
**ANDHRA PRADESH MUNICIPALITIES (GRADATION OF
MUNICIPAL COUNCILS AND NAGAR PANCHAYATS) RULES,
1994**

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In exercise of the powers conferred by sub-section (1) of Section 326 read with clause (22) of Section 2 of the Andhra Pradesh Municipalities Act, 1965 (Act No.6 of 1965) and in supersession of previous orders issued on the subject, the Governor of Andhra Pradesh hereby makes the following rules for gradation of Municipal Councils and Nagar Panchayats in the State.

1. Short title :-

These rules may be called "The Andhra Pradesh Municipalities (Gradation of Municipal Councils and Nagar Panchayats) Rules, 1995.

2. Definitions :-

In these rules--

- (i) "Act" means, the Andhra Pradesh Municipalities Act, 1965;
- (ii) "Government" means the Government of Andhra Pradesh;
- (iii) "Annual Income of the Municipality" means, the amount realised through all sources during the last financial year except teaching grants and loans;
- (iv) The words and expressions used but not defined in these rules shall have the meanings assigned to them in the Andhra Pradesh Municipality Act, 1965.

3. . :-

*[The Government, from time to time, by notification in the Andhra Pradesh Gazette, may, declare the grades of Municipalities and Nagar Panchayats on the basis of annual income prescribed below :

(i) "Nagar Panchayat" means a Nagar Panchayat with an annual income of rupees one crore or less than one crore;

(ii) "Third Grade Municipality" means a Municipality with an annual income of rupees more than one crores and less than two crores;

(iii) "Second Grade Municipality" means a Municipality with an annual income of rupees more than two crores and less than four crores;

(iv) "First Grade Municipality" means a Municipality with an annual income of rupees more than four crores and less than six crores;

(v) "Special Grade Municipality" means a Municipality with an annual income of rupees more than six crores and less than eight crores;

(vi) "Selection Grade Municipality" means a Municipality with an annual income of rupees eight crores and above :

Provided that the Municipalities located at the District Headquarters shall normally be classified as not lower than First Grade Municipality irrespective of its annual income.]

4. . :-

Notwithstanding anything contained in Rule 3 it shall be competent for the Government to declare by Notification any Municipality, as of any Grade irrespective of its Annual Income for reasons to be recorded in writing.