

Rules regarding Payment of Compensation, 1950

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1. . :-

The total amount of arrears of revenue, cesses and other Government dues recoverable under Section 4(1) (d) shall, if any, be first deducted from the amount of compensation payable to a proprietor. The balance after such deduction shall be the net amount of compensation thereafter referred to as the net amount payable to the proprietor.

2. The net amount shall be paid in installments not exceeding eight determined as follows :-

(1) if the net amount is less than hundred rupees, the whole of it shall be paid in one installment:

(2) if the net amount is more than hundred rupees, the first installment shall be calculated by adding the following sums :

(i) one hundred rupees ;

(ii) one-third of the amount arrived at after deducting one hundred rupees from the net amount ; and

(iii) the remainder arrived at by deducting from the net amount the total of the sums mentioned in sub-clauses (i) and (ii) and by dividing the balance by fifty ;

(3) the balance remaining over after deducting the amount of first, installment determined under rule (2) from the net amount shall be paid as follows :-

(i) if the balance is less than three hundred and fifty rupees, the amount shall be paid in equal installments of rupees fifty until satisfied ;

(ii) if the balance is more than three hundred and fifty rupees then it shall first be divided into seven installments each being equal to fifty times the integral quotient obtained by dividing such balance by three hundred and fifty. The amount remaining, if any, shall be paid by adding rupees fifty to the amount of each installment so determined commencing from the eighth installment as far backwards as necessary.

3. . :-

The amount payable to Government shall be adjusted by book transfer by credit to the appropriate head of account and by debit to the head "65. - Payment of Compensation to Landholders on the Abolition of Malguzari System". One copy of the chalan shall be filed with the compensation case, and another copy shall be forwarded to the departmental officer to whom credit has been given.

4. . :-

The amount of compensation remaining after adjustment of land revenue, cesses and other Government dues, shall be payable firstly to the creditors, if any, of the proprietor in accordance with the orders of the Claims Officer and then to the proprietor.

5. . :-

The date on which the compensation in whole or the first installment thereof will be payable shall be the 1st May 1952 and subsequent installment shall be payable of succeeding years. In cases where the amount of compensation is not determined before

the 1st May, 1952, the first payment of compensation shall be on the 1st of the month following the date on which the amount of compensation is determined and subsequent installments shall be payable on the 1st May each year.

6. . :-

Interest at two and a half per centum per annum shall be paid on the total amount payable on the period from the date of vesting of the proprietary rights to the date of the first payment of compensation and thereafter on the balance of compensation each year. In calculating interest.

(i) any amount of compensation less than eight annas shall be disregarded, and eight annas or more shall be taken as a rupee ;

(ii) any amount of interest being less than six pies shall be ignored, and six pies or more shall be taken as one anna.

7. . :-

The amount of compensation shall be debited to the head "65. Payment of Compensation to Landholders on the Abolition of Malguzari System" and interest to the head "22. - Interest on Debt and Other Obligations - Interest on Compensation to Malguzars".

8. . :-

If in consequence of any proceedings under Section 15 (2) and (3) of Act, the quantum of compensation payable is revised, the installments shall be refixed and payment made accordingly, any difference being paid through a supplementary voucher in Form A in accordance with the procedure prescribed in rule 9 of these rules. Where an excess payment has been made, the excess amount of compensation and interest paid shall be recovered out of any subsequent •installment by short drawal. Where, however, the excess amount has been paid in one installment or where it cannot be recovered out of the subsequent installments, it shall be recoverable as an arrear of land revenue if within one month from the date of the communication of the order in such proceedings the payee fails to refund the excess amount. The excess amount so recovered should be credited into the treasury under the following heads :-

(a) Amount recovered on account of excess compensation paid - "65. - Payment of Compensation to Landholders on the Abolition of Malguzari System - Deduct - Receipt and Recoveries on Capital Account."

(b) Amount recovered on account of excess interest paid -

(i) If recovered during the same financial year - "22. - Interest on Debt and other Obligations - 8 - Deduct - Excess Interest paid on Compensation to Malguzars".

(ii) If recovered during other financial years - "XX. - Interest - Miscellaneous."

9. . :-

On receipt of the case under Section 35 (1) and after ascertaining the amounts payable to the creditors under section 35 (2) of the Act, the Deputy Commissioner shall follow the following procedure in paying the amount to a creditor of the proprietor or to a proprietor :-

(i) Where the amount is payable in one installment, a payment order shall be prepared in Form A and delivered to the Payee. Entries shall be made simultaneously in Part II of the Register in Form C and initialled by the Deputy Commissioner.

(ii) Where the amount is payable in installments, the Deputy Commissioner shall prepare a payment order in Form B, showing the dates on which the various installments shall be paid and deliver it to the payee concerned. A payment order in Form A shall also be delivered to the payee for the amount payable as first installment and subsequently on the production of the order in Form B on the date of payments, a payment order shall be prepared in Form A and delivered to him. The Deputy Commissioner shall make entry in Form B of the fact of having delivered the payment order in Form A and initial the entries and return it to the payee for record. The Deputy Commissioner shall before delivering the order in Form A make entries in Part II of the Register in Form D and initial them.

(ii-a) Where the amount is payable jointly to proprietors or creditors who are members of a joint Hindu family and the individual share of each such person is not specified in Schedule II of the Statement in Form II prepared under rule 5 of the rules under Section 13 or in the order of the Claim Officer under Section 24, then notwithstanding that any of them is a minor, the karta of the family may upon an application made in that behalf to the Deputy Commissioner signed by himself and the other major members of the family, and subject to the execution of an

indemnity bond with one surety in Form J, be shown in the payment order in Form A as the payee on behalf of himself and all other members of the joint family.

(iii) The order in Form A will be the authority for the payment of the amount from the treasury or sub-treasury, as the case may be, and will be presented to the Treasury Officer for payment. The payment shall be made only upon the personal claim of the payee concerned and to his personal receipt and not otherwise. At the written request or order of the payee the amount may be made payable to some well known banker or agent. The voucher shall ordinarily be made payable at the treasury or sub-treasury at the headquarters of the tahsil in which the property which was the subject-matter of the proprietary right vesting in the State is situated.

(iv) If any payee however desires that the payment should be made at a treasury in another district the Deputy Commissioner shall send a copy of the register in Form C or D as the case may be the Deputy Commissioner of that district and make entry to this effect in the register and initial it. The Deputy Commissioner of the latter district shall insert the copy of the register in Form C or D in the corresponding register of the tahsil in which the treasury at which payment is sought lies and shall make payment as if the compensation was payable in respect of the property vesting in the State in that tahsil.

(v) After payment the voucher shall be forwarded by the Treasury Officer to the Accountant General, Madhya Pradesh with monthly accounts.

(vi) If the payee does not appear to receive the payment order on the due date -

(a) if the amount does not exceed Rs. 50 and if the address of the payee is known, it may be remitted by money-order less money-order-commission, the amount being drawn through the voucher in Form A by

(b) if the amount exceeds Rs. 50 or if the address of the payee is not known, or if any person entitled to a payment out of the compensation refuses to except the amount, it shall be placed in Revenue Deposits by book-transfer through the vouchers in Form A. Entries shall be made simultaneously in the register in Form C or D as the case may be and initialled by the Deputy Commissioner,

(c) where the amount is placed in Revenue Deposits the Deputy Commissioner shall give notice to the payee of such deposits specifying the treasury in which the deposit has been made.

10. . :-

When the payment order in Form A in respect of the amount payable in lump sum and in Form B in respect of the amount payable in installments have been delivered and details have been entered in the registers in Form C or D, as the case may be an entry to this effect shall be made in the order-sheet of the revenue case and the case deposited in the record room. Further action to make the payment will be taken in accordance with the entries made in the register.

11. . :-

(1) In the event of the death of proprietor or a creditor, his legal representative will be entitled to receive the amount and it shall be paid to him.

(2) Where the legal representatives of a deceased proprietor or creditor are members of a joint Hindu family the karta of the family may on application made in that behalf to the Deputy Commissioner, and subject to the execution of an indemnity bond with one surety in Form K, receive payment of the amount on behalf of himself and the other legal representatives.

12. Where a proprietor is a wakf :-

or endowment or a minor or a person suffering from legal disability or is a limited owner or the holder of life interest the amount may be invested by the Deputy Commissioner in Government securities, treasury notes or in fixed deposits in the Imperial Bank of India or the Madhya Pradesh Co-operative Bank after obtaining Government's prior sanction in each case :

Provided that a part of the amount may be paid by the Deputy Commissioner,

(i) to a wakf. trust or endowment in order to enable it to defray any expenses which may be necessary for the purpose of repairs to its buildings or the celebration of any periodical function ;

(ii) to the guardian of a minor for the purpose of enabling him to defray the expenses of -

- (a) the education or medical treatment of the minor ;
- (b) the cultivation of the land allowed to remain with minor under the Madhya Pradesh Abolition of Proprietary Rights (Estate, Mahals, Alienated Lands) Act, 1950 (I of 1951) ;
- (c) any other legal necessity ;

Provided further that before sanctioning payment the Deputy Commissioner shall satisfy himself that the expenditure cannot be met from any other source of income available to the wakf. trust or endowment or minor, as the case may be.

13. . :-

As soon as entries in Part I of the Registers in Forms C and D for all the proprietors of the district have been completed, the Deputy Commissioner shall forward a statement in Form E to the Secretary to the Government of Madhya Pradesh, Revenue Department and a copy thereof to the Accountant General ,Madhya Pradesh showing the details of the compensation that will be payable during the various years.

14. . :-

A monthly statement of payments in Form F showing the amount of compensation and interest paid during the preceding month shall be forwarded by the Deputy Commissioner by the 10th of the succeeding month to the Secretary to Government of Madhya Pradesh, Revenue Department.

15. . :-

The outstanding balance of compensation shown in the Registers in Forms C and D shall be periodically totalled and the totals compared with the figures of balance in the monthly statement of expenditure in Form B. The additions shall be made twice a year as soon as possible after the 31st March and the 30th September and they shall be worked out in a bound register in Form G. Whenever discrepancies are discovered, steps shall be taken by the Deputy Commissioner to remove them.

16. . :-

A statement in Form H showing the outstanding balance of compensation at the end of financial year shall, so long as the payments have not been made to all the proprietors, be forwarded by the 15th May by the Deputy Commissioner to (i) the Accountant-General, Madhya Pradesh and (ii) the Secretary to

Government, Madhya Pradesh, Revenue Department.

17. . :-

The Deputy Commissioner shall submit a statement Form 1 to the Secretary to Government, Madhya Pradesh, Revenue Department, not later than 15th October, in each year, so long as the compensation to all the proprietors has not been paid, for making provision in the budget for the next year.