)



Annexure-II

Sl. No.	Name and address of Beneficiary	Father's name of Beneficiary named under Col.2	Name of Bank to which the amount mentioned Col.10 is to be credited	Address of the branch	Bank Account No. in the branch mentioned in Col.5	IFSC Code of the branch mentioned in Col.5	Amount of LA compensation	TDS, if any	Net amount to be transferred (Col.8-Col.9) (Rs.)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

[Handwritten Signature]