

CHAPTER IX
GRANTS-IN-AID

49. Government to set apart sum for giving grant-in-aid to certain recognized institution : (1) The State Government shall within the limits of its economic capacity, set apart a sum of money annually for being given as grant-in-aid (hereinafter in this Act referred to as grant) to local authority institutions and private institutions in the State recognized for this purpose in accordance with rules made in this behalf.

(2) The rules made under sub-section (1) may also require the institution receiving the grant to comply with any provision for the reservation of appointments or posts in favour of Scheduled Castes, Scheduled Tribes and any backward classes subject to such modification, if any which the State Government may make in the application of such provision to any class or classes of such institutions.

50. Authorities which may sanctioned grant :- (1) The State Government may in such cases as they think fit, by order, sanction grant to any recognized local authority educational institution or private educational institution subject to such conditions as they may impose in the order relating to such grant.

(2) Every grant sanctioned under sub-section (1) shall be disbursed by the Commissioner of Public Instruction or the Director or such other officer subordinate to the Commissioner or the Director as the State Government may, by general or special order, authorize in this behalf in such manner and subject to such conditions as may be prescribed.

(3) The Governing Council of every recognized institution which is receiving any grant out of State funds shall be responsible for the fulfillment of all the conditions subject to which such grant has been given.

51. Monies received from sources other than grant-

(1) Subject to any law for the time being in force any money received by way of voluntary donation from donors may be accepted by the institution or the Governing Council and the fact shall be intimated within ninety days from the date of such acceptance to the competent authority. Such money shall be deposited in the account of the institution in such Nationalised or Scheduled Bank as may be approved by the State Government and shall be applied and expended for the improvement of the institution and the development of educational facilities and for such other purposes as may be prescribed.

(2) Subject to any law for the time being in force no money shall be collected before, during or after admission of any person by any educational institution as a condition precedent to such admission except towards the prescribed fees.

52. Application for sanction of grant and the conditions to be fulfilled on such sanction – (1) Every application for the sanction of grant shall be made to the State Government, in such form as may be prescribed and shall contain a declaration signed by the Governing Council of the recognized institution to the effect that the conditions of recognition and of grant are being and shall continue to be fully observed, that all facilities for inspection of that institution, its accounts, registers and other records relating to the grant shall be afforded to the inspecting staff deputed for the purpose and that all the returns and reports prescribed in this behalf shall be submitted to the competent authority within the time specified by it.

(2) The State Government may sanction such grant or for good and sufficient reasons refuse to sanction such grant.

(3) Subject to the other provisions of this Act, any order passed by the State Government refusing to sanction the grant shall be final and shall not be questioned in any court of law.

53. Powers of State Government to withhold, reduce or withdraw grant – (1) Notwithstanding anything contained in this chapter, the State Government may, after such enquiry as they may deem fit, withhold, reduce or withdraw any grant payable during the year to an educational institution having regard to the funds at the disposal of the State Government or the conduct and efficiency and the financial condition of such institution, after giving an opportunity to the Governing Council of the institution concerned of making a representation against such withholding, reduction or withdrawal.

(2) Without prejudice to the generality of the provisions of sub-section (1) or any other provision of this Act, the State Government may, after such enquiry as they may deem fit, withhold reduce or withdraw any grant payable to any educational institution if the Governing Council of the institution concerned:-

- (i) fails to fulfill all or any of the conditions of grant;
- (ii) denies admission to any citizen on grounds only of religion, race, caste, language or any of them;
- (iii) allows any employee of the institution to take part in any agitation intended to bring or attempt to bring into hatred or contempt or intended to excite or attempt to excite disaffection towards the Government established by law in India;
- (iv) directly or indirectly, encourages any propaganda or practice of wounding the religious feelings of any class of citizens of India or insulting the religion or the religious beliefs of that class;
- (v) is guilty of falsification of registers or misuse of funds for purposes other than those for which they are collected;
- (vi) fails to remedy within such reasonable time as specified by the competent authority the defects in the maintenance of accounts pointed out by the auditors; or
- (vii) fails to restore, within the time specified by the competent authority, an employee whose services have been wrongfully dispensed with or fails to pay him any arrears of salary or other benefits when directed to do so by the competent authority.

(3) Subject to the other provisions of this Act every order passed under this section shall be final and shall not be questioned in any court of law.

54. Utilisation of funds and movable property of private institutions – (1) All the monies received or held by or on behalf of every private institution shall be utilized for the purposes for which they are intended, and shall be accounted for by the Governing Council in such manner as may be prescribed.

(2) All the monies received or held by or on behalf of every private institution shall be deposited in a Bank.

(3) The surplus fund of every such institution shall be invested in such manner as may be prescribed and shall be utilized towards educational development only.

Explanation – For the purpose of this section “surplus fund” means all the monies that remains unused with the institution at the beginning of each academic year, after providing for all the objects, needs, requirements or improvements of the institution during the previous three academic years.