

As we know that the objectives of U.P. Zamindari and Land Reform Act 1950 were to abolish the zamindari system and acquisition of interest of zamindars from their estate. Acquisition of estate was necessary for equal distribution of property among needy persons. In order to make a balance between the rights of zamindars and landless poor peoples, it was also necessary to make a comprehensive policy for providing some monetary relief of those zamindars whose rights were acquired by the state. This monetary relief is called as compensation.

## RATIONALE FOR PAYMENT OF COMPENSATION

After the enforcement of Indian Constitution it was necessary to provide equal means of livelihood to all persons.

To fulfill this objective acquisition of estate of zamindar was required because there were several defects in the zamindari system and a major population was deprived of sources of livelihood. But at the same time it was also necessary to protect some rights of zamindars also. U.P. Z.A. & L.R. Act 1950 makes the provision for the payment of compensation and rehabilitation grant to the intermediaries. Both are payable to the persons whose estate is acquired by the state. The compensation is the payment of amount in lieu of property of what the owner has been deprived of. The abolition of zamindari without payment of compensation would create a dangerous economic and social problem and would lead a section of people to forced pauperization.

## LAW RELATING TO COMPENSATION

Law relating to assessment and payment of compensation is given in sections 27 to 72 of U.P. Zamindari Abolition and Land Reform Act. These provisions can be divided into two parts, firstly section 27 to 60 which deal with assessment of compensation and secondly, section 61 to 72 dealing with payment of compensation. They are as follows:

### (1) Assessment of compensation

Assessment of compensation means determination of compensation which is to be paid to the intermediaries. It is done after calculating gross assets and net assets of intermediaries. The steps involved in it are:

Intermediary entitled to receive compensation for acquisition of his estate and date from which compensation shall be due (sec. 27-28)

Section 27 provides that every intermediary whose rights, title or interest in any estate are acquired under the provisions of this Act, shall be entitled to receive compensation. Further, compensation shall be due as from the date of vesting subject to determination of the amount and there shall be paid by the State Government on the amount so determined interest at the rate of two and a half percent per annum from the date of vesting to the date of payment of compensation.

### Interim compensation (sec. 29-30)

Intermediary is also entitled to get interim compensation. Section 29 empowers the State Government to direct for the payment of interim compensation to such extent and in such manner as may be prescribed. It will be given only when the compensation payable to an intermediary is not determined in accordance with the provisions of this Act, before the expiry of nine months from the date of vesting, and, on the application of the intermediary concerned. Also, the interim

compensation paid shall be deemed to be part of the compensation payable under this Act and shall be deducted from and adjusted against it.

#### Proceedings relating to assessment and payment of compensation (*sec. 31-36*)

All proceedings relating to assessment of compensation and payment to the intermediary shall be had before the Compensation Officer within whose jurisdiction the estate acquired is situated.

Subject to the provisions of Sections 23 and 33, every entry in the record of rights prepared or revised under the provisions of the United Provinces Land Revenue, Act, 1901, for the previous agricultural year shall, for purposes of assessment and payment of compensation under this Act, be deemed to describe correctly; except as provided in Section 46, the rights, title and interest of every intermediary in the estate or part to which it relates. But any modifications, alteration or correction made in the record of rights, whether before or after the date of vesting, under the provisions of the United Provinces Land Revenue Act, 1901 or as a consequence of any decree or order of any Court, shall be taken into account by the Compensation Officer.

Further, if the Compensation Officer is satisfied that a clerical or arithmetical mistake or error apparent on the face of the record exists, in the record of rights for the previous agricultural year, he may, either on his own motion or on the application of any person interested, correct the same. But it shall not affect the right of any person to establish his claim in respect of any estate or part thereof by due process of law in the Court having jurisdiction.

#### Every intermediary to be treated as a separate unit (*sec. 37*)

For the purposes of assessment of compensation and rehabilitation grant under this Act, every intermediary shall be treated as a separate unit. Provided that, in the case of a Joint Hindu Family 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. All the members thereof shall, except as provided in section 37 Clause (a), be treated as separate units.

#### Statement of gross assets of a mahal (*sec. 38*)

It is prepared by compensation officer. The Compensation Officer shall, before proceeding to prepare the Compensation Assessment Roll of any intermediary prepares a statement of gross assets, where a mahal is comprised of area situate in not more than one village of the mahal and where the mahal is comprised of area situate in more than one village, separately of the portion in each village.

#### Gross assets of a mahal (*sec. 39*)

In respect of mahal the gross assets shall be the aggregate gross income of the land or estate comprised in the mahal and such income shall comprise the various sums given in clause (a) to (g) of section 39 like rents including cesses and local rates payable by or on behalf of the tenants, under proprietors, sub-proprietors, permanent tenure-holders, permanent lessees in Avadh, grantees at a favourable rate of rent or grove holders.

#### Draft Compensation Assessment Roll (*sec. 40*)

Section 40 deals with draft assessment roll. The Compensation Officer shall, in the manner prescribed, prepare a Draft Compensation Assessment Roll of every intermediary in respect of his interest in one or more mahals as he may deem convenient, showing the particulars given in clause (a) to (e) of the section like his gross assets and net assets calculated in accordance with the provisions of Sections 42 to 45 as may be applicable;

#### Gross assets of an intermediary (*sec. 42*)

The gross assets of an intermediary, as respects his interests in a mahal shall be the aggregate of the whole of the gross assets entered in the statement under Section 38 in respect of any mahal or part or parts thereof to which he may be entitled exclusively; and a share of the gross assets entered in the statement under Section 38 in respect of the part or parts to which he may be entitled jointly with others.

#### Net assets of an intermediary (*sec. 44*)

Net assets is total income of an intermediary. For purposes of Section 40, the net assets of an intermediary' in respect of a mahal shall be computed by deducting from his gross assets the sums mentioned in clause (a) to ( f) of the section like any sum which was payable by him in the previous agricultural year to the State Government or superior land- holder on account of land revenue or rent and cesses or local rates in respect of his share or interest in the mahal.

#### Preliminary publication of the Draft Compensation Assessment Roll and disposal of objections (*sec.46-51*)

The procedure of assessment of compensation is not arbitrary. It follows the principle of natural justice by giving an opportunity to intermediary before preparing final assessment roll. After the Draft Compensation Assessment Roll in respect of any intermediary has been prepared, the Compensation Officer shall publish notice in the Gazette, and in such other manner as may be prescribed to the effect that the statement referred to in Section 38 and the Draft Compensation Assessment Roll mentioned in Section 40 have been prepared and are open to inspection by the persons concerned and serve or cause to be served on the intermediary concerned a copy of the notice aforesaid along with a copy of the Draft Compensation Assessment Roll.

The notice shall call upon all persons interested, including a person who claims that the name of the intermediary is, in respect of any share or interest to which such person is entitled, entered in a representative capacity or in the capacity of the karta of a joint Hindu Family, to appear and file objections upon such statement or roll within a period of two months.

If any objection is filed within the time allowed therefore, it shall be registered by the Compensation Officer who shall fix a date for hearing the same and shall give intimation thereof to the intermediary concerned and to any person interested who may have appeared in reply to the notice under Section 46.

Any person aggrieved by the order of the Compensation Officer deciding the objections under Section 48 may appeal to the District Judge. Provided that where the difference between the net assets entered in the roll and the net assets claimed by the intermediary exceeds rupees two thousand and five hundred, the appeal shall lie to the High Court. An appeal shall lie to the High Court from the Appellate Decree of a District Judge passed under Section 50 or of a Civil Judge passed under Section 50-A,

as the case may be on any of the grounds specified in Section 100 of the Code of Civil Procedure, 1908.

#### Final Compensation Assessment Roll and amount of compensation (Sec. 52-54)

It is prepared where no objection has been filed in regard to the Draft Compensation Assessment Roll in pursuance of the notice under Section 46 or where such objections are filed and have been finally disposed off and the Draft Compensation Assessment Roll amended, altered or modified accordingly. The Compensation Officer shall deliver free of charge a copy of the Compensation Assessment Roll to the intermediary concerned and shall cause a copy thereof to be affixed on the notice-board of the office of the Assistant Collector incharge of the sub-division. The amount payable as compensation to an intermediary in respect of his interest in the mahals to which the Compensation Assessment Roll relates shall except where the interest of the intermediary therein is held by a thekedar or where the intermediary is a thekedar, be eight times the net assets mentioned in the Roll.

Under section 43 provision regarding the gross assets of the estate held by a thekedar is given and section 55 to 58 deal with amount of compensation payable to a thekedar.

And lastly according to section 60 the amount determined under Section 54 or 55 as compensation payable to intermediary shall be declared by the Compensation Officer as the compensation payable to him in respect of his interest in the mahals to which the Compensation Assessment Roll relates and the Compensation Officer shall record it in the roll in his own writing.

## (2) Payment of compensation

The provisions relating to payment of compensation are contained in Chapter IV, section 65 to 72 of U.P. Zamindari Abolition and Land Reform Act 1950. Compensation shall be paid to every intermediary in respect of the acquisition of his rights, title and interest in every estate.

The compensation payable under this Act, shall be paid to the intermediary whose name is entered in the Compensation Assessment Roll. Where the person entitled to the compensation dies before it is paid to him, it shall be paid to his legal representatives.

The compensation payable under this Act, shall be given in cash or in bonds or partly in cash and partly in bonds as may be prescribed.

Where the person entitled to receive the compensation is a waqf, trust or endowment or a minor or a person suffering from some legal disability or a limited owner, the compensation may, notwithstanding anything contained in any law but 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.

Where before any Court or authority any suit or proceeding is pending which directly or indirectly affects or is likely to affect the right of any person to receive the whole or part of the compensation determined under Chapter III the Court or authority may require the Compensation Officer to place at its disposal the amount so payable and thereupon the same shall be disposed of in accordance with the orders of such Court or authority

Rehabilitation grant is an amount which is given to those intermediaries (zamindars), who were in the category of small zamindars and used to pay land revenue upto Rupees 10000 annually. Like compensation, it is also a monetary relief but payable only to small zamindars as mentioned above, and in addition to the compensation in lieu of property from which the zamindar has been deprived. The aim of rehabilitation grant is to afford reasonable help to the small zamindars who have been uprooted from their avocations, so that they may have enough to rehabilitate themselves and make fresh start in life. The rehabilitation grant takes into the account the economic circumstances of a displaced zamindars.

Persons Entitled To Rehabilitation Grant and the Date from which Grant shall become due ( Sec.73, 74, 75, 78)

Intermediary

the intermediary to whom compensation is payable or has been paid in respect of any estate shall, for purposes of payment of rehabilitation grant, be deemed to be entitled to get grant. But where, on the date immediately preceding the date of vesting the aggregate land revenue payable by the intermediary in respect of all his estates situate in the areas to which this Act applies exceeded rupees ten thousand, no such grant shall be paid to him.

Waqf, trust or endowment

Waqf, trust or endowment belonging to any of the classes mentioned in Clause (a) or sub-clause (i) of Clause (c) of Section 99, shall be paid rehabilitation grant in accordance with the provisions of said section irrespective of the amount of land revenue payable by such waqf, trust or endowment. For purpose of assessment and payment of rehabilitation grant all waqfs, trusts or endowments shall be classified under section 76 in three classes, viz.

waqfs, trusts or endowments which are wholly for religious or charitable purposes;

waqfs, trusts or endowments which are partly for religious or charitable purposes and partly for purposes other than religious or charitable;

waqfs, trusts or endowments which are wholly for purposes other than religious or charitable.

waqf, trust or endowment created on or after August 8, 1946, not to be recognized for receiving rehabilitation grant.

Application for Rehabilitation Grant and Contents of Application( Sec. 79-82)

Application by intermediary

An intermediary entitled to be paid the grant may within three years from the date it has become payable or within three years from the date of commencement of the Uttar Pradesh Land

Reforms(Amendment) Act, 1958, whichever may be later, apply in writing to the Rehabilitation Grants Officer for determination and payment of the grant.

Contents of Application: The application shall contain the details of all his estates situate in the area to which this Act, applies, the net assets (netincome) of all such estates determined under Chapter III, the date or dates on which the compensation has been finally determined or paid to the applicant and the land revenue assessed or deemed to be assessed

in respect of each of the estates aforesaid on the date immediately preceding the date of vesting and the right in which the applicant claims the grant.

Application by waqf, trust or endowment: If the applicant is a waqf, trust or endowment the class to which the waqf, trust or endowment belongs in terms of Clauses (a) to (c) of Section 76, the total income from the whole of its property and estates must be mentioned in application. In the case of waqf, trust or endowment falling in Clause (b) of Section 76, its income, property and estates set apart, used or intended to be used exclusively for religious or charitable purposes and its income, property and estates set apart, used or intended to be used exclusively for purposes other than religious or charitable must be mentioned in application.

Verification and Affidavit: The application shall be signed and verified in the manner laid down for verification and signing of plaints in the Code of Civil Procedure, 1908. It shall be accompanied by an affidavit either of the applicant himself or where the applicant is a waqf, trust or endowment or is a minor or is a person suffering from any other legal disability, of the *mutawalli*, trustee, manager or guardian, as the case may be stating that no such application was or has been previously made and that the applicant has not so far been paid any rehabilitation grant under the provisions of this Act.

Compensation Assessment roll: Every such application shall, also be accompanied by copies of the Compensation Assessment Rolls in respect of the estates for which compensation has been finally determined or paid under this Act.

#### Filing of Application, Date of hearing and Objections (Sec. 84-88)

##### Filing of application

The application for rehabilitation shall be made before the Rehabilitation Grants Officer within whose jurisdiction the applicant ordinarily resides and in the case of a waqf, trust or endowment or a corporation its principal office is situate. Where the application is in proper form and duly presented and the Rehabilitation Grants Officer is, after such preliminary enquiry as may be prescribed, satisfied that there is ground for entertaining the application, he shall fix a date for hearing thereof and cause notice of the application and of the date fixed for the hearing.

##### Objections in the application

Any person interested may, on or before the date specified in the notice, file an objection disputing the correctness or nature of an entry in the application or pointing out any omission therefrom if it affects or is likely to affect the determination of the income or part of the income from such property or estates set apart or used for religious or charitable purposes and the determination of the amount of rehabilitation grant payable to the applicant

Where there are more claimants than one to the grant or where objections have been filed, the Rehabilitation Grants Officer shall register in the prescribed manner all such claims or objections and shall serve or cause to be served a notice together with a copy of every such claim or objection on the parties concerned and shall require them to appear and answer the same on the date of hearing. On the date so specified or on any other date to which the hearing may be postponed, the Rehabilitation Grants Officer shall proceed to investigate and dispose of the claims or objections.

## Statement of Estates

### Sec.92

After the objections filed have been decided and the enquiry has been completed, the Rehabilitation Grants Officer shall prepare a statement in respect of the applicant showing the details of all the estates of the applicant situate in the area in which this Act, applies, the net assets (net income) of all such estates determined under Chapter III of this Act and the aggregate of land revenue assessed or deemed to be assessed in respect of all such estates on the date immediately preceding the date of vesting. Where the applicant is a member of a Joint Hindu Family, the details of all the estates in respect of which compensation is payable or has been paid to the applicant or his male lineal descendant or ascendant in the male line of descent or ascent, the net assets of all such estates determined under Chapter III of this Act and the land revenue assessed or deemed to be assessed in respect of all such estates on the date aforesaid.

### Statement in respect of a Waqf, Trust or Endowment (Sec. 93-94)

In the case of a waqf, trust or endowment, the statement under shall show the class to which it belongs in terms of the classification under Section 76 and where the waqf, trust or endowment belongs to Class (b) of the said section, the details of all the property and estates comprised therein, property and estates set apart exclusively for religious or charitable purposes, property and estates set apart exclusively for purposes other than religious or charitable . The statement also contains the gross and the net income separately from every such property or estates the portion of the net income from the property and estates used or intended to be used for religious or charitable purposes and for purposes other than religious or charitable. In classifying the property and estates for purposes of preparing a statement the Rehabilitation Grants Officer shall have regard to the wishes, if any, of the founder of the waqf, trust or endowment, the portion of the income from the property and the estates which have generally been used or applied to these purposes and the Principles of justice equity and good conscience.

## Amount of rehabilitation Grant

### Determination of the Amount of Rehabilitation Grant (Sec.97-100)

After the statement under Section 92 has been prepared, the Rehabilitation Grants Officer shall determine the amount payable as rehabilitation grant to each intermediary. Subject to such marginal adjustments as may be prescribed, the amount payable as rehabilitation grant to an intermediary shall, except in the case of waqf, trust or endowment, be such multiple of the net assets mentioned in the statement prepared under Section 92 as may be applicable in accordance with the table given in Schedule I.

### Amount of Rehabilitation Grant in case of Waqf, Trust or Endowment ( Sec.999)

In the case of waqf, trust or endowment, the amount payable as rehabilitation grant shall be where the waqf, trust or endowment belongs to Class (a) mentioned in Section 76, an annuity which shall be equal to the net assets of all the estates comprised in the waqf, trust or endowment, less the amount of interest calculated at two and a half per cent per annum on the amount of compensation payable to such waqf, trust or endowment and where the waqf, trust or endowment belongs to Class (c) mentioned in Section 76, the amount determined in accordance with the Principles laid down in Section 98.

## Appeal, Revision and Payment of Rehabilitation Grant

### Appeal (Sec. 101)

An appeal shall lie to the District Judge from any order of the Rehabilitation Grants Officer dismissing an application under Section 85 or disposing of an objection under Section 88, or from any order under Sections 90, 98, 99, 100-A or 100-B.

### Revision (Sec.102)

The High Court may, for the purpose of satisfying itself that the order of the district Judge deciding an appeal under Section 101 or of a Civil Judge passed under Section 101-A, as the case may be, was according to law, call for the record and pass such order with respect to the case, as it thinks fit.

### Procedure for Payment of Grant ( Sec.104)

The provisions relating to payment of compensation are contained in sections 65 to 72 of U.P. Zamindari Abolition and Land Reforms Act and they apply as it is to the payment of rehabilitation grant also.































