

IMMEDIATE

No. VPP 1581 /CR-1013/XXIII-B  
Rural Development Department  
Martralaya Bombay-400 032.

Dated the 12th May 1981

To

All Chief Executive Officers of  
Zilla Parishads.

Subject:- Bombay Village Panchayats Act, 1958  
Amendment to the --

Amendments to sections 38, 57 and 176 of the Bombay Village Panchayats Act, 1958 have been made by the Bombay Village Panchayats (Amendment) Act, 1980 (Mah. IV of 1981). In exercise of the powers conferred by sub-section (2) of section 1 of the Amendment Act Government has issued a Notification and published it in Government Gazette, Extraordinary, dated 5th March 1981 appointing the 2nd day of March 1981 to be the date on which the Amendment Act shall come into force. Accordingly, Sections 38, 57 and 176 of the Bombay Village Panchayats Act, 1958 ~~are~~ amended with effect from 2nd March 1981.

2. Since Sub-Clauses (d), (e), (f) and (g) of clause (i) of sub-section (2) of section 38 have been deleted, the Sarpanch of a Village Panchayat is relieved from the dealings concerning the money transactions of Panchayat. In the said Section 38, after sub-section (4), the following new sub-section has been inserted-

"(5) Nothing contained in this section shall make the Sarpanch liable for any action taken by the Secretary for which he is made solely responsible under sub-section (3) and (4) of section 57".

The above position indicates that the Sarpanch of a Village panchayat ceased to exercise the functions entrusted to him under section 38(2) (i) (d), (e), (f) and (g) of the Bombay Village Panchayats Act, 1958 with effect from 2nd March 1981.

3. Section 176(2) (viii-a) of the B.V.Ps. Act, 1958 provided that the State Government may make the rules under sub-clause (f) of clause (i) of sub-section (2) of section 38 prescribing the manner in which the receipt may be issued. However, after deletion of the aforesaid sub-clause (f) provisions contained in section 176 (2) (viii-a) had become redundant. Clause (viii-A) of sub-section (2) of section 176 has, therefore, been deleted vide section 4 of the Amendment Act.

4. ~~XXXX~~ After sub-section (2) of section 57 of the B.V.Ps. Act, 1958 the following sub-sections have been inserted-

"(3) Subject to the provisions of sub-section (5) of section 38, the Secretary shall be solely responsible for the safe custody of the Village fund, the village Employment Fund and other moneys received on behalf of the panchayat, from time to time, and shall operate them for the following purposes, namely -

(24)

(a) authorisation of payments, issue of cheques and refunds in compliance with the provisions of this Act and the rules made thereunder or the resolutions duly passed by the panchayat;

(b) receive all sums of money on behalf of the Panchayat in response to notices, bills, appeals and other processes issued by the panchayat;

(c) issue of receipts in the prescribed manner for all sums of money received on behalf of the panchayat and crediting them in the relevant fund;

(d) hold cash imprest on hand, of not more than Rs. 50 at a time, for contingent purposes of the panchayat;

(e) incur contingent expenditure up to ten rupees at any one occasion;

(f) for performing such other duties and exercising such other powers in regard to the funds as may be prescribed.

4. (4) The Secretary shall submit a weekly statement of account to the Sarpanch and a monthly statement of account to the Block Development Officer, giving in particular the details of the receipts into and payments from and the balance in the fund under his control. Thus, from the 2nd March 1981 the V.P. Secretary is solely responsible for the safe custody of the Village Fund, the Village Employment Fund and other moneys received on behalf of the Panchayat and he has to discharge statutory duties entrusted to him under sub-sections (3) and (4) of section 57 of the Bombay Village Panchayats Act, 1958. Accordingly, the Village Panchayat Secretary has to deal with all money transactions on behalf of the Panchayat. It is, therefore, obvious that the Village Panchayat Secretary shall be held responsible for misappropriation of any amount of the Village Fund/Village Employment Fund and such responsibility cannot be passed on by him either to the Sarpanch or Upa-Sarpanch or any member of a Panchayat.

5. You are, therefore, requested to bring the above position to the notice of all Secretaries and Sarpanchas of Village Panchayats within your jurisdiction. The Village Panchayat Secretaries should specifically be informed to discharge the duties entrusted to them under sub-sections (3) and (4) of section 57 of the Bombay Village Panchayats Act, 1958 scrupulously and failure to discharge those duties shall make them liable for action as per provisions of the Rules governing their service conditions.

*D. D. Wagh*  
( D. D. Wagh )  
Desk Officer

Copy forwarded to:-

All Divisional Commissioners.