

No. NH-11011/40/2016-LA
Government of India
Ministry of Road Transport & Highways
(LA Division)

Transport Bhawan
1, Parliament Street,
New Delhi dated 16, August, 2016

To,
All Regional Officers,
Ministry of Road Transport & Highways

Subject: Procedure for payment of the amount of compensation for acquisition of land for NH Projects acquired under the NHs Act, 1956- reg.

Sir,

I am directed to say that as per the present practice, the amount of compensation payable in lieu of land acquired under the National Highways (NHs) Act, 1956, is placed solely at the disposal of Competent Authority for Land Acquisition (CALA). In case of National Highways Authority of India (NHAI) and National Highways Inter-connectivity Improvement Projects (NHIIP), these funds are placed in a joint account held in the name of CALA and Project Director (PD). Funds are disbursed by CALA after declaration and finalization of land acquisition awards.

3. Since Land Acquisition involves huge amounts of compensation and the whole process takes sufficient period of time, therefore, these funds are unnecessarily parked in CALA's account for over a long period, thereby, resulting in blockade of funds. Also, the need of the hour is to move towards e-transfer of benefits directly to the account holders of beneficiaries.

4. In this regard, a more efficient manner of depositing the compensation amount with CALA for further disbursement to the beneficiaries has been proposed as under: -

Proposed procedure:

- All CALAs be registered on Public Financial Management System (PFMS) & will be mapped under respective RO
- The CALA (through PFMS) will prepare a Digital Payment Advice (DPA) using a Utility duly authenticated by Digital Signature with all requisite payment details of beneficiary.
- On the basis of DPA prepared by CALA(s), PFMS will consolidate the amount State/RO wise.
- The RO will prepare sanction along with bill on PFMS for Regional Pay Accounts Office (RPAO)
- The RPAO will make payment and issue DPA (on PFMS) for transferring of funds from the Consolidated Funds of India (CFI) to the CALA Account
- Accounting entries will be made on PFMS
- Funds shall be released to the designated CALA Accounts through Accredited Bank.
- Reverse Payment Scroll from Bank to complete Accounting
- As soon as the funds reach CALA A/c, the PFMS will give instructions electronically to sponsor bank of CALA to transfer money from CALA A/c to the end beneficiary. (PFMS is integrated with more than 100 Banks through server to server Core Banking Solution)
- Reverse scroll from sponsor bank to intimate settlement/success to CALA on PFMS

5. However, for the purpose of introduction of the proposed procedure, necessary office equipment and internet facility as well as manpower needs to be provided to CALA for operation of the web-based Utility/PFMS. ROs may meet the expenditure on office equipments and manpower through contingency on the lines of facility for CALA/TILR already circulated vide this Ministry's letter no. NH-15017/17(2)/2016-P&M dated 16th June, 2016.

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6. In view of the above, you are requested to ensure that the necessary infrastructure/man-power has already been provided to office of CALA and intimate the position to this Ministry latest by 31st August, 2016.

Encl. - As above

Yours faithfully,



(Rajesh Gupta)

Deputy Secretary to the Government of India

Tel No. 011-23718527

Copy for information and necessary action to:

1. Secretary/Principal Secretary, Public Works Department, All State Government/ Union Territories
2. Director General (Roads Development) & Special Secretary, M/o RT&H
3. ADG-I/ Coordinator -I/ Coordinator- II/ Coordinator- III
4. CE (P-1)/CE (P-2)/CE (P-3)/ CE (P-4)/CE (P-5)/CE (P-6)/ CE (P-7)/CE (P-8)/CE (LWE)/ CE (SARDP- NE)/CE (NHDP- IVA)/ CE (Mon)/ CE (Planning)

Copy for information to:

1. PS to Minister (RT&H)/ PS to MoS (RT&H)
2. Sr. PPS to Secretary (RT&H)/ PPS to AS&FA
3. PPS to JS (LA)