

**Copy of Revenue and Excise Department letter No.32177/Rev.
Dated 25.02.1989**

From

**Sri S. Samal, O.A.S.,
Deputy Secretary to Govt.**

To

All Collectors.

Sub: **Realisation of establishment and contingent charges in cases of acquisition of land for companies –Head of Account to deposit.**

Sir,

I am directed to say that according to E.I. No. 185 when land is acquired at the cost of any fund controlled or managed by a local authority or a company the charge of and incidental to the acquisition shall be defrayed from such fund or by such company.

In this Deptt. Notification No. L.A. 17/88 Misc. 26838/R, dtd. 26.04.1988, in cases of the Deptt. of Govt., Companies, Projects, Corporations, local bodies etc., the charges have been fixed at 20% of the estimate compensation amount of the land to be acquired and in case of land requiring organisations, projects which bear the expenses of Spl. Land Acquisition establishment at 10% of the estimated compensation amount of land to be acquired.

Further as per E.I. No. 186 these public bodies and companies on whose behalf land is acquired by State Govt., are expected to deposit the estimated cost of acquisition including compensation capitalised value of land revenue and all charges on account of establishment (including leave and pension contribution for permanent gazetted and other staff) and contingencies to the credit of Govt., in advance on such date and in such instalment as the state Govt., may direct. The total amount of such advances received from the public bodies and companies who are financially independent from Govt. are initially creditable under minor head "117 Deposits for work done for Public Bodies or Private Individuals" sub-ordinate to Major Head 8443-Civil Deposits". This minor head is intended to cover seems received in advance from Municipalities and other bodies financially independent from Govt., for payment of compensation for land acquired for such bodies vide note 10 below Major Head 8443 Civil Deposits" of the Revised classification of Accounts". Therefore, when the public body or the

company deposits the compensation along with charges on account of establishment and contingencies etc., as a consolidated amount in advance, the amount will have to be initially credited to the above deposit major head and the amount towards establishment including leave and pension contribution etc. and contingencies as are incurred and recoverable from the party will have to be transferred from the above deposit Major Head to the credit of receipt Head "0029-Land Revenue 800-Other Receipts (C) Collection of payments for services Rendered". The compensation etc. paid to persons whose lands are acquired will have to be directly debited to the deposit Major Head as indicated above. Where however the public body or company deposits in advance the charges on account of establishment and contingencies separately, there is no necessity to take these credits to the deposit Major Head as it can directly be credited to the State Government Account under 0029-Land Revenue etc. indicated above.

The above instructions may therefore be brought to the notice of all concerned so that different procedure are not followed in crediting these recoveries to different Head of Accounts.

This supersedes the circular instruction issued earlier in this Deptt., letter No. 51600/R., dtd. 07.08.1982.

Yours faithfully

Sd/-
Deputy Secretary to Government