

# Specific Purpose Grant-in-Aid Rules, 1961

MADHYA PRADESH

India

## Specific Purpose Grant-in-Aid Rules, 1961

### Rule SPECIFIC-PURPOSE-GRANT-IN-AID-RULES-1961 of 1961

- Published on 12 June 1961
- Commenced on 12 June 1961
- [This is the version of this document from 12 June 1961.]
- [Note: The original publication document is not available and this content could not be verified.]

Specific Purpose Grant-in-Aid Rules, 1961Published vide Notification No. 173-3920-U-18, dated 12-6-1961, M.P. Gazette Part 2, dated 27-10-1961

#### 1. Short title and commencement.

(1)These rules shall be called the Specific Purposes Grant-in-aid Rules, 1961.(2)These rules shall come into force from 1st April, 1961.(3)They will extend to the whole of Madhya Pradesh.

#### 2. Definition.

- In these rules, unless the context otherwise requires,-["Specific purposes grant-in-aid" means Government assistance for any purposes including the grant-in-aid as specified in Rule 4 of the rules.] [Substituted vide Notification No, 70-XVIII-3-98, dated 26-12-1998.]

#### 3. Eligibility for grant.

(1)A local authority shall be eligible for receiving specific purposes Grant-in-aid (hereinafter called the grant) from the Government if in the opinion of the Government, the cost of any work specified in Rule 4 is too heavy to wholly borne by the local authority even with the assistance of a loan and the work is nevertheless important and useful in public interest.(2)The grant shall be subject to availability of funds.(3)The sanction of these grants would depend inter alia, upon the priority attached by the Government to the particular service or work specified in Rule 4. Grant may be given for different purposes at the same time.(4)The condition precedent to sanctioning a grant in accordance with the provisions of these rules will be that the Local Authority will have to make adequate provision for meeting the rest of the cost of the scheme either out of its own revenues or by obtaining loan under any enactment relating to raising of loans by local authorities for the time being in force.

#### 4. Services or works and the scale of Grant.

- The scale of the grant and the purposes for which it may be given shall be as follows :-

| Purpose of Grant<br>(1)  | Class of local authority<br>(2)   | Percentage of grant<br>(3)   |
|--|---|--|
| 1  | Water supply scheme and/or drainage scheme.   | Corporations and all classes of municipalities. 30 percent   |
| 2  | Dwelling houses for Municipal stall especially conservancystaff, office building etc.                                 | 1. Corporations 2. Municipalities, Class I and II. 3. Municipalities, Class III and IV. 30 percent 35 percent 40 percent       |
| 3  | Public Works Roads, drains, paving, footpaths, Latrines, Urinals, etc.  | 1. Municipality, Class I and II. 2. Municipalities, Class III and IV. 30 percent 40 percent                                    |
| 4  | Equipment for sanitary, public works, fire fighting or other municipal services.                                      | 1. Municipalities, Class I. 2. Municipalities, Class II. 3. Municipalities, Class III and IV. 30 percent 35 percent 40 percent |
| 5. [ [Notification No. 326-4602-63-XVIII-U-64, dated 2-12-64.] | Construction of rapat and bund.   | Municipalities Class I and II. Municipalities Class III and IV. 30 percent 40 percent]   |
| 6. [ [Notification No. 5692-XVIII-II-76, dated 29-12-76.]      | Construction of Bus Stand, Markets, Hotels individual Shops, Ghumties and other buildings which may fetch rent income | (1) Corporations (2) Municipalities Class I and II. (3) Municipalities Class III and IV. 30 percent 35 percent 40 percent]     |
| 7. [ [Notification No. 326 4602-63-XVIII-U-64, dated 2-12-64.] | construction of the squares at the Crossing of roads.   | Corporations Municipalities 30 percent Class I and II Municipalities Class III and IV. 30 percent 40 percent]                  |
| 8. [ [Notification No. 56S2-XVIII-II-76, dated 29-12-76.]      | Construction of parks, Kreedasthal and Bathing Ghats.   | (1) Municipalities Class I & II. (2) Municipalities Class III & IV. 30 percent 40 percent]                                     |

[Explanation (1) - The Classes of Municipalities mentioned above have reference to the four Classes of Municipalities prescribed in Section 4 of the Madhya Pradesh Municipalities Act, 1961 (No. 37 of 1961). Any change in the classification of municipalities in accordance with the provision of sub-section (3) of Section 4 of the said Act shall be applicable to the classification specified above.]

[Notification No. 2-XVIII-I-74, dated 2-1-74.] [Explanation (2) - The work mentioned in term (2) may be schemes of new construction, additions, alterations or improvements to the existing works.

## **5. Drainage scheme compulsion for.**

- While sanctioning grant for water works scheme, the Government may insist on a drainage scheme also being undertaken simultaneously.

## **6. Regulation of occupation and rent.**

- The grant for dwelling houses for municipal staff shall be subject to the following conditions :- (1) The rent for houses constructed under the scheme shall not exceed the maximum, if any fixed by the Government from time to time by an order passed in this behalf and communicated to the local authority concerned. (2) The procedure for regulating the allotment of houses constructed under this scheme to the municipal employees shall be determined by the Government.

## **7. Utilisation of grant.**

(1) The entire amount of the grant shall be utilised by the local authority within one year from the date of the issue of the letter sanctioning the grant or in the same financial year in which the grant is given, as the case may be. [The local authority shall send a report of utilisation of the amount within thirty days of the expiry of this period to the Collector who shall satisfy himself that the grant has been properly utilised and shall send a certificate of such utilisation to the State Government.] [Notification No. 34-9108-XVIII-U. dated 12-3-63.] (2) If the grant is to be utilised within one year as per order of sanction, the amount remaining unspent at the end of the financial year need not be refunded at the close of the financial year. However, immediately on the expiry of one year from the date of sanction, any unspent balance thereof should be duly surrendered to the Government as required under Rule 173 (iii) of the Madhya Pradesh Financial Code Volume. I. (3) If the grant is to be utilised in the same financial year as per order of sanction and if it is not possible to utilise the entire amount in the same financial year due to reasons beyond the competence of the local authority or any other sufficient cause, the State Government may extend the time limit and allow the local authority to utilise the amount in the next financial year. If no such extension is asked for or if no such extension is given, the Local Authority shall refund the unspent balance of the grant immediately before the commencement of the next financial year and may apply for fresh grant for the same purpose : Provided that an extension granted under this sub-rule shall not preclude a Local Authority from applying for grant for any other purpose under Rule 4. (4) If the scheme is postponed for next financial year or cancelled, the entire amount of the grant shall be refunded to the Government. The Local Authority shall, however, be eligible for applying for a fresh grant for the same purpose. (5) If the total expenditure on the scheme is less than the original estimates, the grant would be reduced proportionately. The unspent balance of the grant if any, shall be refunded to the Government by the Local Authority within a month of the completion of the work.

## **8. Application for grant.**

(1) An application for the grant shall be accompanied by the following :-(a) A resolution of the Local Authority. (b) An undertaking by the Local Authority to the effect that it shall abide by all the

conditions attached to the grant and also comply with such instructions as the Government may issue in respect of the works for which the grant is required.(c)[ Plans and estimates of the proposed work together with all details necessary to assess the utility and soundness of the scheme. These plans and estimates for works shall be accompanied by a certificate of Regd. Architect or any officer not below the rank of Assistant Engineer, to the effect that the plan is technically sound and estimates are reasonable having regard to current market rates applicable for identical work if taken up by the Government.] [Substituted by Notification No. 2-XVIII-I-74 dated 2-1-74.](d)A report as to how the Local Authority proposes to maintain the proposed work at a level of efficiency considered essential for the particular work in question.(e)A statement showing the financial position of the local authority during the current financial year and the last two preceding financial years.(f)A proposal as to how the local authority is going to meet the rest of the expenditure on account of the works proposed.(g)Any other information required by the Government.(2)[ (a) The application referred to in sub-rule (1) shall be submitted to the Dy. Director of Local Bodies concerned who shall forward it to the Director of Local Bodies after due scrutiny and with his recommendation.(b)All cases in which the grant-in-aid does not exceed Rs. 25,000/- in a particular year to a particular municipality, shall be examined by the Director of Local Bodies and grant-in-aid permissible under these rules shall be sanctioned by him. All other cases shall be forwarded to the State Government for consideration and grant-in-aid sanctioned by Government shall be released by the Director of Local Bodies.]

### **8A. [ Mode of payment of grant-in-aid. [Inserted by Notification No. 70-XVIII-3-98, dated 26-12-1998.]**

- Notwithstanding anything contained in these rules, the grant-in-aid meant for any purpose may be released in the form of cash or kind like equipment, instrument, vehicle, machinery, accessories, goods etc., subject to such conditions as may be determined by the Government.] [Substituted by Notification No. 2-XVIII-I-74. dated 2-1-74.]

## **9. Sanction of the Grant.**

(1)The Director of Local Bodies where grant-in-aid permissible does not exceed Rs. 25,000/- and in all other cases the State Government may sanction the Grant and the scheme or refuse to do so on grounds to be recorded in writing.(2)While according sanction to the scheme or at any stage during the progress of the scheme the Government or the Director Local Bodies, as the case may be, may direct, for reasons to be recorded in writing, that the work under the scheme shall be carried out, in whole or in part by or under the supervision of a Government Department or any agency approved by the Government.

## **10. Agreement.**

- On receipt of the sanction and before the grant is actually released to the local authority, the local authority shall enter into a written agreement, in a form prescribed by the Government, binding itself to abide by all the conditions attached to the grant and to comply with the decisions of the

Government in respect of all matter arising out of the agreement, or the breach thereof.

## **11. Accounts of the scheme.**

- The local authority receiving a grant shall maintain separate accounts for expenditure on works of capital nature undertaken with the help of the grant. These accounts shall be open to inspection by any officer authorised by the Government.

## **12. Inspection of schemes.**

(1)The following officers shall be competent to inspect any of the aided schemes, including records connected therewith, whether in progress or completed :-(i)Any officer of the Local Government Department;(ii)Commissioner of Revenue Division;(iii)Collector or any gazetted officer deputed by him;(iv)Head of Departments connected with the scheme;(v)[ The Director of Local Bodies or the Dy. Director of Local Bodies of the area concerned.] [Substituted by Notification No. 2-XVIII-I-74, dated 2-1-74.](2)Government may authorise any other officer not included in sub-rule (1) to inspect the scheme.

**13. [ Realisation of refunds. - If the grant is not utilised within the period mentioned in the sanction whether in whole or in part for the purpose for which it is given and it is not refunded in accordance with the provision of Rule 7, the amount of the grant shall be realisable as an arrear of land revenue and the Director of Local Bodies may require the local authority to hand over any property purchased or raised with the amount of the grant already utilised or may direct that the amount so utilised shall be adjusted by deduction from the General Purpose Grant-in-aid payable to the local authority.] [Substituted by Notification No. 2-XVIII-I-74, dated 2-1-74.]**

## **14. Repeal and savings.**

- All previous orders of the Government for the regulation of the specific purposes Grant-in-aid for the time being in force, shall stand superseded with effect from 1st April 1961.