

The Punjab Town Improvement Act, 1922

Punjab Act 4 of 1922

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The Punjab Town Improvement Act, 1922

Punjab Act 4 of 1922

Received the assent of the Governor of the Punjab on the 26th September, 1922, and that of the Governor-General on the 29th October, 1922, and was first published in the Punjab Gazette of the 17th November, 1922.

Legislative History

1.	Amended by Punjab Act 8 of 1936.
2.	Amended by Government of India (Adaptation of India Laws) Order, 1937
3.	Amended by the Indian Independence (Adaptation of Bengal and Punjab Act), Order of 1948, (G.G.O. 40).
4.	Amended by the Adaptation of Laws Order of 1950.
5.	Amended by the Adaptation of Laws (Third Amendment), Order 1951.
6.	Amended by Punjab Act 15 of 1954.
7.	Amended by Punjab Act 31 of 1954.
8.	Amended by Punjab Act 29 of 1955.
9.	Amended by Punjab Act 25 of 1964.
10.	Amended by Punjab Act 27 of 1965.
11.	Amended by Punjab Adaptation of Laws (State and Concurrent Subjects) Order, 1968.
12.	Amended by Punjab Act 18 of 1973.
13.	Amended by Punjab Act 7 of 1974.
14.	Amended by Punjab Act 28 of 1975.
15.	Amended by Punjab Act 4 of 1976.
16.	Amended by Punjab Act 27 of 1978.
17.	Amended by Punjab Act 10 of 1981.
18.	Amended by Punjab Act 18 of 1882.
19.	Amended by Punjab Act 13 of 1983.
20.	Amended by Punjab Act 22 of 1986.
21.	Amended by Punjab Act 5 of 1995.
22.	Amended by Punjab Act 21 of 1995.
23.	Amended by Punjab Act 12 of 2001.
24.	Amended by Punjab Act No. 11 of 2013

An Act for the Improvement of Certain Areas.

Preamble. - Whereas it is expedient to make provision for the improvement and expansion of townS in ¹[Punjab], and whereas the previous sanction of the Governor-General under section 80-A(3) of the Government of India Act has been obtained; It is hereby enacted as follows :-

1. Substituted for the words "East Punjab" (which had been inserted for the word "Punjab" by the Indian Independence (Adaptation of Bengal and Punjab Acts) Order, 1948), by the Adaptation of Laws (Third Amendment) Order, 1951.

Chapter I

Preliminary

1. Title, extent and commencement. - (1) This Act may be called the Punjab Town Improvement Act, 1922.

¹[(2) It extends to the whole of the State of Punjab.]

(3) This section and section 66 shall come into force at once. The ²[State] Government may by notification propose to apply the rest of the Act to the whole or any part of any municipality and to any locality adjacent thereto, on such date as may be specified in such notification, and the Act shall come into operation after the lapse of three months unless within that period the municipal committee concerned at meeting convened for the purpose of considering the application of the Act resolve by a majority of two-thirds that the Act should not be so applied.

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

- (1) words and expressions not defined in this Act have the same meaning as in the Punjab Municipal Act, 1911, as from time to time amended (hereinafter called the Municipal Act);
- (2) "land" includes land as defined in clause (a) of section 3 of the Land Acquisition Act, 1894;
- (3) "street alignment" means lines forming the boundaries of a street dividing the same from lands adjoining on either side;
- (4) "building line" means a line (in rear of the street alignment) up to which the main wall of a building abutting on a projected street may lawfully extend;
- (5) "tribunal" means a tribunal constituted under section 60;
- (6) "Municipal Committee" means the committee established in accordance with the provisions of the Municipal Act, for the municipality to which or to any part of which or to any locality adjacent to which the provisions of this Act have been applied under sub-section (3) of section 1;
- (7) "local area" means the area to which this Act has been applied and the area within which a trust has been created for the purposes of carrying out the provisions of the Act;
- (8) all references to anything done, required, authorised, permitted, forbidden or punishable, or to any power vested, under this Act shall include anything done, required, authorised, permitted, forbidden or punishable or any power vested -
 - (a) by any provision of this Act, or

1. Sub-section (2) firstly amended by Punjab Act 27 of 1965 and subsequently substituted by Punjab Adaptation of Laws (State and Concurrent Subjects) Order, 1968.
2. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

- (b) by any rule or scheme made under the provisions of this Act, or
- (c) under any provision of the Municipal Act which the trust has by virtue of this Act power to enforce;
- (9) "prescribed" means prescribed by rules made by the ¹[State] Government under this Act;
- (10) "notified" means a notification published in the ²[Official Gazette].
- (11) ["Corporation" means a Corporation constituted under the provisions of the Punjab Municipal Corporation Act 176.]³

Chapter II

Constitution of Trusts

3. Creation and incorporation of trust. - The duty of carrying out the provisions of this Act in any local area shall, subject to the conditions and limitations hereinafter contained, be vested in a board to be called "The (name of town) Improvement Trust" hereinafter referred to as "The Trust"; and every such board shall be a body corporate and have perpetual succession and common seal, and shall by the said name sue and be sued.

[3-A. New trusts. - Notwithstanding anything contained in this Act, if and when a new trust is created for a local area where a trust was dissolved under section 103 and the functions referred to in clause (c) of sub-section (2) of that section have not been duly discharged, -

- (a) all properties, funds and dues vested in or realisable by the State Government under section 103 shall stand transferred to, vested in and realisable by the new trust;
- (b) all liabilities enforceable against the State Government under section 103 or incurred by it under this Act shall be enforceable against the new trust; and
- (c) the new trust shall deal with any scheme sanctioned under this Act, which has not been fully executed by the officer appointed by the State Government under section 103, in accordance with the provisions of this Act as fully as if it had been sanctioned at the instance of the new trust.]⁴

4. Appointment of trustees during supersession of Municipal Committees.-⁵(1) The trust shall consist of a chairman and nine other trustees, namely :-

- (a) three officers serving under the State Government, one of whom shall be a Town Planner, the other an officer not below the rank of an Extra Assistant Commissioner and the third an engineer not below the rank of an

1. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

2. Substituted for the words "Punjab Gazette" by the Government of India (Adaptation of Indian Laws) Order, 1937.

3. Added by Punjab Act No. 18 of 1996.

4. Added by Punjab Act No. 18 of 1982.

5. Sub-sections (1), (2), (3) and (4) substituted by Punjab Act No. 18 of 1983.

8 *The Punjab Town Improvement Act, 1922, Section 4-A*

Executive Engineer taken from the Buildings and Roads Branch or the Punjab Health Branch of the Department of Public Works of the State Government;

(b) three members of the Municipal Committee or the Corporation, as the case may be; and

[(c) three other persons where the population of a local area as per the last preceding census does not exceed two lacs :

Provided that where the population of a local area exceeds two lacs as per the last preceding census, then the trust shall consist of a Chairman and ten other trustees and in that case in place of three other persons as specified in clause (c) above, four other persons shall be included in the trust.]¹

(2) the chairman and the trustees referred to in clauses (a) and (c) of sub-section (1) shall be appointed by the State Government by notification :

Provided that if none of the trustees is a member of the Scheduled Castes, appointment of trustees referred to in the aforesaid clause (c) shall be so made that one of these is a member of such castes.

(3) The members of the Municipal Committee or the Corporation referred to in clause (b) of sub-section (1) shall be elected by the Municipal Committee or the Corporation, as the case may be.

(4) If the Municipal Committee or the Corporation does not by such date as may be fixed by the State Government elect a person to be trustee, the State Government shall, by notification, appoint a member of the Municipal Committee or the Corporation, as the case may be, to be a trustee, and any person so appointed shall be deemed to be a trustee as if he had been duly elected by the Municipal Committee or the Corporation, as the case may be.

(5) Of the persons referred to in clause (c) of sub-section (1) not more than one shall be a servant of the ²[Government].

Explanation. - For the purposes of this section the term servant of the ³[Government] does not include a Government treasurer, a person holding a purely honorary office or a person who has retired from the service of the ⁴[Government].

4-A. Appointment of trustees during supersession of Municipal Committees. - During the period of supersession of a Municipal Committee ⁵[-]the three seats allotted to the Municipal Committee on the trust under clause (b) of sub-section (1) of section 4 shall be filled by the State Government by appointing any three persons by notification in the ⁶[Official Gazette]. The term of office of every trustee so appointed shall be [two]⁷ years or until the Trust is dissolved,

1. Substituted by Punjab Act No. 5 of 1995.

2. Substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

3. Substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

4. Substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

5. Words "xxx" deemed to be omitted always by Punjab Act No. 7 of 1974.

6. Substituted for the words "Punjab Gazette" by the Government of India (Adaptation of Indian Laws) Order, 1937.

7. Substituted for "three" by Punjab Act 27 of 1978.

whichever period is less provided that if the Municipal Committee is reconstituted three members of the Municipal Committee shall be elected or appointed in accordance with the provisions of section 4 and on their election or appointment the [two]¹ trustees appointed by the State Government under this section shall cease to be members of the Trust.

[4-B. Appointment of trustees during suspension of Municipal Committees. - During the period of suspension of a Municipal Committee, the three seats allotted to the Municipal Committee on the trust under clause (b) of sub-section (1) of section 4 shall be filled by the State Government by appointing any three persons by notification in the official Gazette and the trustees so appointed shall hold office during the period of suspension of the Municipal Committee or until the trust is dissolved, whichever period is less. On the expiry of the period of such suspension the three members of the Municipal Committee holding office as trustees under clause (b) of sub-section (1) of section 4 immediately before such suspension shall become the trustees and the three trustees appointed by the State Government under this section shall cease to be members of the trust.]²

[4-C. Appointment of trustees where no Corporation is constituted. - Where any municipality has been constituted to be a City under the provisions of the Punjab Municipal Corporation Act, 1976 and a Corporation has not been constituted for that City, the three seats allotted, to the Corporation under clause (b) of sub-section (1) of section 4 shall be filled in by the State Government and the trustees so appointed shall hold office for a period of three years or until the trust is dissolved, whichever period is less :

Provided that if the Corporation is constituted, three members of the Corporation shall be elected or appointed in accordance with the provisions of section 4 and on their election or appointment the three trustees appointed by the State Government under this section shall cease to be the members of the trust.]³

[5. Term of office of Chairman. - The term of office of the Chairman shall be such period not exceeding [four years]⁴, as the State Government may fix in this behalf:

Provided that when the Trust ceases to exist the said term of office shall be deemed to expire on the date of dissolution of the Trust.]⁵

6. Term of office of other trustees. - The term of office of every trustee elected under clause (b) of sub-section (1) of section 4 shall be [two]⁶ years or until he ceases to be a member of the Municipal Committee, whichever period is less, and the term of office of every trustee appointed under clause (c) of the said sub-section shall be [two]⁷ years, but when the trust ceases to exist the said term of office

1. Substituted for "three" by Punjab Act 27 of 1978.

2. Added vide Punjab Act No. 4 of 1976.

3. Inserted by Punjab Act No. 18 of 1983.

4. Substituted for the words "two years" by Punjab Act No. 12 of 2001.

5. Inserted by Punjab Act No. 27 of 1978.

6. Substituted for "three" by Punjab Act No. 27 of 1978.

7. Substituted for "three" by Punjab Act No. 27 of 1978.

10 The Punjab Town Improvement Act, 1922, Section 7

shall be deemed to expire on the date of the dissolution of the trust [and the term of office of a trustee appointed [clause (a)]¹ shall expire when he ceases to hold the office by virtue of which he is appointed]²

7. Resignation of trustees. - (1) Any trustee may at any time resign his office, provided that his resignation shall not take effect until accepted by the trust.

Commencement and term of office of first trustees. - (2) The term of office of appointed and elected trustees shall commence on such date as shall be notified in this behalf by the State Government.

(3) A person ceasing to be a trustee by reason of the expiry of his term of office shall, if otherwise qualified, be eligible for re-election or re-appointment.

8. Filling of casual vacancies. - (1) When the place of a trustee appointed by the State Government, becomes vacant by his resignation, removal or death, the State Government shall appoint a person to fill the vacancy.

(2) When the place of an elected trustee becomes vacant by his resignation, removal or death, the vacancy shall be filled, within two months of the existence of such vacancy being notified to the municipal committee by the trust, in the manner provided by sub-section (3) of section 4, provided that if the municipal committee fails to elect a qualified person to fill the vacancy within the period herein prescribed, the provisions of sub-section (4) of the said section shall apply.

(3) Every person appointed or elected to fill a casual vacancy under this section shall hold his place for the time for and subject to the conditions upon which it was tenable by the person in whose place he has been so appointed or elected, and no longer; but he may, if otherwise qualified, be re-appointed or re-elected :

Provided that no person elected or appointed under sub-section (2) shall continue to be a trustee after he has ceased to be a member of the municipal committee, but he may so continue notwithstanding that the trustee in whose place he was elected or appointed has ceased to be a member of the said committee.

9. Remuneration of Chairman and trustees. - The chairman shall receive such salary and each other trustee shall receive such salary or remuneration as may be sanctioned by the State Government.

10. Removal of trustees. - The State Government may by notification remove any trustee :-

(a) if he refuses to act, or becomes, in the opinion of the State Government, incapable of acting or has been declared an insolvent, or has been convicted of any such offence or subjected by a Criminal Court to any such order as implies, in the opinion of the State Government, a defect of character which unfits him to be a trustee; or

1. Substituted by Punjab Act No. 18 of 1989.

2. Added vide Punjab Act No. 7 of 1974.

- (b) if he has been declared by notification to be disqualified for employment in, or has been dismissed from the public service and the reason for the disqualification or dismissal is such as implies, in the opinion of the State Government, a defect of character which unfits him to be a trustee; or
- (c) if he has absented himself for more than three consecutive months from the meetings of the trust, or of any committee of which he is member, and is unable to explain such absence to the satisfaction of the State Government; or
- (d) if in the opinion of the State Government he has flagrantly abused his position as a trustee; or
- (e) if he has knowingly acquired or continued to hold without the permission in writing of the State Government, directly or indirectly or by a partner, any share or interest in any contract or employment with, by or on behalf of the trust; or
- (f) if he has knowingly acted as a trustee in a matter other than a matter referred to in clause (iv) or (v) of the following proviso in which he or a partner had, directly or indirectly, a personal interest, or in which he was professionally interested on behalf of a client, principal or other person; or
- (g) if he has acted in contravention of section 16; or
- (h) being a legal practitioner, if he acts or appears on behalf of any other person in any criminal proceeding instituted by or on behalf of the trust; or
- (i) in the case of a salaried ¹[Government Officer], if his continuance in office is, in the opinion of the State Government, unnecessary or undesirable :

Provided that a person shall not be deemed for the purpose of clause (e) to acquire, or continue to have, share or interest in a contract or employment by reason only of his -

- (i) having a share or interest in any lease, sale or purchase of land or building, or in any agreement for the same, provided that such share or interest was acquired before he became a trustee, or
- (ii) having a share in a joint stock company which shall contract with, or be employed by or on behalf of the trust, or
- (iii) having a share or interest in a newspaper in which an advertisement relating to the affairs of the trust is inserted, or
- (iv) holding a debenture or otherwise being interested in a loan raised by or on behalf of the trust, or
- (v) being retained by the trust as a legal practitioner, or
- (vi) having a share or interest in the occasional sale of an article in which he regularly trades to the trust, to a value not exceeding, in any

1. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

one year, such amount as the trust with the sanction of the State Government, may fix in this behalf.

11. Disabilities of trustees removed under section 10. - (1) A trustee removed under clause (a) of section 10 shall not be eligible for re-election or re-appointment for a period of three years from the date of his removal :

Provided that if a trustee has been removed by reason of his having been declared an insolvent, he shall be eligible for re-election or re-appointment when he shall have obtained his discharge.

(2) A trustee removed under any other provision of section 10 shall not be eligible for re-election or reappointment until he is declared by the State Government to be so eligible.

Chapter III

Proceedings of the Trust and Committee

12. Meetings of trust. - (1)(a) The trust shall ordinarily meet for the transaction of business at least once in every month at such time as it may fix, provided that the chairman may, whenever he thinks fit, and shall, upon the written request of not less than two trustees, call a special meeting.

(b) The quorum necessary for the transaction of business at an ordinary or special meeting shall not be less than three.¹[* * *].

(c) At every meeting the chairman, if he be present, or in his absence such one of the trustees present as may be chosen by the meeting, shall preside.

(d) All questions which come before any meeting shall be decided by a majority of the votes of the trustees present; the president of the meeting in case of an equality of votes having a second or casting vote.

(e) Minutes of the names of the trustees present and of the proceedings at each meeting shall be drawn up and recorded in a book to be kept for the purpose, shall be signed by the person presiding at the meeting or at the next ensuing meeting, and shall at all reasonable times and without charge be open to inspection by any trustee.

(2) No trustee shall be entitled to object to the minutes of any meeting unless he was present at the meeting to which they relate.

13. Temporary association of members with the trust for particular purposes. - (1) The trust may associate with itself in such manner and for such period as may be prescribed by rules made under section 74 any person whose assistance or advice it may desire in carrying out any of the provisions of the Act.

(2) A person associated with itself by the trust under sub-section (1) for any purpose shall have a right to take part in the discussions of that trust relative to that

1. Words "and when the business to be transacted in the formation of any scheme under Chapter IV, the quorum shall not be less than six" omitted by Punjab Act 15 of 1952.

purpose, but shall not have a right to vote at a meeting of the trust, and shall not be deemed to be a trustee.

14. Constitution and functions of committees. - (1) The trust may from time to time appoint committees of the trust consisting of such persons of any of the following classes as it may deem fit, namely :-

- (i) trustees;
- (ii) persons associated with the trust under section 13;
- (iii) other persons whose services, assistance or advice the trust may desire as members of such committees :

Provided that no such committees shall consist of less than three persons, and that at least one trustee shall be a member thereof.

(2) The trust may -

- (a) refer to such committees, for inquiry and report, any matter relating to any of the purposes of this Act, and
- (b) delegate to such committees by resolution, and subject to any rules made under section 74, any of the powers or duties of the trust.

(3) The trust may, at any time, dissolve, or, subject to the provisions of sub-section (1), after the constitution of any such committees.

(4) Every such committee shall conform to any instructions from time to time given to it by the trust.

(5) All proceedings of any such committee shall be subject to confirmation by the trust.

(6) Any person associated with the trust under section 13 or appointed a member of a committee of the trust under clause (iii) of sub-section (1) shall be entitled to receive such remuneration either by way of monthly salary or by way of fees or partly in one of these ways and partly in the other as the State Government may prescribe.

15. Meetings of committees. - (1) Committees appointed under section 14 may meet and adjourn as they think proper; but the chairman of the trust may, whenever he deems fit, call a special meeting of any such committee, and shall do so upon the written request of not less than two members thereof.

(2) The chairman may attend any meeting of a committee appointed under section 14 whether he is a member of such committee or not, and shall preside at every such meeting at which he is present; if he be absent, any trustee present and being a member of such committee as may be chosen by the meeting, shall preside : provided in this case if only one trustee is present, he shall preside.

(3) All questions which come before any meeting of such committee shall be decided by a majority of the votes of the members present, the person presiding in case of an equality of votes having a second or casting vote.

(4) No business shall be transacted at any meeting of such committee when less

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than 2 members or, when the committee consists of more than eight members, when less than one-fourth of such members are present.

16. Trustees and associated members of trust or committee not to take part in proceedings in which they are personally interested. - (1) A trustee who -

- (i) has, directly or indirectly, by himself or by any partner, employer, or employee, any such share or interest as is described in the proviso to section 10, in respect of any matter, or
- (ii) has acted professionally, in relation to any matter, on behalf of any person having therein any such share or interest as aforesaid,

shall not vote or take any other part in any proceedings of the trust or any committee appointed under this Act relating to such matter.

(2) If any trustee, or any person associated with the trust under section 13 or any other member of a committee appointed under this Act, has, directly or indirectly, any beneficial interest in any land situated in an area comprised in any improvement scheme framed under this Act, or in any area in which it is imposed to acquire land for any of the purposes of this Act, -

- (i) he shall, before taking part in any proceeding at a meeting of the trust or any committee appointed under this Act relating to such area, inform the person presiding at the meeting of the nature of such interest;
- (ii) he shall not vote at any meeting of the trust or any such committee upon any resolution or question relating to such land, and
- (iii) he shall not take any other part in any proceeding at a meeting of the trust or any such committee relating to such area if the person presiding at the meeting considers it inexpedient that he should do so.

¹ [17. **Constitution of Trust Services.** - (1) Notwithstanding anything contained in this Act, the State Government may, by notification, constitute in the prescribed manner all or any of the following Trust Services, namely :-

- (i) Punjab Service of Trust-Engineers;
- (ii) Punjab Service of Trust-Executive Officers;
- (iii) Punjab Services of Trust-Superintendent (General) and Superintendent (Land);
- (iv) Punjab Service of Trust-Accounts Officers;
- (v) such other Trust Services as the State Government may decide.

(2) The State Government may make rules for regulating the recruitment and the conditions of service of members of the Trust Services referred to in sub-section (1) and for the classification of such Services.

1. Substituted by Punjab Act No. 18 of 1973.

(3) The State Government may transfer any member of a Trust Service from a post in one trust to a post carrying the same scale of pay in another trust.

(4) The salary, allowances, gratuity, annuity, pension and other payments required to be made to the members of the Trust Services in accordance with the conditions of their service shall be charged from the funds of the trusts in the prescribed manner.

(5) Creation of posts in a Trust Service and appointment of members thereto shall be made by the State Government or by an authority empowered by it in this behalf after taking into consideration the requirements of the trusts and their financial capacity, but no such member shall be deemed to have been appointed to any civil service or post under the State.

(6) Every person, who, immediately before the issue of a notification under sub-section (1), is serving in a Trust on a post in relation to which a Trust Service is constituted, shall, on the issue of such notification, become a member of the corresponding Trust Service, if he is found fit by an authority appointed by the Government in this behalf for becoming such a member on the basis of his qualifications and service record :

Provided that his terms and conditions of service insofar as they relate to remuneration, gratuity and provident fund shall not be varied to his disadvantage on his becoming a member of the Trust Service :

Provided further that any such person may, by notice in writing given to the State Government, within a period of thirty days of the constitution of the Trust Service, intimate his intention of not becoming a member of such Service and where such an intimation is given that person will not become a member of the corresponding Trust Service and will continue to be governed by the same terms and conditions of service as were applicable to him immediately before the constitution of the Trust Service.

[(6-A) In the case of a person who is not found fit under sub-section (6) for becoming a member of the corresponding Trust Service, the post on which he is serving shall be deemed to have been abolished on the commencement of the Punjab Town Improvement (Amendment) Act, 1983, if the decision that he is not so fit was taken at any time before such commencement and in the case of others as and when such a decision is taken :

Provided that the State Government may appoint such a person with his consent on a post in any Trust service to which he may be found suitable.^{1]}

[(7) Recruitment of members of the Trust Services referred to in sub-section (1) shall be made by the State Government or by any authority empowered by the State Government in this behalf and nothing contained in the Punjab Public Service Commission (Additional Functions) Act, 1955, shall be deemed to apply to or require consultation with the Punjab Public Service Commission in respect of such recruitment.]^{2]}

1. Added by Punjab Act No. 13 of 1983.

2. Added by Punjab Act No. 28 of 1975.

¹ [18. **Power of trust to fix number and salaries of its servants.** - (1) Subject to the provisions of section 17 and the rules which the State Government may make in this behalf, the trust may, from time to time, employ such other servants on such terms and conditions as it may deem necessary and proper for carrying out its functions under this Act.

(2) The power of appointing, promoting and granting leave to such servants and reducing, suspending or dismissing them for misconduct and dispensing with their services for any reason other than misconduct shall be vested in the Chairman.

(3) Any servant who is reduced, suspended or dismissed by the Chairman under sub-section (2), may appeal to the trust within a period of thirty days of the date of communication of the order and the decision of the trust on such appeal shall be final."]

[Provided that in the absence of the Chairman on account of leave or otherwise for a period exceeding fifteen days his powers under this section shall be exercisable by the Deputy Commissioner or by an officer, not below the rank of an Extra Assistant Commissioner, authorised by the Deputy Commissioner in this behalf.]²

19. Control by chairman. - The chairman shall exercise supervision and control over the acts and proceedings of all officers and servants of the trust; and, subject to the foregoing sections, shall dispose of all questions relating to the service of the said officers and servants and their pay, privileges and allowances.

20. Delegation of certain of chairman's functions. - (1) The chairman may, by general or special order in writing, delegate to any officer of the trust any of the chairman's powers, duties or functions under this Act or any rule made thereunder except those conferred or imposed upon or vested in him by sections 12, 15, 21, 46 and 96, respectively.

(2) The exercise or discharge by any officer of any powers, duties or functions delegated to him under sub-section (1) shall be subject to such conditions and limitations (if any) as may be prescribed in the said order, and also to control and revision by the chairman, or the trust.

Supply of Information to Government

21. Supply of information and documents to the Government. - (1) The Chairman shall forward to the ³[State] Government a copy of the minutes of the proceedings of each meeting of the trust, within ten days from the date on which the minutes of the proceedings of such meeting were signed as prescribed in clause (e) of sub-section (1) of section 12.

(2) If the State Government so directs, in any case, the chairman shall forward

1. Added by Punjab Act No. 18 of 1973.

2. Proviso Added by Punjab Act No. 7 of 1974.

3. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

to it a copy of all papers which were laid before the trust for consideration at any meeting.

- (3) The State Government may require the chairman to furnish it with -
 - (i) any return, statement, estimate, statistics or other information regarding any matter under the control of the trust, or
 - (ii) a report on any such matter, or
 - (iii) a copy of any document in the charge of chairman.

The chairman shall comply with every such requisition without unreasonable delay.

Chapter IV

Schemes under the Act

22. Matters to be provided for by general improvement scheme or rebuilding scheme. - (1) Whenever it appears to the trust that -

- (a) any buildings which are used or are intended or likely to be used as dwelling places within its local area are unfit for human habitation, or
- (b) danger is caused or likely to be caused to the health of the inhabitants of such local area or part thereof by reason of -
 - (i) the congested condition of streets or buildings or groups of buildings in such local area or part, or
 - (ii) the want of light, air, ventilation or proper conveniences in such local area, or part, or
 - (iii) any other sanitary defects in such local area or part,

the trust may pass a resolution to the effect that such local area or part is in an insanitary locality and that "a general improvement scheme" ought to be framed in respect of such locality and may then proceed to frame such a scheme.

(2) Whenever the trust declares any local area or part thereof to be an insanitary locality within the meaning of this section, and is of opinion that having regard to the comparative value of the buildings in such local area or part and the sites on which they are erected it is undesirable to frame a general improvement scheme and the most satisfactory method of dealing with the local area or any part thereof is "a rebuilding scheme," it may proceed to frame such a scheme, which may provide for the reservation of streets and the enlargement of existing streets; the relaying out of the sites of the local area or part thereof upon the streets so reserved or enlarged; the demolition of existing buildings and their appurtenances upon such sites; and the erection of buildings in accordance with the scheme.

23. Street schemes and deferred street schemes. - (1) Whenever it appears to the trust that for the purpose of -

- (i) providing building sites, or
- (ii) remedying defective ventilation, or

(iii) creating new or improving existing means of communication and facilities for traffic, or

(iv) affording better facilities for conservancy, within its local area or part thereof, it is expedient to lay out new streets, thoroughfares and open spaces, or alter existing streets, the trust may pass a resolution to that effect, and shall then proceed to frame "a street scheme" which shall prescribe improved alignments for streets, thoroughfares and open spaces for such local area or part as the trust may deem fit.

(2) Whenever it appears to such trust that for any of the purposes mentioned in sub-section (1) within its local areas or part thereof it is expedient to provide for the ultimate widening of any existing street by altering the existing alignments to improved alignments to be prescribed by the trust, but that it is not expedient immediately to acquire all or any of the properties lying within the proposed improved alignments, the trust, if satisfied of the sufficiency of its resources, may pass a resolution to that effect, and forthwith proceed to frame a "deferred street scheme" prescribing an alignment on each side of such street.

24. Development and expansion schemes. - (1) The trust may, for the purpose of development of any locality within the municipal limits contained in its local area, prepare "a development scheme", and

(2) Such trust may, if it is of opinion that it is expedient and for the public advantage to promote and control the development of and to provide for the expansion of a municipality in any locality adjacent thereto, within the local area of such trust prepare "an expansion scheme".

(3) "A development scheme" or "an expansion scheme" may provide for the lay-out of the locality to be developed, the purposes for which particular portions of such locality are to be utilised, the prescribed street alignment and the building line on each side of the streets proposed in such locality, the drainage of insanitary localities and such other details as may appear desirable.

25. Housing accommodation scheme. - If the trust is of opinion that it is expedient and for the public advantage to provide housing accommodation for any class of the inhabitants within its local area such trust may frame "a housing accommodation scheme" for the purpose aforesaid :

Provided that if the ¹[State] Government are satisfied that within the trust area it is necessary to provide housing accommodation for industrial labour, the State Government may by order require the trust to frame a scheme under this section and to do all things necessary under the Act for executing the scheme so made; and if the trust fail within such time as may be prescribed to frame a scheme to the satisfaction of the State Government and to execute it, the State Government may either by order require the municipal committee to frame and execute a scheme, or themselves frame a scheme and take such steps as are necessary to execute it. All expenses incurred by the State Government or by the municipal committee in the exercise of the powers conferred upon them by this

1. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

section shall, in the first instance, be paid out of ¹[State] revenues, but the amount so spent shall be recoverable from the trust as if it were a ²[debt due to the State Government], and the State Government may attach the rents and other income of the trust. The provisions of section 72 shall also apply to all moneys so paid.

26. Rehousing scheme. - Whenever the trust deems it necessary that accommodation should be provided for persons who are displaced by the execution of any scheme under this Act, or are likely to be displaced by the execution of any scheme, which it is intended to submit to the State Government for sanction under this Act it may frame a rehousing scheme for the construction, maintenance and management of such and so many dwellings and shops as ought in the opinion of the trust, to be provided for such persons.

27. Rehousing of displaced resident house-owners. - Any resident house-owner who is likely to be displaced by the execution of any scheme under this Act, may apply to the trust to be re-housed and no such scheme shall be put into execution until a re-housing scheme as provided for in section 26 for the re-housing of such resident house-owners as may apply under this section has been completed.

Explanation. - The demolition of a portion of a dwelling house which renders the remaining portion uninhabitable shall be deemed to be a displacement of the person or persons residing in the said dwelling house.

28. Combination of schemes and matters which may be provided for in scheme. - (1) A scheme under this Act may combine one or more types of scheme or any special features thereof.

(2) A scheme under this Act may provide for all or any of the following matters:-

- (i) the acquisition under the Land Acquisition Act, 1894, as modified by this Act, or the abandonment of such acquisition under sections 56 and 57 of this Act, of any land or any interest in land necessary for or affected by the execution of the scheme, or adjoining any street, thoroughfare open space to be improved or formed under the scheme;
- (ii) the acquisition by purchase, lease, exchange or otherwise of such land or interest in land;
- (iii) the retention, letting on hire, lease, sale, exchange or disposal otherwise of any land vested in or acquired by the trust;
- (iv) the demolition of buildings or portions of buildings that are unfit for the purpose for which they are intended and that obstruct light or air or project beyond the building line;

1. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

2. Substituted for the words "Debt due to Government" by the Government of India (Adaptation of Indian Laws) Order, 1937.

- (v) the relaying out of any land comprised in the scheme and redistribution of sites belonging to owners of property comprised in the scheme;
- (vi) the laying out and alteration of streets;
- (vii) the provision of open spaces in the interests of the residents of any locality comprised in the scheme or any adjoining locality and the enlargement or alteration of existing open spaces;
- (viii) the raising, lowering or reclamation of any land vested in or to be acquired by the trust for the purposes of the scheme and the reclamation or reservation of land for the production of fruit, vegetables, fuel, fodder and the like for the residents of the local area;
- (ix) the draining, water-supply and lighting of streets altered or constructed;
- (x) the provision of a system of drains and sewers for the improvement of ill-drained and insanitary localities;
- (xi) the doing of all acts intended to promote the health of residents of the area comprised in the scheme, including the conservation and preservation from injury or pollution of rivers and other sources and means of water supply;
- (xii) the demolition of existing buildings and the erection and re-erection of buildings by the trust or by the owners or by the trust in default of the owners;
- (xiii) the advance to the owners of land comprised within the scheme upon such terms and conditions as to interest and sinking fund and otherwise as may be prescribed under the scheme of the whole or part of the capital requisite for the erection of buildings in accordance with the scheme;
- (xiv) the provision of facilities for communication;
- (xv) all other matters which the State Government may deem necessary to promote the general efficiency of a scheme or to improve the locality comprised in such scheme.

29. Effect of prescribing a street alignment on powers of municipal committee. - Notwithstanding anything contained in the Municipal Act, whenever any street alignment has been prescribed by the trust in any scheme under this Act with the sanction of the State Government the municipal committee shall not have power to prescribe a regular line for the street within the limits of the scheme, and any such line previously prescribed by the committee within such limits shall cease to be the regular line or line of frontage of the street.

30. Powers of trust to set back or forward buildings adjacent to the street alignment. - (1) Should any building or part of a building project beyond the regular line of a street, either existing or determined on for the future, or beyond the front of the building on either side thereof, the trust may whenever such building or part has been either entirely or in greater part taken down or burnt down or has fallen down, by written notice, require such building or part when being rebuilt to be set back to or towards the said regular line or the front of the adjacent buildings; and the portion of the land added to the street by such setting back or removal shall become part of the street and shall vest in the trust.

(2) The trust may on such terms as it may deem fit require or allow any building to be set forward for the improvement of the line of the street.

(3) When any building is set back or forward in pursuance of a requisition made under the preceding clause, the trust shall forthwith make full compensation to the owner of the building for any damage or loss that he may sustain.

(4) If the additional land, which will be included in the premises of any person required or allowed to set forward, a building, or part thereof, belongs to the trust the requisition or permission of the trust to set forward the building shall be sufficient conveyance to the said owner of the said land, and the terms and conditions of the conveyance shall be set forth in the said requisition or permission.

31. Prohibition of building beyond a street alignment. - (1) In the locality comprised in a scheme under this Act, no person shall, except with the written permission of the trust, erect, re-erect, add to or alter any building so as to make the same project beyond a street alignment or building line duly prescribed by the trust.

(2) In the locality comprised in a development scheme or an expansion scheme, if any person desires to erect, re-erect, add to or alter any building on his land so as to make the same project beyond a street alignment or a building line duly prescribed by the trust, he shall apply to the trust for permission to do so, and if the trust refuses to grant permission to such person according to his application, and does not proceed to acquire such land within one year from the date of such refusal, it shall pay reasonable compensation to such person for any damage or loss sustained by him in consequence of such refusal.

32. Acquisition of property affected by deferred scheme. - (1) In the locality comprised in a deferred street scheme the owner of any property affected by a street alignment duly prescribed by the trust may, at any time after the scheme has been sanctioned by the ¹[State] Government, give the trust notice requiring it to acquire such property before the expiration of six months from the date of such notice, and the trust shall acquire such property accordingly.

(2) In the locality comprised in a deferred street scheme, before proceeding to acquire any property affected by a street alignment duly prescribed by the trust other than property regarding which it has received a notice, under the preceding clause, the trust shall give six months' notice to the owner of its intention to acquire the property.

33. Official representation. - (1) A scheme under this Act may be framed upon an official representation by the municipal committee or otherwise.

(2) An official representation referred to in sub-section (1) may be made by the municipal committee -

- (a) on its own motion, or
- (b) on a written complaint by the medical officer of health, or

1. Substituted for the word "Provincial" by the Adapatation of Laws Order, 1950.

(c) in respect of any area comprised in a municipal ward, on a written complaint signed by twenty-five or more inhabitants of such ward.

(3) If the municipal committee decides not to make an official representation on any complaint made to it under clause (b) or clause (c) of sub-section (2) it shall cause a copy of such complaint to be sent to the trust, with a statement of the reasons for its decision.

34. Consideration of official representation. - (1) The trust shall consider every official representation made under section 33, and if satisfied as to the truth thereof and as to the sufficiency of its own resources, shall decide whether a scheme under this Act to carry such representation into effect should be framed forthwith or not, and shall forthwith intimate its decision to the municipal committee.

(2) If the trust decides that it is not necessary or expedient to frame a scheme under this Act forthwith, it shall inform the municipal committee of the reasons for its decision.

(3) If the trust fails, for a period of twelve months after the receipt of any official representation made under section 33, to intimate its decision thereon to the municipal committee, or if the trust intimates to the municipal committee its decision that it is not necessary or expedient to frame a scheme of a type other than that recommended by the municipal committee, the municipal committee may, if it deems fit, refer the matter to the State Government.

(4) The State Government shall consider every reference made to it under sub-section (3) and

(a) if it deems that the trust ought to have passed a decision within the period mentioned in sub-section (3) shall direct the trust to pass a decision within such further period as the State Government may deem reasonable, or

(b) if it deems that it is expedient that a scheme should forthwith be framed, shall direct the trust to proceed forthwith to frame a scheme. Such a direction may prescribe the type of scheme to be framed.

(5) The trust shall comply with every direction given by the State Government under sub-section (4).

35. Matters to be considered when framing improvement Schemes. - When framing a scheme under this Act in respect of any locality, regard shall be had to-

(a) the nature and the condition of adjoining localities and of the town as a whole;

(b) the direction in which the town appears likely to expand; and

(c) the claims of any other part of the local area likely to require a scheme under this Act.

36. Preparation, publication and transmission of notice as to improvement schemes, and supply of documents to applicants. - (1) When a scheme under this Act has been framed, the trust shall prepare a notice stating -

- (i) the fact that the scheme has been framed,
 - (ii) the boundaries of the locality comprised in the scheme, and
 - (iii) the place at which details of the scheme including a statement of the land proposed to be acquired and a general map of the locality comprised in the scheme may be inspected at reasonable hours.
- (2) The trust shall -
- (a) notwithstanding anything contained in section 78 cause the said notice to be published weekly for three consecutive weeks in the Official Gazette and in a newspaper or newspapers with a statement of the period within which objections will be received, and
 - (b) send a copy of the notice to the president of the municipal committee, and to the medical officer of health.
- (3) The chairman shall cause copies of all documents referred to in clause (iii) of sub-section (1) to be delivered to any applicant on payment of such fees as may be prescribed by rule under section 74.

37. Transmission to trust of representation by committee as to improvement scheme. - The president of any municipal committee and the medical officer of health to whom a copy of a notice has been sent under clause (b) of sub-section (2) of section 36 shall, within a period of sixty days from the receipt of the said copy, forward to the trust any representation which the municipal committee or the said medical officer of health may deem fit to make with regard to the scheme.

38. Notice of proposed acquisition of land. - (1) During the thirty days next following the first day on which any notice is published under section 36 in respect of any scheme under this Act the trust shall serve a notice on -

- (i) every person whom the trust has reason to believe after due enquiry to be the owner of any immovable property which it is proposed to acquire in executing the scheme,
 - (ii) the occupier (who need not be named) of such premises as the trust proposes to acquire in executing the scheme.
- (2) Such notice shall -
- (a) state that the trust proposes to acquire such property for the purposes of carrying out a scheme under this Act, and
 - (b) require such person, if he objects to such acquisition, to state his reasons in writing within a period of sixty days from the service of the notice.
- (3) Every such notice shall be signed by, or by the order of, the chairman.

39. Furnishing of information available in municipal records. - The president of the municipal committee shall furnish the chairman at his request and on payment of such fees as may be prescribed by rule made under section 73 with a copy of such information relating to a locality regarding which a notice has been published under section 36 as is available in the municipal records.

40. Abandonment of scheme, or application to State Government to sanction it. - (1) After the expiry of the periods respectively prescribed under clause (a) of sub-section (2) of section 36, by section 37 and by clause (b) of sub-section (2) of section 38, in respect of any scheme under this Act, the trust shall consider any objection, or representation received thereunder, and after hearing all persons or their representatives making any such objection or representation, who may desire to be heard, the trust may either abandon the scheme or apply to the ¹[State] Government for sanction to the scheme with such modifications (if any) as the trust may deem necessary.

[Provided that no scheme shall be abandoned by the trust without the prior approval of the State Government.]²

- (2) Every application submitted under sub-section (1) shall be accompanied by-
- (i) complete plans and details of the scheme and an estimate of the cost of executing it;
 - (ii) a statement of the reasons for modifications (if any) made in the scheme as originally framed;
 - (iii) a statement of objections (if any) received under section 36;
 - (iv) the representation (if any) received under section 37;
 - (v) a list of the names of all persons (if any) who have objected under clause (b) of sub-section (2) of section 38, to the proposed acquisition of their property and a statement of the reasons given for such objection; and
 - (vi) a statement of the arrangements made or proposed by the trust for the re-housing of persons who are likely to be displaced by execution of the scheme and for whose re-housing provision is required.
- (3) When any application has been submitted to the State Government under sub-section (1), the trust shall cause notice of the fact to be published for two consecutive weeks in the Official Gazette and in a newspaper or newspapers.

41. Power to sanction, reject or return scheme. - (1) The State Government may sanction, either with or without modification, or may refuse to sanction, or may return for reconsideration, any scheme submitted to it under section 40.

(2) If a scheme returned for reconsideration under sub-section (1) is modified by the trust, it shall be republished in accordance with section 36 -

- (a) in every case in which the modification affects the boundaries of the locality comprised in the scheme, or involves the acquisition of any land not previously proposed to be acquired; and
- (b) in every other case, unless the modification is in the opinion of the

1. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.
2. Proviso Added by Punjab Act No. 7 of 1974.

⁸[State] Government not of sufficient importance to require republication.

42. Notification of sanction of scheme. - (1) The State Government shall notify the sanction of every scheme under this Act, and the trust shall forthwith proceed to execute such scheme, provided that it is not a deferred street scheme, development scheme, or expansion scheme and provided further that the requirements of section 27 have been fulfilled.

(2) A notification under sub-section (1) in respect of any scheme shall be conclusive evidence that the scheme has been duly framed and sanctioned.

[Provided that no notification in respect of sanction of a scheme shall be issued after the expiry of the three years from the date of first publication of notice relating to that scheme under section 36,]¹

[43. Alteration of scheme after sanction. - A scheme under this Act may be altered by the trust at any time, with the prior approval of the State Government, between its sanction by the State Government and its execution.]²

44. Inclusion of different localities in combined scheme. - Any number of localities in respect of which the trust has framed or has proposed to frame schemes under this Act may, at any time, be included in one combined scheme.

Chapter V

Powers and Duties of the Trust where a scheme has been sanctioned

45. Transfer to trust of building or land vested in municipal committee for purposes of scheme. - (1) Whenever any building, or any street or other land or any part thereof which is vested in the municipal committee is required for executing any scheme under this Act the trust shall give notice accordingly to the president of the municipal committee, and such building, street, land or part shall thereupon vest in the trust, subject to the payment to the municipal committee of such sum as may be required to compensate it for actual loss resulting from the transfer of any building to the trust.

(2) If any question or dispute arises as to the sufficiency of the compensation paid or proposed to be paid under sub-section (1), the matter shall be referred to the State Government, whose decision shall be final.

46. Transfer of private street to trust for purposes for scheme. - (1) Whenever any street, or part thereof, which is not vested in the municipal committee is required for executing any scheme under this Act, the trust shall cause to be affixed, in a conspicuous place in or near such street, or part, a notice signed by the chairman, -

(a) stating the purpose for which the street or part is required, and

8. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

1. Proviso added by Punjab Act No. 13 of 1983.

2. Substituted vide Punjab Act No. 7 of 1974.

- (b) declaring that the trust will, on or after a date to be specified in the notice, such date being not less than thirty days after the date of the notice, take over charge of such street, or part, from the owner or owners thereof;

and shall simultaneously send a copy of such notice to the owner or owners of such street, or part, or to the duly accredited agent of such owner or owners.

(2) After considering and deciding all objections (if any) received in writing before the date so specified the trust may take over charge of such street, or part, from the owner or owners thereof and the same shall thereupon vest in the trust.

(3) When the trust alters or closes any street or part thereof which has vested in it under sub-section (2), it shall pay such sum as may be required to compensate the previous owner or owners for actual loss resulting to him from such alteration or closure.

(4) If the alteration or closing of any such street, or part, causes special damage or substantial inconvenience to owners of property adjacent thereto or to residents in the neighbourhood, the trust -

- (i) shall forthwith provide some other reasonable means of access for the use of persons who were entitled as of right to use such street, or part, as a means of access to any property or place, and
- (ii) if the provision of such means of access does not sufficiently compensate any such owner or resident for such damage or inconvenience, shall also pay him reasonable compensation in money.

47. Provision of drain or water-work to replace another situated on land vested in the trust under section 45 or section 46. - (1) When any building or any street or other land, or any part thereof, has vested in the trust under section 45 or section 46, no municipal drain or water-work therein shall vest in the trust until another drain or water-work (as the case may be) if required, has been provided by the trust to the satisfaction of the municipal committee, in place of the former drain or work.

(2) If any question or dispute arises as to whether another drain or water-work is required, or as to the sufficiency of any drain or water-work provided by the trust under sub-section (1) the matter shall be referred to the State Government, whose decision shall be final.

48. Power of trust to make and deal with public street. - (1) The trust may-

- (a) lay out and make a new public street and construct tunnels and other works subsidiary to the same, and
- (b) widen, lengthen, extend, enlarge, raise the level of or otherwise improve any existing public street if vested in the trust, and
- (c) turn, divert, discontinue or close any public street so vested, and
- (d) provide within its discretion building sites of such dimensions as it deems fit, to abut on or adjoin any public street made, widened, lengthened, extended, enlarged, improved, or the level of which has been raised by the trust under clauses (a), (b) and (c) or by the State Government, and

- (e) subject to the provisions of any rule prescribing the conditions on which property vested in the trust may be transferred, lease, sell or otherwise dispose of any land used by the trust for a public street and no longer required therefor, and in doing so impose any condition as to the removal of any building existing thereon, as to the description of any new building to be erected thereon, as to the period within which such new building shall be completed and as to any other matter that it deems fit.

(2) Whenever the trust discontinues the public use of, or permanently closes, any street vested in it, or any part thereof, it shall pay reasonable compensation to every person who had an easement or right of way or light and air over, upon or from such street or part, and who by such discontinuance or closure has suffered special damage.

(3) In determining the compensation payable to any person under sub-section (2), the trust shall make allowance for any benefit accruing to him from the construction, provision or improvement of any other street at or about the same time that the public street or part thereof, on account of which the compensation is paid, is discontinued or closed.

49. Power under the Municipal Act vested in the trust. - (1) The provisions of sections 96, 98, 99, 100, 102, 103, 104, 113, 114, 114-A, 115, 116, 117, 118, 119, 120, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 170, 170-A, 170-B, 170-C, 170-D, 170-E, 170-F, 170-G, 171(1), (2), and (3); 172, [172-A]¹, 173, 175, 176, 177, 178, 179, 180, 181, 182, 189(1) and (2), 191, 192, 193, 194, 195, ²[195-A], 196, 199, 200, 201, 202, 209, 210, 212, 213, 214, 221, 224, 225, 226, 227 and 230 of Municipal Act, shall, so far as may be consistent with the tenor of the Act, apply to all localities in respect of which [a notice of framing of a scheme is published under sub-section (2) of section 36 during the period commencing with the date of first publication of the said notice till the said scheme is either abandoned under section 40 or sanctioned in respect whereof is refused under section 41 or the scheme, if sanctioned, remains in force]³ and all reference in the said sections to the municipal committee or to the president or to any officer of the municipal committee, shall be construed as referring to the trust which, in respect of any such localities, may alone exercise and perform all or any of the powers and functions which under any of the said chapters and sections might have been exercised and performed by the municipal committee or by the president or by any officer of the municipal committee :

Provided that the trust may delegate to the chairman, or to any officer of the trust all or any of the powers conferred by this section.

(2) The trust may make bye-laws for any locality outside the limits of the municipality comprised in a scheme under this Act -

- (a) generally for carrying out the purposes of this Act, and
- (b) in particular and without prejudice to the generality of the aforesaid pow-

1. See Punjab Act No. 21 of 1995.
2. Inserted by Punjab Act No. 31 of 1954, section 2.
3. Substituted by Punjab Act No. 13 of 1983.

ers, regarding any of the matters referred to in sections 188, 189 and 190 of the Municipal Act.

50. Limitation of powers of trust under section 49. - (1) The trust shall not take any action under sections 96, 97, 98, 99, 100, 101, 102, 132, 133, 134, 135, 136, 137, 138 or 139 of the Municipal Act without having previously consulted the municipal committee and obtained its consent, provided that if the said committee does not give consent, the matter in dispute shall forthwith be referred to the ¹[State] Government whose decision shall be final.

(2) If the municipal committee deems it necessary that action should be taken within the trust area under sections 96; 97; 98; 99, 100, 101, 102, 132, 133, 134, 135; 136, 137, 138, or 139 of the Municipal Act, it shall make an application to the trust requiring that such action be taken, and the trust shall thereupon comply with the application, or give its reasons in writing for rejecting it, provided that if the application be rejected, the matter shall forthwith be referred to the ²[State] Government whose decision shall be final.

³ **[50-A. Power to levy betterment contribution.** - Where by the making of any scheme the value of any property has increased or is likely to increase, the trust shall be entitled to recover from the owner of such property an annual betterment contribution for such term of years and at such uniform percentage of the increase in value not exceeding ten per centum as may, subject to rules, be fixed in the scheme :

Provided that the aggregate amount of the contribution so recovered shall not exceed one-half of the maximum increase in value during the aforesaid term of years as ascertained under this Act.]

⁴ **[50-B. Principles for calculating betterment contribution.** - The betterment contribution shall be in respect of each property according to the following principles:-

- (a) its market value on the date of the publication of the notification sanctioning the scheme shall be estimated without reference to the improvements and development contemplated in the scheme;
- (b) for each financial year succeeding the year in which the scheme takes effect, its market value on the first day of April of that year shall be ascertained by the chairman;
- (c) if, in any financial year, the market value estimated under clause (b) does not exceed that estimated under clause (a), no betterment contribution shall be levied for that year;
- (d) if, in any financial year, the estimated market value under clause (b) exceeds that estimated under clause (a), the trust shall levy a betterment

1. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

2. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

3. Sections 50-A, 50-B, 50-C and 50-D, added by Punjab Act 15 of 1952.

4. Sections 50-A, 50-B, 50-C and 50-D, added by Punjab Act 15 of 1952.

contribution on the difference according to the percentage fixed in the scheme :

Provided that in estimating the market value of land under clause (a) or under clause (b), the value of buildings or other works erected or in the course of erection on such land shall not be taken into consideration.]

¹**[50-C. Assessment and collection of betterment contribution.** - (1) The betterment contribution due on any property shall, subject to the prior claim thereon of the State Government, be a first charge on it and shall be paid by its owner in half-yearly instalments of one-half of the amount fixed for the year.

(2)(a) The State Government may make rules for the assessment and collection of the betterment contribution and subject to such rules and the provisions of sections 74, 81, 84, 85 and 86 of the Punjab Municipal Act, 1911, with such adaptations as are necessary to render these provisions consistent with those of this Act, it shall be assessed and collected in the same manner as if it were a tax imposed by a Municipal Committee in respect of immovable property;

(b) Lands and buildings exempt from municipal or State taxation shall also be exempt from any betterment contribution.]

²**[50-D. Option of any objecting owner to require the trust to acquire his property.** - (1) If the owner of any property, separately registered in the assessment books of the trust and assessed to a betterment contribution in any particular year, objects to the amount of such contribution on the ground that the market value estimated under clause (b) of section 50-B is excessive, he shall state the market value which, he contends, is correct, and may, within thirty days of the date on which the determination of his objection or appeal becomes final, by written notice, require the trust to acquire the property together with any buildings or other works that may exist thereon.

(2) The trust shall thereupon either acquire the property or accept the market value as stated by the owner and revise its assessment of the betterment contribution in accordance therewith.

(3) In case the trust elects to acquire the property, the compensation payable therefor shall be determined by the prescribed authority under this Act :

Provided that the compensation payable for the property, apart from the buildings or other works thereon, shall not exceed the market value stated by the owner under sub-section (1).]

51. Power of the trust to facilitate movement of population. - In order to facilitate the movement of the population in and around any local area to which this Act is applied, the trust may from time to time -

(a) subject to any conditions it may deem fit to impose -

(i) guarantee the payment, from the funds at its disposal, of such sums

1. Added by Punjab Act 15 of 1952.

2. Added by Punjab Act 15 of 1952.

as it may deem fit, by way of interest on capital expended on the construction, maintenance or working of means of locomotion, or

(ii) make such payments as it may deem fit from the said funds, by way of subsidy to persons undertaking to provide, maintain and work any means of locomotion, or

(b) either singly or in combination with any other persons construct, maintain and work any means of locomotion, under the provisions of any law applicable thereto, or

(c) construct or widen, strengthen or otherwise improve bridges :

Provided that no guarantee or subsidy shall be made under clause (a), and no means of locomotion shall be constructed, maintained or worked under clause (b), without the previous sanction of the [State] Government.

52. Power to make surveys or contribute towards their cost. - The trust may-

(a) cause a survey of any land to be made whenever it considers that a survey is necessary or expedient for carrying out any of the purposes of this Act, or

(b) contribute towards the cost of any such survey made by any other local authority.

53. Power of entry. - (1) The chairman or any person authorized by him or by the trust in writing may, with or without assistants or workmen, enter into or upon any land in order -

(i) to make any inspection, survey, measurement, valuation or inquiry,

(ii) to take levels,

(iii) to dig or bore into sub-soil,

(iv) to set out boundaries and intended lines of work;

(v) to mark such levels, boundaries and lines by marks and cutting trenches, or

(vi) to do any other thing,

whenever it is necessary to do so for any of the purposes of this Act or any rules made or scheme sanctioned hereunder or any scheme which the trust intends to frame hereunder :

Provided as follows :-

(a) Except when it is otherwise specially provided by a rule no such entry shall be made between sunset and sunrise.

(b) Except when it is otherwise specially provided by a rule no building which is used as a human dwelling shall be so entered unless with the consent of the occupier or if there be no occupier, the owner thereof,

1. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

without giving the said occupier or owner, as the case may be, at least twenty-four hours' previous notice in writing of the intention to make such entry.

- (c) Even when any premises may otherwise be entered without notice, reasonable warning and facility to withdraw shall be given to any female, not appearing in public, according to the customs of the country.
- (d) Due regard shall always be paid so far as the exigencies of the occasion permit to the social and religious usages of the occupants of the premises entered.

(2) Whenever any person enters into or upon any land in pursuance of sub-section (1), he shall at the time of such entry pay or tender payment for all necessary damage to be done as aforesaid, and, in case of dispute as to the sufficiency of the amount so paid or tendered he shall at once refer the dispute to the trust, whose decision shall be final.

(3) It shall be lawful for any person authorised under sub-section (1) to make an entry for the purpose of inspection or search to open or cause to be opened a door, gate or other barrier -

- (a) if he considers the opening thereof necessary for the purpose of such entry, inspection or search, and
- (b) if the occupier or owner, as the case may be, is absent, or being present refuses to open such door, gate or barrier.

54. Reference of disputes to tribunal. - (1) If any question or dispute arises-

- (a) between the trust and the previous owner of any street or part thereof which has vested in the trust under section 46 and has been altered or closed by it, as to the sufficiency of the compensation paid or proposed to be paid under sub-section (3) of that section, or
- (b) between the trust and any person who was entitled as of right, to use as a means of access any street or part thereof, which has vested in the trust under the said section -
 - (i) as to whether the alteration or closing of such street or part causes special damage or substantial inconvenience to owners of property adjacent thereto or to residents in the neighbourhood, or
 - (ii) as to whether the other means of access provided or proposed to be provided under sub-section (4) of the said section are reasonably sufficient, or
 - (iii) as to the sufficiency of any compensation paid or proposed to be paid under the said sub-section (4), or
- (c) between the trust and any person as to the sufficiency of any compensation paid or proposed to be paid to him under sections 30, 31 or 102,

the matter shall be determined by the tribunal, hereinafter defined, if referred to it either by the trust or by the claimant within a period of three months from the date on which the said person was informed of the decision of the trust fixing the

amount of compensation to be paid to him or of the rejection of his claim to compensation by the trust, and the determination of the tribunal shall be final :

Provided that the tribunal shall not entertain the application of any claimant who has not applied to the trust for compensation within three months of the date on which his claim to compensation accrued.

(2) The provisions of sections 5, 6 and 12 of the Limitation Act shall be applicable in determining whether any claim shall be entertained.

(3) If a reference to the tribunal be not made within the period prescribed by sub-section (1), the decision of the trust shall be final.

(4) For the purpose of determining any matter referred to it under sub-section (1), the tribunal shall have all the powers with regard to witnesses, documents and costs which it would have if the Land Acquisition Act, 1894 [1 of 1894], as modified by section 59 of this Act, were applicable to the case.

55. Vesting in committee of streets laid out or altered, and open spaces provided by the trust under a scheme. - (1) Whenever the municipal committee is satisfied -

- (a) that any street laid out or altered by the trust has been duly levelled, paved, metalled, flagged, channelled, sewerred and drained in the manner provided in the plans sanctioned by the State Government under this Act, and
- (b) that such lamps, lamp-posts, and other apparatus as the municipal committee deem necessary for the lighting of such street and as ought to be provided by the trust have been so provided, and
- (c) that water and other sanitary conveniences ordinarily provided in a municipality have been duly provided in such street,

the municipal committee after obtaining the assent of the trust, or failing such assent, the assent of the State Government under sub-section (3), shall by notice, affixed in some conspicuous position in such street declare the street to be a public street, and the street shall thereupon vest in, and shall thenceforth be maintained, kept in repair, lighted and cleansed by the municipal committee.

(2) When any open space for purposes of ventilation or recreation has been provided by the trust in executing any scheme under this Act, it shall, on completion, be transferred to the municipal committee by resolution of the trust and shall thereupon vest in and shall thenceforth be maintained, kept in repair, lighted and cleansed by the municipal committee :

Provided that the municipal committee may require the trust, before any such open space is so transferred, to enclose, level, turf, drain and lay out space and provide footpaths therein and, if necessary, to provide lamps and other apparatus for lighting it.

(3) If any difference of opinion arises between the trust and the municipal committee in respect of any matter referred to in the foregoing provisions of this section, the matter shall be referred to the State Government whose decision shall be final.

Chapter VI

Acquisition, Tribunals, and Application of Act to other Authorities

56. Abandonment of acquisition in consideration of special payment. - (1) Wherever in any locality comprised in any scheme under this Act the State Government has sanctioned the acquisition of land which is subsequently discovered to be unnecessary for the execution of the scheme the owner of such land, or any person having an interest therein, may make an application to the trust requesting that the acquisition of such land be abandoned in consideration of the payment by him of a sum to be fixed by the trust in that behalf.

[Provided that no land shall be deemed to be unnecessary for the execution of the scheme, unless the State Government, after making such enquiry as it may deem fit, declares it to be so by a notification in the Official Gazette]¹

- (2) The trust shall admit every such application if it -
 - (a) reaches it before the time fixed by the Collector, under section 9 of the Land Acquisition Act, 1894, for making claims in reference to the land, and
 - (b) is made by any person, who either owns the lands, is mortgagee thereof, or holds a lease thereof, with an unexpired period of seven years.
- (3) The trust may admit any such application presented by any other person having an interest in the land.
- (4) On the admission by the trust of any such application, it shall forthwith inform, the Collector and the Collector shall thereupon stay for a period of three months all further proceedings for the acquisition of the land, and the trust shall proceed to fix the sum in consideration of which the land may be abandoned.
- (5) Within the said period of three months, or, with the permission of the trust, at any time before the Collector has taken possession of the land under section 16 of the Land Acquisition Act, 1894, the person from whom the trust has agreed to accept the sum so fixed may, if the trust is satisfied that the security offered by him is sufficient, execute an agreement with the trust either -
 - (i) to pay the said sum three years after the date of the agreement, or
 - (ii) to leave the said sum outstanding as a charge on his interest in the land, subject to the payment of interest at a rate to be agreed upon by such person and the trust until the said sum has been paid in full and to make the first annual payment of such interest four years after the date of the agreement :

Provided that the trust may, at any time before the Collector has taken possession of the land under section 16 of the Land Acquisition Act, 1894, accept immediate payment of the said sum instead of an agreement as aforesaid.

1. Proviso Added by Punjab Act No. 7 of 1974.

(6) When any agreement has been executed in pursuance of sub-section (5) or when any payment has been accepted in pursuance of the proviso to that sub-section in respect of any land, proceedings for the acquisition of the land shall be deemed to be abandoned.

(7) Every payment due from any person under any agreement executed under sub-section (5) shall be a charge on the interest of that person.

(8) If any instalment of interest payable under an agreement executed in pursuance of clause (ii) of sub-section (5) be not paid on the due date, the sum fixed by the trust under sub-section (4) shall be payable on that date, in addition to the said instalment.

(9) At any time after an agreement has been executed in pursuance of clause (ii) of sub-section (5), any person may pay in full the charge created thereby, with interest, at the agreed rate, up to the date of such payment.

(10) When an agreement in respect of any land has been executed by any person in pursuance of sub-section (5), no suit with respect to such agreement shall be brought against the trust by any other person (except an heir, executor or administrator of the person first aforesaid) claiming to have an interest in the land.

(11) When an agreement in respect of any land has been executed by any person in pursuance of sub-section (5), and any sum payable in pursuance of that sub-section is not duly paid, the same shall be recoverable by the trust (together with interest up to the date of realization at the agreed rate), from the said person or his successor in interest in such land in the manner provided by section 222 of the Municipal Act, and, if not so recovered the chairman may, after giving public notice of his intention to do so and not less than one month after the publication of such notice, sell the interest of the said person or successor in such land by public auction, and may deduct the said money and the expenses of the sale from the proceeds of the sale, and shall pay the balance (if any) to the defaulter.

57. Agreement or payment under section 56 not a bar to acquisition under a fresh declaration. - If any land in respect of which an agreement has been executed, or a payment has been accepted, in pursuance of sub-section (5), of section 56, be subsequently required for any of the purposes of this Act, the agreement or payment shall not be deemed to prevent the acquisition of the land in pursuance of a fresh declaration published under section 6 of the Land Acquisition Act, 1894.

58. Tribunal to be constituted. - A tribunal shall be constituted as provided in section 60, for the purpose of performing the functions of the Court in reference to the acquisition of land for the trust, under the Land Acquisition Act, 1894.

59. Modification of the Land Acquisition Act, 1894. - For the purpose of acquiring land under the Land Acquisition Act, 1894, for the trust -

(a) the tribunal shall (except for the purposes of section 54 of the said Act) be deemed to be the Court, and the president of the tribunal shall be deemed to be the Judge, under the said Act;

(b) the said Act shall be subject to the further modifications indicated in the Schedule to this Act;

- (c) the president of the tribunal shall have power to summon and enforce the attendance of witnesses, and to compel the production of documents, by the same means and (so far as may be) in the same manner as is provided in the case of a Civil Court under the Code of Civil Procedure, 1908 [5 of 1908]; and
- (d) the award of a tribunal shall be deemed to be the award of the Court under the Land Acquisition Act, 1894 [1 of 1894] and shall be final.

¹[**60. Constitution of tribunal.** (1) - The tribunal shall consist of one person as its president to be appointed by the State Government.

- (2) The president of the tribunal shall be a person, who,
 - (a) is qualified to be appointed as a judge of the High Court of Punjab; or
 - (b) is or has been an officer of the State Government not below the rank of a Financial Commissioner.

(3) The term of the office of the president of the tribunal shall be two years, which may be extended for such further period not exceeding two years:

Provided that no person appointed as the president of the tribunal shall continue as such beyond the age of seventy years.

(4) The president of the tribunal shall receive such remuneration, either by way of monthly salary or by way of fees, or partly in one of those ways and partly in the other, as the State Government may prescribe.]

61. Remuneration of members of tribunal. - ²[***]

62. Officers and servants of tribunals. - (1) The president of the tribunal shall, from time to time, prepare a statement showing -

- (a) the number and grades of the clerks and other officers and servants who in his opinion should be maintained for carrying on the business of the tribunal.
- (b) the amount of the salary to be paid to each such clerk, officer and servant.

(2) All statements prepared under sub-section (1) shall be subject to the previous sanction of the State Government.

(3) Subject to any directions contained in any statement prepared under sub-section (1), and to rules made under section 73, the power of appointing, promoting and granting leave to clerks, officers and servants of the tribunal, and the power of reducing, suspending or dismissing them, shall vest in the president of the tribunal.

1. Substituted by Punjab Act No. 11 of 2013.

2. Omitted by Punjab Act No. 11 of 2013.

¹[**63. Mode of payment.** - The salaries, leave, allowances or acting allowances for officers, clerks and servants of the tribunal, shall be such as may be prescribed and shall be paid by the trust to the president of the tribunal for distribution.]

64. Powers to make rules for tribunals. - (1) The State Government may from time to time make rules, not repugnant to the Code of Civil Procedure, 1908, for the conduct of business by tribunals established under this Act.

(2) All such rules shall be published by notification.

65. Award to tribunal how to be determined. - (1) For the purpose of determining the award to be made by the tribunal under the Land Acquisition Act, 1894[¹ of 1894] -

(a) if there is any disagreement as to the measurement of land, or to the amount of compensation or costs to be allowed, the opinion of the majority of the members of the tribunal shall prevail;

(b) notwithstanding anything contained in the foregoing clause, the decision on all questions of law and title and procedure shall rest solely with the president of the tribunal, and such questions may be tried and decided by the president in the absence of assessors unless the president considers their presence necessary.

[(c) The President of the Tribunal may record evidence on any matter in the absence of assessors unless he considers their presence necessary]²

(2) Every award of the tribunal, and every order made by the tribunal for the payment of money, shall be enforced by a Court of Small Causes, or if there be no such Court, by the Senior Sub-Judge within the local limits of whose jurisdiction it was made as if it were a decree of that Court.

66. Application of Act to acquisition by other local authorities. - (1) Whenever a municipal committee or other local authority acquires land for the purposes of-

(i) laying out new public streets in any locality whether previously built upon or not; or

(ii) constructing new buildings and laying out of compounds attached thereto, abutting on such new public streets in any locality, whether previously built upon or not; or

(iii) reclaiming unhealthy or insanitary localities -

(a) the modifications of the Land Acquisition Act contained in the Schedule of this Act shall, so far as they are applicable, apply to every such acquisition;

(b) the State Government may constitute a tribunal in accordance with

1. Substituted by Punjab Act No. 11 of 2013.

2. Added vide Punjab Act No. 4 of 1976.

section 60 and the provisions of sections 57 to 66 and of section 73 so far as they relate to the tribunal shall thereupon apply to such acquisition.

(2) If the State Government does not constitute a tribunal in accordance with clause (b) of sub-section (1), all references to the tribunal in the Schedule shall be construed as referring to the Court.

Chapter VII

Finance

67. Power of trust to borrow money. - A trust under this Act shall be deemed to be a local authority under the Local Authorities Loans Act, 1914 [9 of 1914], for the purpose of borrowing money under that Act and the making and execution of any scheme under this Act shall be deemed to be a work which such local authority is legally authorised to carry out.

68. Contribution by municipal committee. - [(1) The Municipal Committee shall pay to the trust from the date the Chairman thereof assumes charge of his office so long as the trust is concerned with the improvement of the locality within the limits of the municipality an amount per annum equal to two per cent of the gross annual income of such Committee.]¹

(2) In case of dispute as to what is the gross annual income of a committee, the matter shall be referred to the ²[State] Government whose decision shall be final.

69. Custody and investment of trust funds. - (1) In places where there is a Government treasury or sub-treasury, or a bank to which the Government treasury business has been made over, all moneys at the credit of the trust shall be kept in such treasury, sub-treasury or bank.

[Provided that for the purpose of raising loan for its development scheme a trust may keep the moneys at its credit in such other bank as may be approved by the State Government in this behalf.]³

(2) In places where there is no such treasury or sub-treasury or bank, such moneys may be kept with a banker or person acting as a banker, who has given such security for the safe custody and repayment on demand of the sum so kept as the State Government may in each case deem sufficient.

(3) Provided that nothing in the following provisions of this section shall be deemed to preclude a trust from, with the previous sanction of the ⁴[State] Government investing any such moneys which are not required for immediate expenditure in any of the securities described in section 20 of the Indian Trust Act, 1882 [2 of 1882], or placing them in fixed deposit with a bank approved by the State Government.

1. Substituted by Punjab Act No. 4 of 1976.

2. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

3. Proviso added by Punjab Act No. 7 of 1974.

4. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

[69-A. Application of trust funds. - The trust funds shall be applicable to the payment of such expenditure as may be declared by the Improvement Trust, with the sanction of the State Government, to be an appropriate charge on the trust funds].¹

70. Procedure if the trust fails to make any payment in respect of loans of the trust. - If any money borrowed under Section 67 or any interest or costs due in respect thereof is or are not repaid according to the conditions of the loan, the State Government shall itself make such payment and may attach the rents and other income of the trust; and thereupon the provisions of section 5 of the Local Authorities Loans Act, 1914, shall, with all necessary modifications be deemed to apply.

71. Procedure if chairman of boards fails to make any payment due to Accountant-General. - The State Government may further impose or increase a tax on the annual value of buildings or lands or of both described in section 61(1)(a) of the Municipal Act, to such extent as may be necessary for the purpose of recovering a payment made under section 70.

72. Payment by State Government to be a charge on the property of the trust. - All moneys paid by the State Government shall constitute a charge upon the property of the trust.

Chapter VII-A²

Control over Trusts

72-A. Liability of trustees for surcharge. - (1) Every person shall be liable for the loss, waste or misapplication of any money or other property belonging to a trust, if such loss, waste or misapplication is reported by the Examiner of Local Fund Accounts, or other audit authority empowered by the State Government in this behalf to be a direct consequence of his neglect or misconduct in the performance of his duties while a trustee; and he may after being given an opportunity by notice served in the manner provided for the service of summonses in the Civil Procedure Code, to show cause by written or oral representation why he should not be required to make good the loss, be surcharged with the value of such property or the amount of such money by the Deputy Commissioner, and if the amount is not paid within fourteen days from the expiry of the period of appeal prescribed by sub-section (2), the Collector at the request of the Deputy Commissioner shall proceed forthwith to recover the amount as if it were an arrear of land revenue, and have it credited to the trust fund.

(2) The persons against whom an order under sub-section (1) is made may, within thirty days of the notification of such order, appeal to the State Government who shall appoint an officer to hear the appeal; and the appellate authority shall have the power of confirming, modifying or disallowing the surcharge :

Provided that no person shall be called upon to show cause under this section

1. Inserted by Punjab Act 4 of 1976.

2. Chapter VII-A added by Punjab Act 7 of 1974.

after the expiry of a period of four years from the occurrence of such loss, waste or misapplication or after the expiry of one year from the time of his ceasing to be a trustee, whichever period expires later :

Provided further that nothing in this section shall be deemed to debar the aggrieved party from seeking a remedy in a civil court against an order made under sub-section (1).

(3) Nothing in this section shall apply to a Government employee appointed as a trustee.

72-B. Power to suspend any resolution or order of trust. - The Deputy Commissioner may, by order in writing, suspend the execution of any resolution or order of a trust or prohibit the doing of any act which is about to be done, or is being done in pursuance of or under cover of this Act, or in pursuance of any sanction or permission granted by the trust in the exercise of its powers under the Act, if, in his opinion, the resolution, order or act is in excess of the powers conferred by law or contrary to the interests of the public or likely to cause waste or damage of trust funds or property, or the execution of the resolution or order, or the doing of the act, is likely to lead to a breach of the peace, to encourage lawlessness or to cause injury or annoyance to the public or to any class or body of persons.

72-C. Power to provide for performance of duties in case of default of trust. - (1) When the Deputy Commissioner, after due inquiry, is satisfied that a trust has made default in performing any duty imposed upon it by this Act, or by any order or rule under this Act, he may, by order in writing, fix a period for the performance of that duty; and, should it not be performed within the period so fixed, he may appoint some person to perform it, and may direct that the expense thereof shall be paid by the trust within such time as he may fix.

(2) Should the expense be not so paid, the Deputy Commissioner may make an order directing the person having the custody of the balance of the trust fund to pay the expense, or so much thereof as may from time to time be possible, from that balance in priority to all other charges against the same.

72-D. Action of Deputy Commissioner to be immediately reported. - When the Deputy Commissioner makes any order under section 72-B or section 72-C he shall forthwith forward to the State Government a copy thereof, with a statement of reasons for making it, and with such explanation, if any, as the trust may wish to offer and the State Government may thereupon confirm, modify or rescind the order.

72-E. Power of State Government and its officers over trusts. - (1) The State Government and Deputy Commissioners acting under the orders of the State Government, shall be bound to require that the proceedings of trusts shall be in conformity with law and with the rules in force under any enactment for the time being applicable to Punjab generally or the areas over which the trusts have authority.

(2) The State Government may exercise all powers necessary for the performance of this duty and may among other things, by order in writing, annul or modify any proceeding which it may consider not to be in conformity with law or with

such rules as aforesaid, or for the reasons, which would in its opinion justify an order by the Deputy Commissioner under section 72-B.

(3) The Deputy Commissioner may, within his jurisdiction for the same purpose, exercise such powers as may be conferred upon him by rules made in this behalf by the State Government.

[72-EA. Inspection - (1) The State Government may authorise any of its Officers, not below the rank of a Deputy Secretary to Government of Punjab, to inspect or examine any office of a trust or any service or work undertaken by the trust or by any of its authorities or any property belonging to the trust and to report thereon.

(2) The trust and every trust authority and all its employees shall be bound to afford the Officer authorised under sub-section (1) access at all reasonable times to the premises and properties of the trust and to all records, accounts and other documents, the inspection whereof he may consider necessary to enable him to discharge his duties.]¹

[72-EB. Power to issue directions by State Government. - If, on receipt of any report under section 72-EA or otherwise, the State Government is of the opinion -

- (a) that any duty imposed on the trust or any trust authority by or under this Act has not been performed or has been performed in an imperfect, insufficient or unsuitable manner; or
- (b) that adequate financial provision has not been made for the performance of any such duty; it may direct the trust or the trust authority, to make arrangements to its satisfaction for the proper performance of the duty, or, as the case may be, to make financial provision to its satisfaction for the performance of the duty within such period as the State Government thinks fit, and the trust or the trust authority shall comply with the direction so made :

Provided that, unless in the opinion of the State Government, the immediate execution of the direction is necessary, it shall, before doing so, give the trust or the trust-authority, as the case may be, an opportunity of showing cause why the direction should not be made.]²

[72-EC. Power to provide for enforcement of direction under section 72-EB. - If any action the taking of which has been directed under section 72-EB has not been duly taken within the stipulated period, the State Government may make arrangements for taking of the action and may also direct that all expenses connected therewith shall be defrayed out of the trust funds.]³

72-F. Suspension and supersession of trusts. - (1) If, in the opinion of the State Government, a trust is not competent to perform, or persistently makes de-

1. Inserted by Punjab Act No. 22 of 1986.

2. Inserted by Punjab Act No. 22 of 1986.

3. Inserted by Punjab Act No. 22 of 1986.

fault in the performance of the duties imposed on it by or under this Act or any other law or exceeds or abuses its powers, the State Government may, by an order published, together with the statement of reasons thereof, in the Official Gazette, declare the trust to be incompetent or in default or to have exceeded or abused its powers, as the case may be, and suspend it for such period, not exceeding one year, as may be specified in the order.

(2) If, at any time after the expiry of the period of suspension, the trust again acts in the manner referred to in sub-section (1), the State Government may, by a like order, supersede the trust for such period as may be specified in the order.

(3) Before making an order of suspension or supersession, opportunity shall be given to the trust to show cause why such an order should not be made.

(4) When a trust is suspended or superseded by an order under sub-section (1) or sub-section (2), -

- (a) in the case of an order of suspension, all trustees shall, from the date of order, cease to be trustees during the period of such suspension;
- (b) in the case of an order of supersession, all trustees shall, from the date of the order, vacate their seats;
- (c) all powers and duties of the trust may, till the trust remains suspended or is reconstituted, as the case may be, be exercised and performed by such person as the State Government may appoint in this behalf;
- (d) all property vested in the trust shall, till the trust remains suspended or is reconstituted, as the case may be, vest in the State Government;

(e) before the expiry of the period of supersession, the trust shall be reconstituted by the State Government in accordance with the provisions of this Act.

Chapter VIII

Rules

73. Power of State Government to make rules. - (1) In addition to the power conferred by section 64, the State Government may make rules consistent with this Act and applicable to all trusts or any trust -

- (i) as to the authority on which money may be paid from the trust funds;
- (ii) for fixing the fees payable for copies of or extracts from the municipal records furnished to the chairman under section 39;
- [(iii) as to the manner of constitution of Trust Services, the recruitment and the conditions of service of members of such Services and the recruitment and conditions of service of other servants of the trusts;]¹
- (iv) as to the intermediate office or offices (if any) through which correspon-

1. Substituted by Punjab Act No. 18 of 1973.

dence between the trust and the State Government or servants of the¹[Government] shall pass;

- (v) as to the accounts to be kept by the trust, as to the manner in which such accounts shall be audited and published, and as to the powers of auditors in respect of disallowance and surcharge;
- (vi) as to the authority by whom, the conditions subject to which and the mode in which contracts may be entered into and executed on behalf of the trust;
- (vii) as to the preparation of estimates of income and expenditure of the trust and as to the authority by whom and the conditions subject to which such estimates may be sanctioned;
- (viii) as to the returns, statements, and reports to be submitted by trusts;
- (ix) to prescribe and define the mutual relations to be observed between the trust and other local authorities in any matter in which they are jointly interested;
- (x) for regulating the grant of leave of absence, leave allowances and acting allowance to the officers and servants of the trust and of the tribunal;
- (xi) for establishing and maintaining a provident or annuity fund, for compelling all or any of the officers in the service of the trust or of the tribunal other than any servant of the²[Government] in respect of whom a contribution is paid under section 94 to contribute to such fund at such rates and subject to such conditions as may be prescribed by such rules and for supplementing such contributions out of the funds of the trust :

Provided that a servant of the³[Government] employed as officer or servant of the tribunal shall not be entitled to leave or leave allowances otherwise than as may be prescribed⁴[by the conditions of his service under the⁵[Government]];

- (xii) for determining conditions under which the officers and servants of the trust or of the tribunal, or any of them, shall on retirement receive gratuities or compassionate allowances; and the amount of such gratuities and compassionate allowances;

⁶[-]

- (xiii) generally for the guidance of trust and public officers in all matters connected with the carrying out of the provisions of this Act;
- (xiv) for regulating the grant of subsidies to trusts by the State Government, the conditions under which they may be earned or forfeited and the arrangements for their repayment.

1. Substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

2. Substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

3. Substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

4. Substituted for the words "in any general or special orders of the Government" by the Government of India (Adaptation of India Laws) Order, 1937.

5. Substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

6. Proviso omitted by Punjab Act No. 18 of 1973.

[(xv) for regulating any other matter which is required to be or may be prescribed.]¹

(2) All acts authorised or enjoined under this Act shall be held to be authorized or enjoined subject to such rules.

74. Power of the trust to make rules. - Every trust may from time to time with the previous sanction of the State Government make rules consistent with this Act and with any rules made under this Act by the State Government -

- (i) for fixing the amount of security to be furnished by any officer and servant of the trust from whom it may be deemed expedient to require security;
- (ii) for associating members with the trust under section 13;
- (iii) for appointing persons (other than trustees and persons associated with the trust under section 13) to be members of committee under section 14;
- (iv) for regulating the delegation of powers or duties of the trust to committees or to the chairman;
- (v) for the guidance of persons employed by it under this Act;
- (vi) for fixing the fees payable for copies of documents delivered under subsection (3) of section 36 or under section 75;
- (vii) for the management, use and regulation of dwellings constructed under any scheme under this Act;
- (viii) generally for carrying out the purposes of this Act.

75. Printing and sale of copies of rules. - (1) The chairman shall cause all rules made under section 73 or section 74 and for the time being in force to be printed, and shall cause printed copies thereof to be delivered to any applicant on payment of such fees as may be fixed.

(2) Notice of the fact of copies of rules being obtainable at the said price and of the place where and the person from whom the same are obtainable shall be given by the chairman by advertisement in a newspaper or newspapers.

76. Power of State Government to cancel rules made under section 74. - The State Government may, after previous publication of its intention, cancel any rule made by the trust which it has sanctioned, and thereupon the rule shall cease to have effect.

Chapter IX

Procedure and Penalties

77. Stamping signature on notices or bills. - (1) Every notice or bill issued under this Act shall be signed by the chairman, or by any other trustee or any of-

1. Added by Punjab Act 18 of 1982.

ficer or servant of the trust specially or generally authorised by the trust, or so authorised by the chairman under sub-section (1) of section 20, and every notice or bill shall be deemed to be properly signed if it bears the facsimile of the signature of the chairman or such trustee, officer or servant stamped or printed thereon.

(2) No notice issued by the trust under this Act or any rule or bye-law made thereunder shall be invalid for defect of form.

78. Method of giving public notice. - Subject to the provisions of this Act, every public notice required under this Act shall be deemed to have been duly given if it is published in some local newspaper (if any) and posted upon a notice board to be exhibited for public information at the building in which the meetings of the trust are ordinarily held.

79. Service of notice. - (1) Every notice other than a public notice, and every bill, issued under this Act shall, unless it is under this Act otherwise expressly provided, be served or presented -

- (a) by giving or tendering the registered notice or bill, or sending it by registered post, to the person to whom it is addressed, or
- (b) if such person cannot be found, then by leaving the notice or bill at his last known place of abode, if within municipal limits, or by giving or tendering it to some adult male member or servant of his family, ordinarily residing with him, or by causing it to be affixed on some conspicuous part of the buildings or land (if any) to which it relates.

(2) When a notice is required or permitted under this Act to be served upon an owner or occupier, as the case may be, of a building or land, it shall not be necessary to name the owner or occupier therein, and the service thereof, in cases not otherwise specially provided for in this Act, shall be effected either -

- (a) by giving or tendering the notice, or sending it by post, to the owner or occupier, or if there be more owners or occupiers than one, to any one of them, or
- (b) if such owner or occupier cannot be found, then by giving or tendering the notice to an adult male member or servant of his family ordinarily residing with him or by causing the notice to be affixed on some conspicuous part of the building or land to which it relates.

(3) Whenever the person on whom a notice or bill is to be served is a minor, service upon his guardian or upon an adult male member or servant of his family ordinarily residing with him shall be deemed to be service upon the minor.

80. Disobedience to Act or to notice. - Where under this Act or a notice issued thereunder the public or any person is required to do or to refrain from doing anything, a person who fails to comply with such requisition shall, if such failure is not an offence punishable under any other section, be liable on conviction [* * *] to a fine not exceeding five hundred rupees for every such failure, and in the

1. The words "by a Magistrate" omitted by Punjab Act 25 of 1964.

case of a continuing breach, to a further fine which may extend to five rupees for every day after the date of the last conviction during which the offender is proved to have persisted in the breach :

Provided that when the notice fixes a time within which a certain act is to be done, and no time is specified in this Act, it shall rest with the Magistrate to determine whether the time so fixed was a reasonable time within the meaning of this Act.

81. Powers of trust to execute works on failure to comply with notice. - If a notice has been given under this Act to a person requiring him to execute a work in respect of any property moveable or immovable, public or private, or to provide or do or refrain from doing anything within a time specified in the notice, and if such person fails to comply with such notice, then the trust may after giving six-hours notice cause such work to be executed or such thing to be provided or done, and may recover all expenses incurred by it on such account from the said person in the manner provided by section 222 of the Municipal Act.

82. Liability of occupier to pay in default of owner. - (1) If the person to whom the notice mentioned in section 81 has been given is not the owner of the property in respect of which it is given, the trust may (whether any action or other proceedings has been brought or taken against such owner or not) require the person (if any) who occupies such property or a part thereof under such owner, to pay to the trust instead of to the owner the rent payable by him in respect of such property, as it falls due, up to the amount recoverable from the owner under section 81; and any such payment made by the occupier to the trust shall in the absence of any contract between the owner and the occupier to the contrary, be deemed to have been made to the owner of the property.

(2) For the purpose of deciding whether action should be taken under sub-section (1) the trust may require an occupier of property to furnish information as to the sum payable by him as rent on account of such property and as to the name and address of the person to whom it is payable; and if the occupier refuses to furnish such information he shall be liable for the whole of expenses as if he were the owner.

(3) All money recoverable by the trust under this section shall be recoverable in the manner provided by section 222 of the Municipal Act.

83. Right of occupier to execute works in default of owners. - Whenever default is made by the owner of a building or land in the execution of a work required under this Act to be executed by him the occupier of such building or land may, with the approval of the trust, cause such work to be executed and the expense thereof shall, in the absence of any contract to the contrary, be paid to him by the owner, or the amount may be deducted out of the rent from time to time becoming due from him to such owner.

84. Procedure upon opposition to execution by occupier. - (1) If, after receiving information of the intention of the owner of any building or land to take any action in respect thereof in compliance with a notice issued under this Act, the

occupier refuses to allow such owner to take such action, the owner may apply to a ¹[Judicial Magistrate.]

(2) The Magistrate upon proof of such refusal may by order in writing require the occupier to give the owner reasonable facility for executing such works, with respect to such building or land, as may be necessary for compliance with the notice, and may also, if he deems fit, order the occupier to pay to the owner the costs relating to such application or order.

(3) If, after the expiration of eight days from the date of the Magistrate's order the occupier continues to refuse to allow the owner to execute such work, the occupier shall be liable upon conviction, to a fine which may extend to twenty-five rupees for every day during which he has so continued to refuse.

(4) Every owner, during the continuance of such refusal, shall be discharged from any penalties to which he might otherwise have become liable by reason of his default in the execution of such works.

85. Recovery of cost of work by the occupier. - When the occupier of a building or land has, in compliance with a notice issued under this Act, executed a work for which the owner of such building or land is responsible either in pursuance of the contract of tenancy or by law, he shall, in the absence of any contract to the contrary, be entitled to recover from the owner by deduction from the rent payable by him or otherwise the reasonable cost of such work.

86. Recovery of expenses of removal by trust. - The expenses incurred by the trust in effecting any removal under section 173 of the Municipal Act as applied by section 49 of this Act, or, in the event of a written notice under section 116 of the Act not being complied with, under section 81 of this Act, shall be recoverable by sale of the materials removed, and if the proceeds of such sale do not suffice, the balance shall be recoverable from the owner of the said materials in the manner provided by section 222 of the Municipal Act.

87. Relief to agents and trustees. - (1) When a person, by reason of his receiving, or being entitled to receive, the rent of immoveable property as trustee or agent of a person or society would, under this Act, be bound to discharge an obligation imposed by this Act on the owner of the property for the discharge of which money is required he shall not be bound to discharge the obligations unless he has, or but for his own improper act or default might have had, in his hands funds belonging to the owner sufficient for the purpose.

(2) When an agent or trustee has claimed and established his right to relief under this section, the trust may given him notice to apply to the discharge of such obligation as aforesaid the first moneys which come to his hands on behalf or for the use of the owner, and should he fail to comply with such notice, he shall be deemed to be personally liable to discharge such obligation.

88. Application of section 222, Municipal Act. - Whenever in this Act or in any sections of the Municipal Act made applicable by section 49 of this Act, it is

1. Substituted for the words "by a Magistrate" by Punjab Act 25 of 1964.

provided that any sum shall be recoverable in the manner provided by section 222 of the Municipal Act, then in applying the provisions of that section all references to the municipal committee shall be construed as referring to the trust.

89. Penalty for removing fence, etc., in street. - It any person, without lawful authority -

- (a) removes any fence, or any timber used for propping or supporting any buildings, wall or other thing, or extinguishes any light set up at any place where the surface of a street or other ground has been opened or broken up by the trust for the purpose of carrying out any work, or
- (b) infringes any order given, or removes any bar, chain or post fixed by the trust for the purpose of closing any street to traffic,

he shall be punishable with fine which may extend to fifty rupees.

90. Power to prevent or demolish building in contravention of sections 30 and 31. - If any person without the permission of the trust erects, re-erects, adds to or alters any buildings so as to make the same project beyond a street alignment or building line prescribed by the trust or erects, re-erects, adds to or alters any building in contravention of sections 30 or 31 the chairman of the trust may, by a written notice, -

- (a) direct that the building, alteration or addition be stopped, and
- (b) require such building, alteration or addition to be altered or demolished as he may deem necessary.

91. Penalty for obstructing contractor or removing mark. - If any person -

- (a) obstructs, or molests any person with whom the trust has entered into a contract in the performance or execution by such person of his duty or of anything which he is empowered or required to do under this Act, or
- (b) removes any mark set up for the purpose of indicating any level or direction necessary to the execution of works authorized under this Act,

he shall be punishable with fine which may extend to two hundred rupees or with imprisonment for a term which may extend to two months.

[92. Recovery of money due to trust. - (1) Where any amount is due to the trust from any person, under this Act, such amount shall, on a certificate being granted by the chairman in the prescribed form, be recoverable as arrears of land revenue by the Collector of the District in which the person from whom the amount is due resides or carries on business or owns any property.

(2) Before issuing the certificate referred to in sub-section (1), the chairman shall make an application to the concerned Regional Deputy Director, Local Government, who shall by an order determine the amount due to the trust after giving an opportunity of being heard to the person concerned and communicate the same to the chairman.

(3) An appeal against an order passed by the Regional Deputy Director, Local

Government, under sub-section (2) shall lie within such period and to such authority as may be prescribed.

(4) The Regional Deputy Director, Local Government and the appellate authority shall follow such procedure as may be prescribed.

(5) The certificate issued by the chairman under sub-section (1) shall be final and conclusive and shall not be called in question before any authority or court.]¹

Chapter X

Supplemental Provisions

93. Trustees, etc. deemed public servants. - Every trustee, and every officer and servant of the trust and every member and officer and servant of the tribunal, shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

94. Contributions by Trust towards leave allowances and pensions of servants of the Government. - The trust shall be liable to pay such contributions for the leave allowances and pension of any servant of the Government employed as chairman or as an officer or servant of the trust, or as a member or officer or servant of the tribunal, as may be ²[required by the conditions of his service under the ³[Government] to be paid by him or on his behalf].

Legal Proceedings

95. Authority for prosecutions. - Unless otherwise expressly provided, no court shall take cognizance of any offence punishable under this Act, except on the complaint of or upon information received from the trust or some person authorized by the trust by general or special order in this behalf.

96. Powers of chairman as to institution, etc., of legal proceedings and obtaining legal advice. - The chairman may, subject to the control of the trust -

- (i) institute, defend or withdraw from legal proceedings under this Act,
- (ii) compound any offence against this Act,
- (iii) admit, compromise or withdraw any claim made under this Act, and
- (iv) obtain such legal advice and assistance as he may from time to time deem it necessary or expedient to obtain, or as he may be desired by the trust to obtain, for any of the purposes referred to in the foregoing clause of this section, or for securing the lawful exercise or discharge of any power or duty vested in or imposed upon the trust or any officer or servant of the trust.

1. Added by Punjab Act No. 18 of 1982.

2. Substituted for the words "prescribed in any general or special orders of the Government" by the Government of India (Adaptation of Indian Laws) Order, 1937.

3. Substituted for the word "Crown" by the Adaptation of Laws Order, 1950.

97. Indemnity to trust, etc. - No suit shall be maintainable against the trust, or any trustee, or any officer or servant of the trust, or any person acting under the direction of the trust or of the chairman or of any officer or servant of the trust in respect of anything lawfully and in good faith and with due care and attention done under this Act.

98. Notice of suit against trustee, etc. - (1) No suit shall be instituted against the trust or any trustee, or any person associated with the trust under section 13 or any member of a committee appointed under section 14 or any officer or servant of the trust, or any person acting under the direction of the trust or of the chairman or of any officer or servant of the trust, in respect of an act purporting to be done under this Act, until the expiration of two months next after notice in writing has been, in the case of a trust, left at its office, and in any other case delivered to or left at the office or place of abode of the person to be sued, explicitly stating the cause of action, the nature of the relief sought, the amount of compensation claimed and the name and place of abode of the intending plaintiff, and the plaint shall contain a statement that such notice has been so delivered or left.

(2) If the trust or other person referred to in sub-section (1) shall, before the action is commenced, have tendered sufficient amends to the plaintiff the plaintiff shall not recover any sum in excess of the amount so tendered and shall also pay all costs incurred by the defendant after such tender.

(3) No action such as is described in sub-section (1) shall, unless it is an action for the recovery of immovable property or for a declaration of the title thereto, be commenced otherwise than within six months next after the accrual of the cause of action:

(4) Provided that nothing in sub-section (1) shall be construed to apply to a suit wherein the only relief claimed is an injunction of which the object would be defeated by the giving of the notice or the postponement of the commencement of the suit or proceedings.

Evidence

99. Mode of proof of trust records. - A copy of any receipt, application, plan, notice, order, entry in a register or other documents in the possession of the trust shall if duly certified by the legal keeper thereof, or other person authorized by the trust in this behalf, be received as *prima facie* evidence of the existence of the entry or document and shall be admitted as evidence of the matters and transactions therein recorded in every case where, and to the same extent, as the original entry or document would, if produced, have been admissible to prove such matters.

100. Restriction on the summoning of trust servants to produce documents. - No trustee or officer or servant of the trust shall in any legal proceeding to which the trust is not a party be required to produce any register or document the contents of which can be proved under the preceding section by a certified copy, or to appear as a witness to prove the matters and transactions recorded therein unless by order of the court made for special cause.

101. Validation of Acts and proceedings. - (1) No act done or proceeding taken under this Act shall be questioned on the ground merely of -

- (a) the existence of any vacancy in, or any defect in the constitution of the trust or any committee, or
- (b) any person having ceased to be a trustee, or
- (c) any trustee or any person associated with the trust under section 13 or any other member of a committee appointed under this Act, having voted or taken any part in any proceeding in contravention of section 16, or
- (d) the failure to serve a notice on any person, where no substantial injustice has resulted from such failure, or
- (e) any omission, defect, or irregularity not affecting the merits of the case.

(2) Every meeting of the trust, the minutes of the proceedings of which have been duly signed as prescribed in clause (e), sub-section (1), of section 12, shall be taken to have been duly convened and to be free from all defects and irregularities.

Compensation

102. General power of trust to pay compensation. - In any case not otherwise expressly provided for in this Act, the trust may pay reasonable compensation to any person who sustains damage by reason of the exercise of any of the powers vested under this Act in the trust or the chairman or any officer or servant of the trust.

Dissolution of Trust

103. Ultimate dissolution of trust, and transfer of its assets and liabilities to the committee. - (1) When all schemes sanctioned under this Act have been executed or have been so far executed as to render the continued existence of the trust, in the opinion of the State Government, unnecessary, or when in the opinion of the [State] Government it is expedient that the trust shall cease to exist, the State Government may by notification declare that the trust shall be dissolved from such date as may be specified in this behalf in such notification; and the trust shall be deemed to be dissolved accordingly.

[(2) From the date specified in the notification referred to in sub-section (1), -

- (a) all properties, funds and dues vested in or realisable by the trust and the chairman respectively shall vest in and be realisable by the State Government till they stand transferred to the municipal committee under sub-section (3);
- (b) all liabilities which are enforceable against the trust shall be enforceable against the State Government to the extent of the properties, funds and dues vested in and realised by the State Government; and
- (c) for the purpose of completing the execution of any scheme sanctioned under this Act which has not been fully executed by the trust and of realising properties, funds and dues referred to in clause (a), the functions

1. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

of the trust and the chairman under this Act shall be discharged by such class I officer of the State Government as may be appointed by it in this behalf.

(3) After all functions referred to in clause (c) of sub-section (2) are duly discharged, -

- (a) the properties, funds and dues vested in or realisable by the State Government under clause (a) of sub-section (2) shall stand transferred to, vested in and be realisable by the municipal committee; and
- (b) all liabilities enforceable against the State Government under clause (b) of that sub-section or incurred by it under this Act, shall be enforceable against the municipal committee.¹

The Schedule

(Referred to in section 59)

Further modifications in the Land Acquisition Act, 1894, hereinafter called "the said Act".

1. Amendment of section 3. - After clause (e) of section 3 of the said Act the following shall be deemed to be inserted, namely :-

"(ee) the expression, "local authority" includes a trust constituted under the Punjab Town Improvement Act, 1922."

2. Upto Slip No. under section 4 and declaration under section 6 to be replaced by notification under sections 36 and 42 of this Act. - (1) The first publication of a notice of any improvement scheme under section 36 of this Act shall be substituted for and have the same effect as publication in the ²[Official Gazette] and in the locality of a notification under sub-section (1) of section 4 of the said Act, except where a declaration under section 4 or section 6 of the said Act has previously been made and is still in force.

(2) Subject to the provisions of clauses 10 and 11 of this Schedule, the issue of a notice under sub-section (1) of section 32 in the case of land acquired under that sub-section, and in any other case the publication of a notification under section 42 shall be substituted for and have the same effect as a declaration by the State Government under section 6 of the said Act, unless a declaration under the last mentioned section has previously been made and is still in force.

3. Amendment of section 11. - The fullstop at the end of clause 11 of the said Act shall be deemed to be changed to a semi-colon, and the following shall be deemed to be added, namely :-

"and

"(iv) the costs which, in his opinion, should be allowed to any person who is found to be entitled to compensation, and who is not entitled to receive the additional sum of fifteen per centum mentioned in sub-section (2) of

1. Substituted by Punjab Act No. 16 of 1981.

2. Substituted for the word "Gazette" by the Government of India (Adaptation of Indian Laws) Order, 1937.

section 23, as having been actually and reasonably incurred by such person in preparing his claim and putting his case before the Collector,

"The Collector may disallow, wholly or in part, costs incurred by any person if he considers that the claim made by such person for compensation is extravagant."

4. Amendment of section 15. - In section 15 of the said Act, for the word and figures "and 24" the figures, word and letter "24 and 24-A" preceded by a coma, shall be deemed to be substituted.

5. Amendment of section 17. - (1) In sub-section (3) of section 17 of the said Act after the figure "24" the words, figures and letter "or section 24-A" shall be deemed to be inserted.

(2) To the said section 17 of the following shall be deemed to be added, namely:-

"(4) Sub-sections (1) and (3) shall apply also to any area certified to be unhealthy by any Magistrate of the first class.

(5) Before granting any such certificate, the Magistrate shall cause notice to be served as promptly as may be on the persons referred to in sub-section (3) of section 9, and shall hear without any avoidable delay any objections which may be urged by them.

(6) When proceedings have been taken under this section for the acquisition of any land, and any person sustains damage in consequence of being suddenly dispossessed of such land, compensation shall be paid to such person for such dispossession."

6. Transfer of land to trust. - After section 17 of the said Act the following shall be deemed to be inserted, namely :-

"17-A. In every case referred to in section 16 or section 17, the Collector shall, upon payment of the cost of acquisition, make over charge of the land to the trust; and the land shall thereupon vest in the trust subject to the liability of the trust to pay any further costs which may be incurred on account of its acquisition."

7. Amendment of section 18. - The fullstop at the end of sub-section (1) of section 18 of the said Act shall be deemed to be changed to a comma, and the words "or the amount of the costs allowed" shall be deemed to be added.

8. Amendment of section 19. - After the words "amount of compensation," in clause (c) of section 19 of the said Act, the words "and of costs (if any)" shall be deemed to be inserted.

9. Amendment of section 20. - After the words "amount of the compensation," in clause (e) of section 20 of said Act, the words "or costs" shall be deemed to be inserted.

10. Amendment of section 23. - (1) In clause first and clause sixthly of sub-section (1) of section 23 of the said Act, for the words "publication of the declaration relating thereto under section 6" and the words "publication of the declaration under section 6" shall be deemed to be substituted -

- (a) if the land is being acquired under sub-section (3) of section 32 of this Act the words "issue of the notice under sub-section (3) of section 32 of the Punjab Town Improvement Act, 1922," and
- (b) in any other case, the words "first publication of the notification under section 36 of the Punjab Town Improvement Act, 1922."

(2) The fullstop at the end of sub-section (2) of section 23 of the said Act shall be deemed to be changed to a colon and the following proviso shall be deemed to be added :-

"Provided that this sub-section shall not apply to any land acquired under the Punjab Town Improvement Act, 1922."

(3) At the end of section 23 of the said Act, the following shall be deemed to be added, namely :-

"(3) For the purposes of clause first of sub-section (1) of this section -

- (a) the market-value of the land shall be the market-value according to the use to which the land was put at the date with reference to which the market-value is to be determined under that clause;
- (b) if it be shown that before such date, the owner of the land had in good faith taken active steps and incurred expenditure to secure a more profitable use of the same, further compensation based on his actual loss may be paid to him;
- (c) if any person without the permission of the trust required by sub-section (1) of section 31 of the Punjab Town Improvement Act, 1922, has erected, re-erected, added to or altered any building or wall so as to make the same project beyond a street alignment or building line duly prescribed by the trust then any increase in the market-value resulting from such erection, re-erection, addition or alteration shall be disregarded;
- (d) if the market-value has been increased by means of any improvement made by the owner or his predecessor-in-interest within two years before the aforesaid date, such increase shall be disregarded unless it be proved that the improvement so made was made in good faith and not in contemplation of proceedings for the acquisition of the land being taken under the Punjab Town Improvement Act, 1922;
- (e) if the market-value is specially high in consequence of the land being put to a use which is unlawful or contrary to public policy, that use shall be disregarded, and the market-value shall be deemed to be the market-value of the land if put to ordinary use; and
- (f) When the owner of the land or building has after the passing of the Punjab Town Improvement Act, 1922, and within two years preceding the date with reference to which the market-value is to be determined, made a return under any enactment in force of the rent of the land or building, the rent of the land or building shall not in any case be deemed to be greater than the rent shown in the latest return so made, save as the Court may otherwise direct, and the market-value may be determined on the basis of such rent :

Provided that where any addition to, or improvement of, the land or building has been made after the date with reference to which the market-value is to be determined the Court may take into consideration any increase in the letting-value of the land due to such addition or improvement."

11. Amendment of section 24. - For clause seventhly of section 24 of the said Act, the following shall be deemed to be substituted, namely :-

"Seventhly, any outlay on additions or improvements to land acquired, which was incurred after the date with reference to which the market-value is to be determined, unless such additions or improvements were necessary for the maintenance of any building in a proper state of repair."

12. Further provision for determining compensation. - After section 24 of the said Act the following shall be deemed to be inserted, namely :-

"24-A. In determining the amount of compensation to be awarded for any land acquired for the trust under this Act, the tribunal shall also have regard to the following provisions, namely :-

- (a) When any interest in any land acquired under this Act has been acquired after the date with reference to which the market-value is to be determined, no separate estimate of the value of such interest shall be made so as to increase the amount of compensation to be paid for such land.
- (b) If, in the opinion of the tribunal, any building is in a defective state, from a sanitary point of view, or is not in a reasonably good state of repair, the amount of compensation for such building shall not exceed the sum which the tribunal considers the building would be worth if it were put into a sanitary condition or into a reasonably good state of repair, as the case may be, minus the estimated cost of putting it into such condition or state.
- (c) If, in the opinion of the tribunal, any building which is used or is intended or is likely to be used for human habitation, is not reasonably capable of being made fit for human habitation, the amount of compensation for such building shall not exceed the value of the materials of the building, minus the cost of demolishing the building.

13. Amendment of section 31. - (1) After the words "the compensation" in sub-section (1) of section 31 of the said Act and after the words "the amount of compensation" in sub-section (2) of that section, the words "and cost (if any)" shall be deemed to be inserted.

(2) After the words "any compensation" in the concluding proviso to sub-section (2) of section 31 of the said Act, the words "or cost" shall be deemed to be inserted.

14. Insertion of section 48-A. - After section 48 of the said Act, the following shall be deemed to be inserted, namely :-

"**48-A. Compensation to be awarded when land not acquired within one year.** - (1) If within a period of one year, from the date of the publication of the declaration under section 6 in respect of any land, the Collector has

not made an award under section 11 with respect to such land, the owner of the land shall, unless he has been to a material extent responsible for the delay, be entitled to receive compensation for the damage suffered by him in consequence of the delay."

"(2) The provisions of Part III of this Act shall apply, so far as may be, to the determination of the compensation payable under this section."

15. Amendment of section 49. - After sub-section (1) of section 49 of the said Act, the following shall be deemed to be inserted, namely :-

"*Explanation.* - For the purpose of this sub-section land which is held with and attached to a house and is reasonably required for the enjoyment and use of the house, shall be deemed to be part of the house."
