

## Member of Parliament Local Area Development Scheme



भारत सरकार  
सांख्यिकी एवं कार्यक्रम कार्यान्वयन मंत्रालय  
सरदार पटेल भवन, नई दिल्ली -110001  
GOVERNMENT OF INDIA  
MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION  
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**No. C/16/2009-MPLADS**

Dated .....**26.10.2010**.....

To

**The Commissioners,  
Municipal Corporations of Mumbai/Kolkata/Chennai/Delhi,  
District Collectors/District Magistrates/Dy. Commissioners,  
All Districts.**

**Subject: Additional conditions for recommending MPLADS funds for creating public utility building works through Trusts/Societies.**

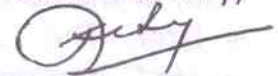
In supersession of this Ministry's letter of even number dated 08.04.2010 on the subject noted above and with a view to avoid mutual funding of Trusts by MPs, it is clarified that Para 3.21 of the Guidelines on MPLADS will now read as under:

### **PARA 3.21**

"Community infrastructure and public utility building works are also permissible for registered Societies/ Trusts under the Scheme, provided that the Society/ Trust is engaged in the social service/welfare activity and has been in existence for the preceding three years. The existence of the Society/Trust shall be reckoned from the date it started its activities in the field, or the date of registration under the relevant Registration Act, whichever is later. The beneficiary Society/Trust shall be a well established, public spirited, non-profit making entity, enjoying a good reputation in the area. Whether such a society/trust is well reputed or not, should be decided by the District Authority concerned on the basis of relevant factors, like performance in the field of social service, welfare activities, non-profit orientation of its activities, transparency of its activities and sound financial position. The ownership of the land may remain with the Society/Trust, but the structure constructed with MPLADS funds shall be the property of State/UT Government. The Society/Trust shall undertake to operate, maintain and up keep at its cost the asset created under MPLADS. If at any time, it is found

that the asset created with MPLADS funds is not being used for the purpose for which the asset was funded, the State/UT Government may take over the asset and proceed to recover from the Society/Trust, the cost incurred from MPLADS for the creation of asset along with interest at the rate of 18% per annum calculated with effect from the date of use of MPLADS fund for the works concurred. A formal agreement (a model agreement form is at Annex-V) will be executed by the Society/Trust with the District Authority in favour of the Government in advance for the purpose. This agreement will be registered under the relevant Registration Act on a non-judicial stamp paper of Rs.10 or more, as is applicable in the State/UT. No stamp duty would be required to be paid for registration as there is no formal transfer of assets. Not more than Rs.25 lakh can be spent from MPLADS fund for one or more works of a particular Society/Trust. If a Society has availed of the MPLADS funds up to Rs. 25 lakh, no more work can be recommended for that Society/Trust under the Scheme. The MPLADS funding is not permissible to a Society/Trust, if the recommending MP or any of his/her family members is the President/Chairman or Member of the Managing Committee or Trustee of the registered Society/Trust in question. Family members would include MP and MP's spouse which would comprise of their parents, brothers and sisters, children, grandchildren and their spouses and their in-laws. MPs may ensure the spirit of Guidelines is maintained by avoiding circular or mutual funding of Trusts/Societies. Further, when funds are recommended towards a Society/Trust by a Member of Parliament and clarifications/documents as required under the Guidelines for scrutiny before sanctioning are requested by the District Authorities, the said Society/Trust should provide the requisite documents within a maximum period of three months from the date of receipt of the letter from the district administration. In case the documents are not received even after a period of three months, the district administration can send two reminders within a month. If the required information is still not received, the recommendation by the MP towards the Society/Trust may be treated as cancelled by the district administration and intimation of the same may be given to the recommending MP".

Yours faithfully,



**(Anil Kumar Choudhary)**

Director (MPLADS)

**Copy to:**

1. All Hon'ble Members of Parliament (Lok Sabha and Rajya Sabha).
2. The Secretary, Nodal Departments of MPLADS (all States/UTs).
3. The Director, Lok Sabha Secretariat, New Delhi.
4. The Director, Rajya Sabha Secretariat, New Delhi.
5. NIC, MOSPI and all concerned in MPLADS Division.