

No. NH-11029/2/87-NHIII/DI

Dated the 3rd February, 1989.

To

Secretaries, PWDs of all the States and Union Territories, DG (Works) CPWD, DG (Border Roads).

Subject: Acquisition of land for National Highways and other centrally financed road/bridge works.

The undersigned is directed to refer to the Policy Circular letter No. IDA/W-20(21)/63 Dated 17.7.65, wherein it was provided that the land acquisition estimates should include the following items :

- (i) Likely expenditure on actual demarcation measurements and other field work including preparation of working drawings.
- (ii) Estimated amount of compensation for land and property thereon which is payable to owners of land and property. The prevailing rates for compensation payable to land property owners are broadly ascertained initially by the Executive Engineers from the Collectors of the Districts.
- (iii) Reasonable provision for work-charged establishments and contingencies which may be 2% and 3% of the amount of (i) & (ii) above. The provision for work-charged establishment is intended to cover the expenditure involved on the engagement of supervisory staff for demarcation, measurements and other field work including preparation of working drawings. The provision for contingencies is intended for meeting possible variations in the acquisition awards given by the Revenue authorities and the estimated amount of compensation and for departure in respect of the measurement work.
- (iv) 7½ agency charges on (i), (ii) & (iii) above. This is intended to include the departmental charges paid in the District Revenue Offices and other secretariat work.

2. Orissa PWD had, sometime back, intimated that the Central Land Acquisition Act, 1894, as amended in 1984 has been further amended by the State Government providing for approximately 20% of the probable estimated amount of compensation for the land acquisition towards the establishment cost, law charges and contingencies such as cost of publication of the notifications etc. These charges are required to be paid by the State PWD to the Revenue Department of the State Government for acquisition of land. It has, therefore, been decided, in consultation with Finance Wing of this Ministry, that in future land acquisition estimates should provide for the following items:-

- (i) Minimum statutory/obligatory charges covering the cost of Publication, establishment and other legal charges demanded by the Revenue Deptt, in accordance with the amended LA Act in the State.
- (ii) Actual amount of compensation for land and property thereon.
- (iii) Contingencies @ 3%. This would cover the likely expenditure on actual demarcation, measurement and other field works etc. including preparation of working drawings, which the PWD is required to incur.

3. No agency charges will be paid.

4. In case of such States where the Land Acquisition Act has not been amended, providing for extra legal charges to be paid to their Revenue Deptts., the Policy Guidelines for allowing the expenditure on land acquisition cases will continue to be the same as has been provided in the Ministry's letter No. IDA/W-20(21)/63 dated 17.7.65 noted above.

1-Superseded vide circular dated 28.12.2017

2-Amendment to circular dated 17.07.1965