

M.P. Abolition of Proprietary Rights (Estates, Mahals, Alienated Lands) Act, 1950

(No 1 of 1951)

mp015

Received the assent of the President on the 22nd January, 1951; published in the Madhya Pradesh Gazette, Extraordinary, dated 26th January, 1951.

For Statement of Objects and Reasons, see Central Provinces and Berar Gazette Extraordinary dated the 6th October, 1949, pages 533-551. For report of Select Committee, see Madhya Pradesh Gazette Extraordinary, dated the 17th March 1950, pages 479- 546. For proceedings in Assembly see Central Provinces and Berar Legislative Assembly Proceedings 1949 Vol. VIII pages 39-54, 9-52, 60-62 and 9-40, dated the 11th, 12th, 13th and 15th October 1949, respectively. Madhya Pradesh Legislative Assembly Proceedings, 1950, Vol. IX pages 52-55, 15-46, 14-56, 41-82 and 42-70, dated the 29th and 30th March, 1950 and 3rd, 4th and 5th April, 1950, respectively.

An Act to provide for the acquisition of the rights of proprietors in estates, mahals, alienated villages and alienated lands in Madhya Pradesh and to make provision for other matters connected therewith.

Preamble. - Where it is expedient to provide for the acquisition of the rights of proprietors in estates, mahals, alienated villages and alienated lands in Madhya Pradesh and to make provision for other matters connected therewith.

It is hereby enacted as follows:

CHAPTER I

Preliminary

1. Short title and extent. - (1) This Act may be cited as Madhya Pradesh Abolition of Proprietary Rights (Estates, Mahals, Alienated Lands) Act, 1950.

(2) It extends to the whole of [Madhya Pradesh].

2. Definitions. - In this Act, unless there is anything repugnant in the subject or context,-

(a) ["*Central Provinces*" means the Mahakoshal region, excluding the area comprised in the merged territories].

(b) in relation to the Central Provinces, any expression not herein defined but used or explained in [the Central Provinces and Land Revenue Act, 1917 (II of 1917)], or the Central Provinces Tenancy Act, 1920 (I of 1920), and the Central Provinces Settlement Act, 1929 (VI of 1929), shall have the meaning therein assigned to it;

(c) in relation to the merged territories any expression not herein defined but used, defined or explained in the Central Provinces States Land Tenure Order, 1949, or the Makrai State Land Tenure Order, 1949, or the Central Provinces Land Revenue Act, 1917 (II of 1917), shall have the meaning assigned to it therein, and any expression, which is not used, defined or explained in any of the said orders or the said Act but is used in any wajib-ul-arz in force in any local area, shall have the meaning assigned to it in such wajib-ul-arz;

(d) [Omitted.]

(e) "*estate*" in relation to the merged territories, means any collection of mahals or villages held by the same proprietor, which has been assessed as one unit to land revenue whether such land revenue be payable or has been released or compounded for or redeemed to in whole or in part;

(f) [Omitted.]

(g) "*home-farm*" means-

(1) in relation to the Central Provinces,-

(i) land recorded as sir and *khudkasht* in the name of proprietor in the annual papers for the year 1948-49, and

(ii) land acquired by a proprietor by surrender from tenants after the year 1949-49 till the date of vesting;

(2) in relation to merged territories, that part of the land under the personal cultivation of the proprietor on the date of vesting which was similarly under cultivation in the agricultural year 1949-50 and which he is entitled to retain on the termination of proprietary tenure under any instrument having the force of law and applicable to such tenure.

Explanation. - Land under personal cultivation includes land allowed to lie fallow in accordance with the usual agricultural practice; but does not include any land in lawful possession of a raiyot or tenant;

(3) [Omitted.]

(h) "*homestead*" means a dwelling-house together with any court yard, attached garden or bari, trees standing in such court-yard, and out-buildings; and includes any out-buildings used for purposes connected with agriculture or horticulture and any tank or well appertaining to such dwelling-house;

(i) "*land*" includes land covered with water;

(j) "*mahal*", in relation to merged territories, means any area other than land in possession of a raiyot which has been separately assessed to land revenue, whether

such land revenue be payable or has been released, compounded for or redeemed in whole or in part;

(k) "*occupied land*" means,-

- (i) in relation to the Central Provinces, land held immediately before the date of vesting in absolute-occupancy, occupancy for village service, tenure, or land held as malik-makbuza, or land comprised in a home-farm;
- (ii) in relation to the merged territories, land held by a raiyot, tenant or a village servant or land comprised in home-farm;
- (iii) [Omitted]

(l) "*prescribed*" means prescribed by rules made under this Act;

(m) "*proprietor*", in relation to-

- (i) the Central Provinces, includes an inferior proprietor, a protected thekedar or other thekedar, or a protected headman;
- (ii) the merged territories, means a muafidar including an ex-Ruler of an Indian State merged with [Madhya Pradesh], a Zamindar, Ilaquedar, Khorposhdar or Jagirdar within the meaning of the Wajib-ul-arz, or any sanad, deed or other instrument, and a gaontia or a thekedar of a village in respect of which by or under the provisions contained in the wajib-ul-arz applicable to such village the muafidar, the gaontia, or the thekedar, as the case may be, has a right to recover rent or revenue from persons holding land in such village.
- (iii) [Omitted]

(n) "*Revenue Officer*" in any provision of this Act, means such Revenue Officer appointed under the [Central Provinces Land Revenue Act, 1917 (II of 1917)], or the Berar Land Revenue Code, 1928, as the case may be, as the State Government may, by notification, direct to discharge the functions of a Revenue Officer under that provision;

(o) "*Settlement Commissioner*" means an officer appointed as such by the State Government;

(p) "*specified tenant*" means-

- (i) an ante-alienation tenant;
- (ii) a permanent tenant;
- (iii) a tenant of antiquity;

(q) "*village site*" means;

- (i) in relation to the [Central Provinces], the abadi in an estate or mahal;
- (ii) in relation to the merged territories, the abadi in an estate or mahal;

(iii) [Omitted.]

CHAPTER II

The Vesting of Proprietary Rights in The State

3. Vesting of proprietary rights in the State. - (1) Save as otherwise provided in this Act, on and from a date to be specified by a notification by the State Government in this behalf, all proprietary rights in an estate, mahal, alienated village or alienated land, as the case may be, in the area specified in the notification, vesting in a proprietary of such estate, mahal, alienated village, alienated land, or in a person having interest in such proprietary rights through the proprietor, shall pass from such proprietor or such other person to and vest in the State for the purposes of the State free of all encumbrances.

(2) After the issue of a notification under sub-section (1), no right shall be acquired in or over the land to which the said notification relates, except by succession or under a grant or contract in writing made or entered into by or on behalf of the State; and no fresh clearings for cultivation or for any other purpose shall be made in such land except in accordance with such rules as may be made by the State Government in this behalf.

(3) Different dates may be specified under sub-section (1) for different areas.

(4) The State Government may vary the date specified under sub-section (1) at any time before such date.

4. Consequences of the vesting. - (1) When the notification under Section 3 in respect of any area has been published in the Gazette, then, notwithstanding anything contained in any contract, grant or document or in any other law for the time being in force and save as otherwise provided in this Act, the consequences as hereinafter set forth shall, from the beginning of the date specified in such notification (hereinafter referred to as the date of vesting) ensue, namely-

- (a) all rights, title and interest vesting in the proprietor or any person having interest in such proprietary right through the proprietor in such area including land (cultivable or barren), grass land, scrub jungle, forest, trees, fisheries, wells, tanks, ponds, water channels, ferries, pathways, village sites, hats, bazars and melas; and in all sub-soil, including rights, if any, in mines and minerals, whether being worked or not, shall cease and be vested in the State for purposes of the State free of all encumbrances; and the mortgage debt or charge on any proprietary rights shall be a charge on the amount of compensation payable for such proprietary right to the proprietor under the provisions of this Act;
- (b) all grants and confirmation of title of or to land in the property so vesting or of or to any right or privilege in respect of such property or land revenue in respect thereof shall, whether liable to resumption or not, determine;
- (c) all rents and cesses, in respect of any holding in the property so vesting for any period after the date of vesting, and which, but for such vesting, would be payable to the

proprietor, shall vest in and be payable to the State Government, and any payment made in contravention of this clause shall not be a valid discharge of the person liable to pay the same;

- (d) all arrears of revenue, cesses or other dues, in respect of any property so vesting, and due by the proprietor for any period to the date of vesting, shall continue to be recoverable from such proprietor and may, without prejudice to any other mode of recovery, be realised by deducting the amount from the compensation money payable to such proprietor under Chapter V;
- (e) the interest of the proprietor so acquired shall not be liable to attachment or sale in execution of any decree or other process of any Court, civil or revenue, and any attachment existing at the date of vesting or any order for attachment before such date shall, subject to the provisions of Section 73 of the Transfer of Property Act, 1882 (V of 1882), cease to be in force.
- (f) every mortgage with possession existing on the property so vesting or part thereof on the date immediately preceding the date of vesting shall, to the extent of the amount secured on such property or part, be deemed, without prejudice to the rights of the State Government under Section 3, to have been substituted by a simple mortgage.

(2) Notwithstanding anything contained in sub-section (1), the proprietor shall continue to retain the possession of his home-stead, home-farm land, and in the Central Provinces also of land brought under cultivation by him after the agricultural year 1948-49 but before the date of vesting.

(3) Nothing contained in sub-section (1) shall operate as a bar to the recovery by the outgoing proprietor of any sum which becomes due to him before the date of vesting by virtue of his proprietary rights and any such sum shall be recoverable by him by any process of law which but for this Act would be available to him.

5. Certain properties to continue in possession of proprietor or other person. - Subject to the provisions in [* * *]-

- (a) all open enclosures used for a agricultural or domestic purposes and in continuous possession for twelve years immediately before 1948-49; all open house-sites purchased for consideration; all buildings; places of worship; wells situated in and trees standing on lands included in such enclosures or house-sites or land appertaining to such buildings or places of ownership; within the limits of a village-site belonging to or held by the outgoing proprietor or any other person, shall continue to belong to or be held by such proprietor or other person, as the case may be; and the land thereof with

the areas appurtenant thereto shall be settled with him by the State Government on such terms and conditions as it may determine;

- (b) all private wells and buildings on occupied land belonging to or held by the outgoing proprietor or any other person shall continue to belong to or be held by such proprietor or other person;
- (c) all trees standing on land comprised in a home-farm or homestead and belonging to or held by the outgoing proprietor or any other person shall continue to belong to or be held by such proprietor or other person;
- (d) all trees standing on occupied land other than land comprised in home-farm or homestead and belonging to or held by a person other than the outgoing proprietor shall continue to belong to or be held by such person;
- (e) all tanks situate on occupied land and belonging to or held by the outgoing proprietor or any other person shall continue to belong to or be held by such proprietor or other person;
- (f) all tanks, belonging to or held by the outgoing proprietor which are situate on land other than village site or occupied land and in which no person other than such proprietor has any right of irrigation, shall belong to or be held by such proprietor;
- (g) all tanks and embankments (*bandhans*) belonging to or held by the outgoing proprietor or any other person which are situate on land other than village site or occupied land and the beds of which are under cultivation of such proprietor or such other person shall belong to or be held by such proprietor or such other person and the land under such tanks and embankments shall be settled with such proprietor or such other person on such terms and conditions as the State Government may determine;
- (h) all groves wherever situate and recorded in village papers in the name of the outgoing proprietor or any other person shall continue to belong to or be held by such proprietor or such other person and the land under such groves shall be settled with such proprietor or such other person by the State Government on such terms and conditions as it may determine.

6. Certain transfers to be void. - (1) Except as provided in sub-section (2), the transfer of any right in the property which is liable to vest in the State under this Act made by the proprietor at any time after the 16th March, 1950 shall, as from the; date of vesting, be void.

(2) Where on application of the transferor or the transferee the Collector is satisfied that any transfer of property referred to in sub-section (1) was made by a proprietor in good faith and in

the ordinary course of village management, he may declare that the transfer shall not be void after the date of vesting.

7. [Collector] to take possession of property vesting in the State. - On the date of vesting, the Collector shall take charge of all lands, other than occupied lands and homestead and of all interests vesting in the State under Section 3.

CHAPTER III

Assessment of Compensation

8. Duty to pay compensation and interest and manner of payment. - (1) The State Government shall pay to every proprietor, who is divested of proprietary rights, compensation determined in accordance with the rules contained in Schedule I.

(2) In addition to the compensation payable under sub-section (1), the State Government shall pay to the proprietor any amount which he proves to the satisfaction of the Compensation Officer appointed under Section 11 to have spent after the 11th March, 1949, on any tank, well or any other work used for irrigating agricultural land where such tank, well or work vests in the State Government by virtue of this Act.

(3) In addition to the amount payable under sub-section (1), the State Government shall, in the case of land lying within the area of any municipality or cantonment and vesting in the State under this Act, pay to the proprietor compensation calculated in accordance with the rules contained in Schedule II.

(4) The compensation for divesting of proprietary rights shall be due as from the date of vesting and shall carry interest at the rate of two and a half per centum per annum from the date of vesting to the date of payment.

9. Power to pay compensation in cash etc. - The compensation payable under Section 8 may, in accordance with the rules made in this behalf, be paid in one or more of the following modes, namely;-

(i) in cash in full or in annual instalments not exceeding thirty;

(ii) in bonds either negotiable or not negotiable carrying interest at the rate specified in sub-section (4) of Section 8 and of guaranteed face value maturing within a specified period not exceeding thirty days.

10. Interim payment. - Where the amount of compensation is not paid to a proprietor within a period of six months from the date of vesting, the State Government shall, subject to such restrictions and conditions as to security, repayment or otherwise as may be prescribed, direct the payment to each such proprietor of interim compensation which shall be equal to one-tenth of the estimated amount of compensation.

11. Appointment of Compensation Officer. - The State Government shall for the purpose of assessment of compensation to be paid in accordance with Section 8, appoint for any specified area one or more Revenue Officers, and such officers shall be designated as Compensation Officers.

12. Submission of statement of claim by Proprietor. - (1) Every proprietor who is divested of proprietary rights by virtue of a notification issued under Section 3 shall, within such period as

may be prescribed, file a statement of claim in the prescribed form and specify therein the following particulars, namely:-

- (i) name of the outing proprietor;
- (ii) the extent of share of each proprietor where there are more proprietors than one;
- (iii) the amount of gross income and expenditure and profits from various sources referred to in Schedule I;
- (iv) details of any leases entered into in regard to any lands, forest or fisheries together with the names of lessees;
- (v) such other particulars as may be prescribed.

(2) Every such statement shall be signed and verified in accordance with Order VI, Rule 15 of the Code of Civil Procedure, 1908 (V of 1908).

13. Determination of compensation. - (1) On receipt of the statement of claim, or if no such claim is received within the prescribed period, the Compensation Officer shall, after making such enquiry as he thinks fit and giving an opportunity to the claimant to be heard, decide the amount of compensation due to the claimant and record in a statement in the prescribed form, the details of the land which shall vest in the State Government after its acquisition in lieu of the payment of such compensation and such other details as may be prescribed.

(2) The Compensation Officer shall assess the amount of compensation payable for the whole estate, mahal or alienated village as one unit and shall then determine the amount due to each claimant in accordance with sub-sections (3), (4) and (5).

(3) Where there are co-sharers, the amount of compensation shall be distributed between them in proportion to the shares held by them.

(4) Where in the Central Provinces, superior and inferior proprietary rights exist in the same estate or mahal or alienated village, the Compensation Officer shall distribute the compensation in the proportion in which proprietary profits are shared by them immediately before the date of vesting

(5) Where in the Central Provinces and the merged territories, in an estate or mahal, proprietary rights are held by under-tenures, such as protected thekedar or other thekedar or a protected headman, the Compensation Officer shall apportion the total amount of compensation between the various claimants having regard to-

- (a) the premium, if any, paid at the commencement of the theka or the lease;
- (b) the terms and conditions of the theka or the under-tenure;
- (c) loss, if any, caused to the thekedar as a result of the determination of the theka;
- (d) the gross assets and the net assets of the estate or mahal under the theka or under-tenure;
- (e) the amount payable annually by the thekedar;

(f) the fact that the total rights of the intermediary are being acquired and that those rights were held by him in perpetuity while the rights of the thekedar are of a limited character; and

(g) such other matters as may be prescribed.

(6) A copy of the statement recorded by the Compensation Officer under sub-section (1) shall be supplied to each proprietor affected by the acquisition.

14. Question of title. - (1) If, during the course of an enquiry by the Compensation Officer, any question is raised regarding the proprietary right in any property divested under Section 3 and such question has not already been determined by a Court of competent jurisdiction, the Compensation Officer shall proceed to enquire summarily into the merits of such question and pass such orders as he thinks fit.

(2) The order of the Compensation Officer under sub-section (1) shall not be subject to any appeal or revision, but any party may, within two months from the date of such order, institute a suit in the Civil Court to have the order set aside, and the decision of such Court shall be binding on the Compensation Officer, but subject to the result of such suit, if any, the order of the Compensation Officer shall be final and conclusive.

15. Appeal, revision and review. - (1) Any person aggrieved by the decision given or the record made under Section 13 by the Compensation Officer may appeal to the [Collector] if the amount of compensation assessed by the Compensation Officer does not exceed one thousand rupees and to the Settlement Commissioner, if it exceeds, one thousand rupees, within forty-five days from the date of the supply to the proprietor of the copy of the statement under sub-section (6) of Section 13.

(2) The Settlement Commissioner may, at any time for the purpose of satisfying himself as to the legality or propriety of any order passed by, or as to the regularity of the proceedings of, the Compensation Officer, call for and examine the record of any case pending before or disposed of by such officer and may pass such order in reference there to as he thinks fit :

Provided that he shall not vary or reverse any order unless notice has been given to the parties interested to appear and be heard in support of such order.

(3) The Compensation Officer, the [Collector] or the Settlement Commissioner, may either on his own motion or on the application filed within the prescribed period by any party interested, review an order passed by himself or his predecessors in office and pass such order in reference thereto as he thinks fit :

Provided that-

(i) no order shall be varied or reversed unless notice has been given to the parties interested to appear and be heard in support of such order;

(ii) no order from which an appeal has been made or which is the subject to any revision proceedings shall, so long such appeal or proceedings are pending, be reviewed.

(4) Except as provided in sub-sections (1) to (3) the decision and the record made by the Compensation Officer shall be final and conclusive in respect of the quantum of the compensation payable, and other entries made in the statement of the Compensation Officer.

16. Injunction by a Civil Court barred. - Except an authority before whom an appeal under this Chapter is pending against an order of the Compensation Officer no Court or authority shall, notwithstanding anything contained in any law for the time being in force, issue any injunction against any person in respect of any proceedings pending before the Compensation Officer under this Chapter which shall have the effect of staying the proceedings.

CHAPTER IV

Determination of Debts

17. Definitions. - In this Chapter-

- (a) "*secured debt*" or "*secured claim*" means a debt or claim subsisting on the date of vesting, whether due or not due, and secured by the mortgage of or a charge on the proprietary rights divested under Section 3 but shall not include land revenue or anything recoverable as land revenue or any money for the recovery of which a suit is barred by limitation;
- (b) "*creditor*" means a person to whom a secured debt or claim is owing and "*debtor*" means the person by whom such debt is owed;
- (c) "*excluded debt*" refers to secured claims due in respect of-
 - (i) any liability in respect of any sum due to any society-registered or deemed to be registered under the Co-operative Societies Act, 1912 (II of 1912);
 - (ii) any liability in respect of maintenance whether under decree of Court or otherwise;
 - (iii) any liability due to a bank or a company;
 - (iv) any debt in respect of which an agreement has been registered under Section 12 of the Central Provinces and Berar Debt Conciliation Act, 1933 (II of 1933), or in respect of which a scheme for repayment has been framed under Section 11 of the Central Provinces and Berar Relief of Indebtedness Act, 1939 (XIV of 1939);
- (v) any liability in respect of village profits or of land revenue arising between co-sharers and the *lambardar* or between *lambardar* and *sadar lambardar* or between superior and inferior proprietors or between a proprietor and a *thekedar* or a farmer of proprietary rights or between the proprietor and a *malik-makbuza* or between co-sharers in *jjara* and Jagir villages;
- (vi) a mortgage claim against property in the hands of a subsequent transferee who was taken the transfer in order to satisfy the mortgage;

(vii) any liability arising between mortgagor and mortgagee in respect of land revenue of the mortgaged property which has been paid by the mortgagee on behalf of the mortgagor.

18. Appointment of Claims Officers. - The State Government shall, for the purpose of determining, the manner provided in this Chapter, the amount of secured debts or claims owed by proprietors divested of proprietary rights under this Act, appoint for any specified area, one or more Revenue Officers as Claims Officers.

19. Applications to Claims Officer. - (1) Every proprietor who is divested of proprietary rights under Section 3 shall within such period as may be prescribed file an application before the Claims Officer having jurisdiction specifying the amounts and particulars of all secured debts and claims against him together with the names and residence of his creditors.

(2) Any creditor of a proprietor divested of proprietary rights under Section 3 may, within the period prescribed under sub-section (1), file an application to the Claims Officer having jurisdiction specifying therein the amount and particulars of his secured debt or claim against such proprietor.

(3) An application under sub-section (1) or (2) shall contain such further particulars as may be prescribed and shall be signed and verified in accordance with the manner prescribed by the Code of Civil Procedure, 1908 (V of 1908), for signing and verifying plaints.

20. Stay of proceedings. - (1) Upon receipt of an application under Section 19 if the Claims Officer finds that any suit or proceeding is pending against the proprietor for the recovery of any amount in respect of a secured debt or claim he shall, issue a notice to the Court concerned and thereupon such suit or proceeding shall be stayed.

(2) Where the Claims Officer finds that the properties vesting in the State under Section 3 of a debtor extend over areas within the jurisdiction of more than one Claims Officer he shall refer the case of such debtor to the Settlement Commissioner for orders as to the Claims Officer shall deal with the case of such debtor.

(3) On receipt of such reference, the Settlement Commissioner may, after hearing the debtor, if necessary, pass an order specifying the Claims Officer who shall deal with the case and send a copy of his order to all Claims Officers concerned directing them to forward all papers of the case of the debtor to the Claims Officer specified by him.

21. Preliminary proceedings. - (1) The Claims Officer shall pass an order fixing a date for hearing and shall cause a notice of the date of hearing together with a copy of the application received to be served on the creditors and the debtors and shall cause copies of such application to be affixed to the Court house.

(2) On the date fixed for hearing, any creditor may object to the proceedings on the ground that the debtor does not earn his livelihood wholly or mainly from agriculture or from rents or lease-money received from agriculture land.

(3) The Claim Officer may, after such enquiry, as he thinks fit, pass an order rejecting or allowing the objection.

(4) If the objection is allowed nothing hereinafter contained in this Chapter except Section 34 shall apply to the secured debts or claims against any such debtor.

(5) If no objection is made under sub-section (2) or if an objection is made and decided, the jurisdiction of the Claims Officer to proceed in accordance with the provisions of this Chapter shall not be questioned in any Civil Court.

22. Submission of claims by creditors. - (1) When the Claims Officer orders that the proceedings shall continue, he shall fix a date not earlier than one month and on or before such date, every creditor shall file a written statement of his claim signed and verified in the manner prescribed by Order VI, Rule 15 of the Code of Civil Procedure, 1908 (V of 1908). Such statement shall be submitted in person or by an agent authorised in writing or by registered post and every claim not so submitted shall be deemed for all purposes and all occasions to have been discharged as against such debtor :

Provided that if a creditor files a statement of claim within a further period of two months and satisfies the Claims Officer that such creditor was for good and sufficient cause unable to file the same before the date fixed for hearing, the Claims Officer may revive the claim.

(2) On the date on which the case is fixed for hearing, the creditor shall produce the documents in his possession or control on which he bases his claim. He shall also furnish a full and true statement of accounts of all previous transactions between him and his debtor leading to the claim and his account books or copies thereof, if any, in his possession or control. If such documents and statement are not produced at such hearing or at an adjourned hearing fixed for this purpose by the Claims Officer, the Claims Officer may declare such claim to be discharged for all purposes and all occasions against such debtor or debtors :

Provided that if the Claims Officer is satisfied that any creditor was, for good and sufficient cause, unable to produce such documents or statement, he may require them to be produced on a date fixed for the purpose and may revive the claim.

23. Power of Claims Officer to require proof of validity and subsisting character of debts. - (1) On the date fixed for the hearing of the case, or on any subsequent day to which the hearing may be adjourned, the Claims Officer shall require proof of the validity and subsisting character of the secured debt or claim.

(2) Where the debtor objects to the claim preferred by any creditor on the ground that the debt was not incurred or that it is not binding on the debtor, the Claims Officer shall not determine the amount due on any such claim and nothing contained in Sections 24 to 27 shall apply to any such claim.

24. Calculation of interest and reduction of principal in all transactions. - (1) The Claims Officer shall, notwithstanding anything contained in any other enactment for the time being in force, reopen all transactions made twelve years before the last transaction or before the last January, 1932, whichever is earlier and, as far as may be, ascertain in respect of each loan the date on which it was originally advanced. He shall, notwithstanding the provisions of any agreement or law to the contrary, calculate the interest due at six per centum per annum or such lower rate of interest as may have been agreed upon between the parties. He shall also determine the amount of principal, if any, of each loan which would have remained unpaid if the calculation of interest had been made as herein provided.

(2) If the Claims Officer finds that the loan was originally advanced prior to the 1st January, 1932, then he shall reduce the principal determined under sub-section (1) by twenty per centum.

(3) Notwithstanding anything contained in any law for the time being in force, no Claims Officer shall, in respect of any secured debt or claim to which this Chapter applies, award on account of

arrears of interest a sum greater than the principal of the loan as determined under sub-section (1).

(4) If the Claims Officer finds that nothing is due to the creditor, he shall pass an order discharging the secured debt or claim.

(5) The amounts determined due shall not carry any interest after the date of determination.

(6) Nothing in sub-sections (1) to (5) shall apply to excluded debts. The amount due for such debts shall be determined in accordance with the terms of the contract between the parties or any law for the time being in force.

25. Priority amongst secured creditors. - The Claims Officer shall, where there are two or more creditors, settle the order in which each creditor shall be entitled to receive the amount due to him. In doing so, he shall, as far as may be, be guided by the appropriate provisions of the Transfer of Property Act, 1882 (IV of 1882).

26. Distribution of compensation amount. - The compensation payable to the proprietor under Chapter III shall be distributed between the secured creditors in the order of their priority and if there are more than one such creditors holding the same order of priority, it shall be distributed rateably between them in proportion to the amounts determined due.

27. Order regarding unpaid amount of claim. - If the Claims Officer finds that the amount of compensation is not sufficient to satisfy the claims determined under Section 24, he shall record an order specifying-

(a) the amount remaining unpaid in respect of each claim;

(b) the name of the creditor to whom it is due; and

(c) the particulars of the property remaining encumbered in respect of each claim.

28. Recoveries of unpaid amount. - Any creditor in whose favour an order under Section 27 has been passed may within one year apply to Civil Court for passing a preliminary decree for sale of the encumbered property and the Civil Court shall accordingly pass a preliminary decree for said fixing such time for payment as it may deem fit.

29. Court-fees. - (1) Any creditor who applies to a Civil Court under Section 28 shall be liable to pay such court-fee upon the amount declared as due as he would be liable to pay upon a plaint filed for the recovery of the same and the Civil Court shall not proceed with the application until such court-fee has been paid :

Provided that no court-fees shall be payable if court-fees have already been paid in respect of a debt.

(2) The amount of court-fee paid by the creditor shall form costs of the proceeding and be recoverable from the debtor.

30. Appeal against orders of Claims Officer. - Any person aggrieved by an order of a Claims Officer may, within forty-five days of such order, file an appeal before the Board of Revenue which may, after hearing the parties, pass such orders as it thinks fit.

31. Review. - Any authority passing any order under this Chapter may on its own motion at any time or on the application from any person interested made within thirty days of the passing of an order, review an order passed by it and pass such order in reference thereto as it thinks fit: Provided that no order shall be varied or revised unless notice has been given to the person interested to appear and be heard in support of such order.

32. Finality of decisions. - The decision of the appellate authority and where no appeal has been preferred, the decision of the Claims Officer shall, subject to the provision of Section 31, be final and conclusive.

33. Bar against jurisdiction of Courts in certain matters. - The jurisdiction of the Civil Courts shall, except as otherwise provided in this Act, be barred in respect of-

- (a) any matter pending before a Claims Officer;
- (b) the claim for any secured debt or claim which has been discharged or deemed to have been discharged under Section 22;
- (c) the recovery of any secured debt or claim determined under Section 24 except in the manner provided for in Section 28.

34. Limitation. - In calculating the period of limitation for any suit filed in, or proceedings before, Civil Court in respect of any secured debt or claim which was the subject of any proceedings under this Chapter, the time during which such proceedings had continued shall be excluded.

CHAPTER V

Payment of Compensation

35. Payment of Compensation. - (1) If in any case the decision of the Compensation Officer in regard to the amount of compensation payable to a proprietor is modified in appeal, after the disposal of such appeal and in any other case after the time for appeal is over, such officer shall forward to the [Collector] to whom he is subordinate or if any proceedings for determination of debt have been started under Chapter IV, to the Collector of the district where such proceedings are continuing, all papers of the enquiry together with the statement showing the final amount of compensation payable to the proprietor.

(2) The Collector shall then ascertain if any proceeding for the determination of debt is pending against the proprietor before the Claims Officer and, if so shall await his decision.

(3) After the amount of compensation payable to a proprietor is decided upon and the debt owed by him, if any, determined, the Collector shall make payment of compensation to the creditors in accordance with the orders of the Claims Officer and if there is any amount left unpaid, he shall pay it to the proprietor entitled thereto.

(4) Where the person entitled to receive the compensation is a waqf, trust or endowment or a minor or a person suffering from legal disability, the compensation may, subject to any general directions that the State Government may give, be deposited, for and on behalf of the person, with such authority or bank as may be prescribed.

(5) If the proprietary rights in respect of which the compensation is payable are held by a limited owner or the holder of a life interest, the Collector shall keep the amount of compensation in deposit and shall direct the payment of the interest accruing from the amount of compensation to the limited owner or the holder of the life interest during his lifetime. Such amount shall remain deposited with the Collector until the compensation money or portion thereof after making payment, if any under the proviso to this sub-section is made over to any person or persons becoming absolutely entitled thereto :

Provided that nothing in this sub-section shall be deemed to affect the right of any limited owner or the holder of a life interest to apply to the District Judge for the payment of a part of the compensation money to defray any expenses which may be necessary to meet any legal necessity.

(6) If any person entitled to a payment out of the compensation amount, refuses to accept such payment, the [Collector] shall keep the amount in revenue deposit.

(7) The payment of compensation under this Act to the creditors of a proprietor or to the proprietor in accordance with the prescribed manner shall be a full discharge of the State Government from all liability to pay compensation for the divesting of proprietary rights, but shall not prejudice any rights in respect of the said rights to which any other person may be entitled by due process of law to enforce against the person to whom compensation has been paid to as aforesaid.

36. Compensation money to be placed at the disposal of the Court. - (1) On an application made in that behalf by a secured creditor, the debt or claim owing to whom has not been determined by the Claims Officer by reason of an order under Section 21 or sub-section (2) of Section 23, the Collector shall pass an order withholding the payment of compensation to the proprietor in question for a period of three months from the date of the order.

(2) If within the said period of three months the Collector receives any order from any Court requiring the Collector to place at its disposal the whole or part of the amount of compensation payable to the proprietor concerned, the Collector shall comply with the order of the Court.

CHAPTER VI

Management and Tenures of Land in The Central Provinces

37. Application of Chapter. - The provisions of this Chapter shall apply to the Central Provinces.

38. to 47. [Omitted.]

48. Reservation of grazing land. - (1) If the [Collector] finds that in any village no land is reserved for the grazing of cattle or that the land so reserved is insufficient he may declare such area as he considers necessary as reserved for the purpose from out of the area specified below :

(a) any area vesting in the State and situate within the limits of the village;

(b) any area settled with the proprietor under Section 40;

(c) any area recorded as *khudkasht* of the proprietor, but brought under cultivation by him after the agricultural year 1945-46.

(2) Where any area referred to in clause (b) or (c) of sub-section (1) is reserved as the grazing land of a village the proprietor shall be paid compensation which shall be equal to the expense incurred by him in bringing the said land under cultivation.

49. to 51. [Omitted].

CHAPTER VII

Management and Tenures of Land in The Merged Territories

52. Application of Chapter. - The provisions of this Chapter shall apply to the merged territories.

53. to 63. [Omitted].

64. Reservation of grazing land. - (1) If the Collector finds that in any village no land is reserved for the grazing of cattle or that the land so reserved is insufficient he may declare such area as he considers necessary as reserved for the purpose from out of the area specified below :

(a) any area vesting in the State and situate within the limits of the village;

(b) any area reserved to the proprietor under Section 54;

(c) any area held by the proprietor as *nialik-inakbiiza* under Section 53 and brought under cultivation by the proprietor after the 1st day of January, 1948.

(2) Where any area referred to in clause (b) or (c) of sub-section (1) is reserved as the grazing land of a village the proprietor shall be paid compensation which shall be equal to the expense incurred by him in bringing the said land under cultivation.

65. [* * *]

CHAPTER VIII

Management and Tenures of Lands in Berar

66 to 70. [Omitted]

CHAPTER IX

Mines And Minerals

71. Application of Chapter. - The provisions of this Chapter shall apply to villages settled under the Waste Lands Sales Rules, 1864, in the Central Provinces.

72. Mines worked by the proprietor. - (1) With effect from the date of vesting all mines comprised in any property vesting in the State under this Act as were in operation on the date immediately preceding the said date and were being worked directly by the proprietor shall be deemed to have been leased by the State Government to the proprietor, and such proprietor shall be entitled to retain possession of those mines as a lessee thereof.

(2) The terms and conditions of the said lease by the State Government shall be such as may be agreed upon between the State Government and the proprietor or, in default of agreement, as may be settled by a Mines Tribunal appointed under Section 75 :

Provided that all such terms and conditions shall be in accordance with the provisions of any Central Act for the time being in force regulating the grant of new mining leases.

73. Subsisting leases of mines and minerals. - (1) Where immediately before the date of vesting of any property under this Act, there is a subsisting lease of mines or minerals comprised in such property or any part thereof, the whole or that part of the property comprised in such lease shall, with effect from the date of vesting, be deemed to have been leased by the State

Government to the holder of the said subsisting lease for the remainder of the term of that lease, and such holder shall be entitled to retain possession of the lease-hold property.

(2) The terms and conditions of the said lease by the State Government shall *mutatis mutandis* be the same as the terms and conditions of the subsisting lease referred to in sub-section (1), but with the additional condition that, if, in the opinion of the State Government the holder of the lease had not, before the date of the commencement of this Act, done any prospecting or development work, the State Government shall be entitled at any time before the expiry of one year from the said date to terminate the lease by giving three months' notice in writing :

Provided that nothing in this sub-section shall be deemed to prevent any modifications being made in the terms and conditions of the said lease in accordance with the provisions of any Central Act for the time being in force regulating the modification of existing mining leases.

(3) The holder of any such lease of mines and minerals as is referred to in sub-section (1) shall not be entitled to claim any damages from the outgoing proprietor on the ground that the terms of the lease executed by such proprietor in respect of the said mines and minerals have become incapable of fulfilment by the operation of this Act.

74. Buildings and lands appurtenant to mines. - Where by virtue of Section 72 or Section 73, any lease of mines and minerals comprised in any property vesting in the State under this Act is deemed to be given by the State Government, all buildings and lands not included in such lease, whether comprised in that or any other property vesting in the State by the operation of this Act, and are in the use and occupation of the lessee for purposes connected with the working or extraction of the mines and minerals comprised in the lease, including the lands upon which any works, machinery, tramways or sidings appertaining to the mines are situate, shall be deemed to have been leased by the State Government to that lessee with effect from the date of vesting, and the lessee shall be entitled to retain possession of all such buildings and lands subject to the payment of such fair and equitable ground rent as may be agreed upon between the State Government and the lessee, or in default of agreement, as may be fixed by a Mines Tribunal appointed under Section 75.

75. Mines Tribunal. - (1) Any Mines Tribunal appointed for the purposes of Sections 72, 74 and 76 shall consist of a Chairman who shall be a District Judge, and a member who shall be a mining expert, both of whom shall be appointed by the State Government.

(2) In setting the terms and conditions of a lease by the State Government under Section 72, the Mines Tribunal shall have power to determine the extent of the property deemed to have been leased by the State Government.

(3) The Tribunal shall follow such procedure as may be prescribed.

(4) If there is a difference of opinion between the Chairman and the member in regard to any matter, it shall be referred by the Chairman to a Judge of High Court nominated by the Chief Justice in this behalf, and the decision of such Judge shall be binding on the Tribunal.

76. Compensation for premature termination of lease of mines and minerals. - (1) Where in pursuance of the additional condition mentioned in sub-section (2) of Section 73, any lease of mines and minerals is terminated by the State Government, the lessee shall be entitled to such compensation from the State Government for premature termination of the lease as may be agreed upon between the State Government and the holder of the lease, or in default of agreement, as may be determined by a Mines Tribunal appointed under Section 75.

(2) In determining the compensation payable under sub-section (1), the Tribunal shall, among other things, have regard to the genuineness of the transaction, and the period for which the lease has been in force.

CHAPTER X

Rehabilitation Grant

77. Payment of rehabilitation grant. - (1) There shall be paid by the State Government to every proprietor who has been divested of his property under this Act, and who earns his livelihood wholly or mainly from agriculture, a rehabilitation grant in accordance with the rules contained in Schedule III:

Provided that subject to the provisions of sub-section (2) no such grant shall be payable to a proprietor, the land revenue payable by whom, for his share in the estate or mahal together with the land revenue in respect of home-farm land left with him immediately after the date of vesting and the land revenue or rents payable on other lands held by him anywhere [in the State of Madhya Pradesh as existing immediately before the 1st day of November, 1956] exceeds sixty rupees.

(2) Where the income of any property vesting in the State was immediately before the date of vesting being used for the maintenance or upkeep of any religious, charitable or public institution, the State Government may, if it considers it expedient that such institution should in public interests receive a further grant, grant an annuity determined after having regard to the following matters namely :

- (a) the portion of the income from the property which has been generally used or applied for the purposes of the institution;
- (b) the income from interest or otherwise from the amount of compensation or rehabilitation grant given under this Act;
- (c) the income from other properties held by the institution;
- (d) the amount which would be considered reasonable for fulfilling the objects of the institution so far as they relate strictly to religious, charitable or public purposes.

Any annuity so granted may from time to time be revised by the State Government.

78. Date from which the grant shall be payable. - The rehabilitation grant due under Section 77 shall be payable on or from the date on which the compensation payable to the proprietor in respect of the property divested has been paid.

79. Every proprietor to be treated as a separate unit. - For the purposes of a rehabilitation grant under this Act, every proprietor shall be treated as a separate unit:

Provided that in the case of a joint Hindu Family-

- (a) a father with his male lineal descendants in the male line of descent shall, as respects joint family property, be deemed to be one unit where the father was alive on the date of vesting;

(b) all the members thereof shall, except as provided in clause (a) be treated as separate units.

Explanation-Notwithstanding any partition made on or after the 27th September, 1946 a family shall be deemed to be joint.

80. Certain transfers not to be recognised. - Notwithstanding anything contained in any law for the time being in force, any transfer, whether by way of sale or gift, made by a person in favour of his wife or a male lineal descendant or the wife of such descendant, and *vice versa* on or after the 27th September, 1946, shall not, for the purposes of assessment of a rehabilitation grant be recognised and the amount of rehabilitation grant, shall be assessed as if no such transaction had been made.

81. Application for rehabilitation grant. - A proprietor entitled to receive rehabilitation grant, shall apply in writing in the prescribed form giving the prescribed particulars to a Revenue Officer for determination and payment of the grant.

(2) The Revenue Officer shall, after making such enquiry as he deems fit, determine the amount of the grant and communicate the same to the [Collector].

(3) On receipt of an intimation under sub-section (2), the Collector shall make payment of the grant in such manner as may be prescribed.

[81A. Grant of special annuity in merged territories. - (1) Where, in the merged territories, any property vesting in the State was held either wholly or partly free from payment of land revenue for the maintenance or upkeep of any religious, charitable or public institution, the State Government may, in addition to the rehabilitation grant, if any, to which such institution may be entitled under Section 77, grant such special annuity as may be considered reasonable for fulfilling the objects of such institution so far as they relate strictly to religious, charitable or public purposes :

Provided that the special annuity shall not exceed half the amount of the land, revenue in respect of which the institution concerned enjoyed exemption immediately before the commencement of this Act.

(2) The special annuity granted under sub-section (1) may, from time to time, be revised or be withdrawn by the State Government.

(3) The State Government may make rules to carry out the purposes of this section and in particular such rules may provide for-

(a) the form of application and the particulars to be given therein;

(b) the manner in which the special annuity shall be paid;

(c) the conditions of the grant of the special annuity].

82. Amount of grant not liable to seizure or attachment. - No amount granted by way of rehabilitation grant [or special annuity] shall be liable to seizure or attachment by process of any Court or other authority at the instance of a creditor or for any demand against the grantee or in satisfaction of the decree or order of any such Court or authority.

CHAPTER XI

Miscellaneous

83. Presumption about entries in record-of-rights, etc. - Every entry in the record-of-rights, the annual papers and the registers of proprietary mutations in the Central Provinces, [and] every entry in records of a like nature maintained under any law for the time being in force in the merged territories [***] shall for purposes of assessment and payment of compensation be presumed to be correct.

84. Appeals. - Except where the provisions of this Act provide otherwise, from every decision or order of a Revenue Officer under this Act or the rules made thereunder, an appeal shall lie as if such decision or order has been passed by such officer under [the Central Provinces Land Revenue Act, 1917 (II of 1917), or the Berar Land Revenue Code, 1928], as the case may be.

85. Procedure. - The Compensation Officer, the Claims Officer, the Revenue Officer empowered to sanction a rehabilitation grant and any authority hearing appeals from the orders of such officers shall follow the procedure applicable to proceedings under the Central Provinces Land Revenue Act, 1917 (II of 1917) or the Berar Land Revenue Code, 1928, as the case may be, and shall have the same powers in reference to proceedings before them as Revenue Officer has in reference to original or appellate proceedings, as the case may be, under [the Central Provinces Land Revenue Act, 1917 (II of 1917), or the Berar Land Revenue Code, 1928], as the case may be.

86. Court-fees. - (1) The fee payable on the memorandum of an appeal filed before the Settlement Commissioner under Section 15 shall be the same as would be payable on a plaint filed for the recovery of the amount by which compensation is sought to be increased.

(2) Subject to the provisions in sub-section (1), there shall be paid such court-fees on every application or document filed in the proceedings under this Act and such fees for the issue or execution of any process as may be prescribed.

87. Protection of action taken under this Act. - (1) No suit, prosecution or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done in pursuance of this Act or any rules made thereunder.

(2) No suit or other legal proceedings shall lie against the State for any damage caused or likely to be caused or any injury suffered or likely to be suffered by virtue of any provisions of this Act or by anything in good faith done or intended to be done in pursuance of this Act or any rules made thereunder.

88. Persons acting under the Act to be public servants. - All persons acting in pursuance of the provisions of this Act shall be deemed to be public servants within the meaning of that expression in the Indian Penal Code, 1860 (XLV of 1860).

89. Effect of rule, etc. inconsistent with other enactments. - The provisions of this Act and any rules made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any enactment other than this Act or in any instrument having effect by virtue of any enactment other than this Act.

90. Repeal. - The Kawardha State *Wajib-ul-arz* Amendment Act, 1947 (XXI of 1947), shall, as from the date of vesting of the area to which the said Act applies, be repealed.

91. Power to make rules. - (1) The State Government may make rules to carry out all or any of the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, it shall have power to make rules with reference to-

- (a) the circumstances and manner in which clearings for cultivation or for any other purpose shall be made under Section 3;
- (b) manner of payment of compensation under Section 9;
- (c) the restrictions and conditions subject to which interim compensation shall be paid under Section 10;
- (d) the time within which and the form in which a statement of claim may be submitted and the further particulars that should be given in the statement of claim under Section 12;
- (e) the form of and the details to be incorporated in the statement showing the amount of compensation due to the claimant under sub-section (1), and the matters required to be prescribed under sub-section (5) of Section 13;
- (f) the period within which an application for review shall be filed under sub-section (3) of Section 15;
- (g) the period within which an application shall be made under Section 19 and the further particulars which such application shall contain;
- (h) the prescription of an authority or bank with which the compensation payable to a *waqf*, trust or endowment or a minor or a person suffering from legal disability may be deposited, and the manner in which the payment of compensation shall be made to the creditors of a proprietor or to the proprietor, under Section 35;
- (i) the regulation of the partition of land under Sections 38 and 53;
- (j) the terms and conditions on which land shall be settled under Section 40;
- (k) the manner in which an absolute occupancy or an occupancy tenant in the Central Provinces or a *raiyot* or a tenant shall be declared a *nialik-nzakbuza* in respect of his holding under Section 41 or Section 56;
- (l) the manner in which applications for purchase of right in trees shall be made, and the procedure which shall be followed by the Revenue Officers in disposing them of, under Sections 44 and 58;
- (m) the manner of ascertaining customs under Sections 47 and 63;

- (n) the appointment of a *patel*, the terms and conditions of his appointment, the duties to be performed and the powers to be exercised by him under Sections 50 and 60;
- (o) the management of villages vesting in the State through a Gram Panchayat or any other agency under Sections 51, 61 and 70;
- (p) reservation of *raiyoti* rights to a proprietor under sub-section (1) of Section 54;
- (q) assessment of land revenue under Section 55;
- (r) the marginal adjustments subject to which a deposit by way of premium shall be made under Section 69;
- (s) the procedure to be followed by the Mines Tribunal under Section 75;
- (t) the form of application and the particulars to be given in the application for the rehabilitation grant and the manner in which the grant be paid under Section 81;
- (u) the fees payable for the issue or execution of any process, under Section 86.

Schedule I

(See Section 1)

Rules for the determination of compensation

1. In these rules the expression "previous agricultural year" means the agricultural year preceding the agricultural year in which the date of vesting falls.
 2. The gross income of an estate or mahal in the Central Provinces shall be calculated by adding the amount of income received by a proprietor under the following heads, namely:
 - (a) the aggregate of the rents receivable from tenants in an estate or mahal, as recorded in the *Jamabandi* for the previous agricultural year;
 - (b) *siwai* income, that is income from various sources such as *jalkar*, *bankar*, *phalkar*, *hats*, bazars, melas, grazing and village forest calculated at two times the *siwai* income recorded in the current settlement;
 - (c) consent money on transfer of tenancy lands-the average annual income calculated at the rate permissible under Section 6-A or Section 12-A, as the case may be, of [the Central Provinces Tenancy Act, 1920], on transactions recorded in the village papers for ten years preceding the agricultural year in which the date of vesting falls.
- (2) The net income of an estate or mahal in the Central Provinces shall be calculated by deducting from the gross income the sums under the following heads, namely :
- (a) the sum assessed as land revenue on an estate or mahal in the previous agricultural year less that part of the rental value of the home-farm land which bears the same

proportion to the rental value as the amount of land revenue assessed on the estate or mahal bears to the *malguzari* assets;

- (b) sums found payable during the previous agricultural year by a proprietor on account of cesses and local rates on all lands in the estate or mahal other than lands comprised in his home farm;
- (c) the average of the income-tax paid in respect of the income received from big forest during the period of thirty agricultural years preceding the agricultural year in which the relevant date falls;
- (d) cost of management at the rate of-
 - (i) eight per cent in the case of gross annual income not exceeding rupees two thousand in respect of mahals;
 - (ii) ten per cent in the case of gross annual income exceeding rupees two thousand in respect of mahals;
 - (iii) ten per cent in the case of gross annual income exceeding rupees two thousand but not exceeding rupees fifteen thousand in respect of estates;
 - (iv) fifteen per cent in the case of gross annual income exceeding rupees fifteen thousand in respect of estates.

(3) Notwithstanding anything contained in sub-rule (2), the net income shall in no case be reduced to less than five per cent of the gross income.

3. [Omitted.]

4. [Omitted.]

5. In the case of a village in the Central Provinces where mining rights vest in the proprietor under the Waste Lands Sales Rules, 1864, the net income determined under Rule 2, shall be added to the net income from mining rights calculated in accordance with Rule 6.

6. (1) Where a mine has been worked at any time during the ten agricultural years preceding the agricultural year in which the relevant date falls-

(a) the gross income in respect of any such mine shall be calculated as follows-

- (i) in the case of a proprietor in receipt of royalties on account of mines and minerals comprised in his mahal the average income on account of royalties calculated on the basis of the annual returns filed by the proprietor for the assessment of cess or income tax during the period of ten agricultural years preceding the agricultural year in which the date of vesting falls or any shorter period for which such returns have been filed;
- (ii) in the case of a proprietor directly working a mine comprised in his mahal the average annual gross income from such mine calculated on the same basis as that specified in paragraph (i);

(b) that net income shall be arrived at by deducting from the gross income, the following, namely:

- (i) the average of the income-tax paid in respect of the income from royalties mentioned in paragraph (i) of clause (a) computed over the period mentioned in the said paragraph and the cost of collection of such rates as may be prescribed;
- (ii) 95 per centum of the gross income determined under paragraph (ii) of clause (a) which shall be deemed to be part of the income reserved to him in respect of the rights contained in Section 72.

(2) If the net income arrived at in accordance with sub-rule (1) is less than the amount calculated at a rate of four annas per acre of the area in which the mining right exists, the net income of the proprietor shall be deemed to be the amount which is greater.

(3) In the case of mining rights not covered by sub-rule (1) the net income shall be deemed to be equal to a sum calculated at four annas per acre of the area in which the mining rights exists.

7. (1) In the merged territories, the gross assets of an estate or mahal shall be calculated by adding the amount of income received by a proprietor under the following heads, namely :

- (a) the aggregate of the assessment on all lands in the estate or mahal other than home-farm lands;
- (b) *siwai* income, i.e. income from various sources such as *jalkar*, *bankar*, *phalkar*, *hats*, bazars, grazing income from village forest, etc., calculated at two times the *siwai* income recorded in the current settlement and if there was no such settlement in any, then the average annual income based on the average income from all sources, from which such income could be legally derived, for the three years immediately preceding the agricultural year in which the date of vesting falls;
- (c) consent money of the transfer of tenancy and *rai-yoti* lands-the average annual income calculated at the rate permissible under Section 5 of [the Central Provinces State Land Revenue Order, 1949], or the Makrai State Land Tenure Order, 1949, on transactions recorded in the village papers for three years or if no such papers are maintained in any area, on transactions taking place during the three years immediately preceding the agricultural year in which the date of vesting falls.

(2) The net annual income of an estate or mahal in the merged territories shall be calculated by deducting from the gross income the sums under the following heads, namely :

- (a) the sum assessed as land revenue on the estate or mahal in the previous agricultural year less the assessments on the home-farm lands or where only a fraction of the sum assessed as land revenue on the estate or mahal is payable, such fraction of the sum assessed as land revenue on the estate or mahal in the previous agricultural year less proportionate fraction of the assessment of the home-farm land;

- (b) sums found payable during the previous agricultural year by a proprietor on account of the cesses and local rates on all lands in the estate or mahal other than lands comprised in the home-farm;
- (c) any expenditure which the proprietor is liable to incur on any duties imposed upon him as a proprietor under any instrument having the force of law in the local area;
- (d) cost of management at the rate of-
 - (i) eight per cent in the case of gross annual income not exceeding rupees two thousand in respect of mahals;
 - (ii) ten per cent in the case of gross annual income exceeding rupees two thousand in respect of mahals;
 - (iii) ten per cent in the case of gross annual income exceeding rupees two thousand but not exceeding rupees fifteen thousand in respect of estates;
 - (iv) fifteen per cent in the case of gross annual income exceeding rupees fifteen thousand in respect of estates;

(3) Notwithstanding anything contained in sub-rule (2), the net income shall in no case be reduced to less than five per cent of the gross income.

8. (1) The amount of compensation in the Central Provinces [***] shall be ten times the net income determined in accordance with the rules herein contained.

(2) The amount of compensation in the merged territories shall be-

- (a) in the case of any proprietor other than a *thekedar* gaontia or headman such multiple of the net annual income as may be applicable in accordance with the table below.
- (b) in the case of a *thekedar*, gaontia or headman who is entitled as of right to have his *theka* renewed, one half of the amount that would be payable in accordance with the said table; and
- (c) in the case of a *thekedar*, gaontia or headman to whom clause (b) does not apply, an amount equal to the net annual income determined under Rule 7.

Table

Net annual income	Multiple
(1) Where the net annual income does not exceed rupees five hundred a year	Ten times the net annual income.

- | | | |
|-----|--|--|
| (2) | Where the net annual income exceeds five hundred, but does not exceed one thousand | Eight times the net annual income or rupees five thousand, whichever is greater. |
| (3) | Where the net annual income exceeds one thousand, but does not exceed two thousand | Five times the net annual income or rupees eight thousand, whichever is greater. |
| (4) | Where the net annual income exceeds two thousand | Two times the net annual income or rupees ten thousand, whichever is greater. |

9. Notwithstanding anything contained in paragraph (a) of subrule (2) of Rule 8, the compensation payable to a person on whom proprietary rights were conferred by the Kawardha State *Wajib-ul-arz* Amendment Act, 1947 (XXI of 1947), shall be the aggregate of the following namely

- (i) the amount payable to him for the rights held by him immediately before the promulgation of the said Act calculated in accordance with paragraph (b) or paragraph (c) of sub-rule (2) of Rule 8, as the case may be; and
- (ii) an amount equal to the net annual income determined in accordance with Rule 7 for the further rights conferred by the said Act.

Under Rule 9 of this Schedule the *gaontia* of Kawardha State are entitled to get the amount of compensation in accordance with the provisions in Rule 8 (2) (b) and their rights, whatever they may be, will cease to exist from the date of vesting.

Schedule II

(See Section 3)

Rules for the calculation of additional compensation in respect of land lying in municipal or cantonment area and vesting in the State under this Act.

1. For the purpose of Rule 2 the assessment on the land shall be the assessment fixed thereon, at the current settlement and where no such assessment was made, it shall be the amount arrived at after assessing such land as agricultural land in accordance with the principles followed in assessing similar land in the locality at the current settlement.

2. The compensation payable shall be such multiple of the assessment on the land as is specified below :

Town in which the land is situate	Multiple
1. [***], Jabalpur, [***], Pachmari and Khandwa	Fifteen times
2. [***], Balaghat, Sagar, Damoh, Seoni, Mandla, Katni, Hoshangabad, Itarsi, Burhanpur, Narsimhapur, Gadarwara, Betul, Chhindwara, Raipur, Bilaspur and Durg	Ten times
3. All other towns	Five times

Schedule III

(See Section 77)

Rules for determining the amount of Rehabilitation Grant

1. The aggregate sum payable by a proprietor under the following heads shall be ascertained :

- (a) land-revenue payable for his proprietary share in the estate, mahal, alienated village or alienated land;
- (b) land-revenue payable on the portion of the home-farm land retained with the proprietor;
- (c) land-revenue or rent payable on any lands held by the proprietor [in the State of Madhya Pradesh as existing immediately before the 1st day of November, 1956].

2. The amount of rehabilitation grant shall be determined in accordance with the scale given below :

Scale

Aggregate sum arrived at under Rule 1	Amount payable
1. Where the aggregate sum does not exceed twenty-five rupees	One hundred and fifty rupees.
2. Where the aggregate sum exceeds twenty-five rupee, but does not exceed forty rupees.	Six times the aggregate sum.
3. Where the aggregate sum exceeds forty rupees, but does not exceed sixty rupees	Two hundred and forty rupees or five times the aggregate sum, whichever is greater.