

No. VPF 1071/10923-E-1, (103)
Rural Development Department,
Sachivalaya, Bombay 32,
Dated 16th November 1971.

To

The Commissioner,
Aurangabad Division, Aurangabad.

Subject:- Utilisation of District Villages
Development Fund for meeting the the
expenditure on staff engaged for operating/
Fund.

Reference to your letter No. 71/F/VPR/46, dated
27th February 1971 on the subject mentioned above.

2. In accordance with the provisions of Section 133
as amended by the Bombay Village Panchayats (Amendment)
Act 1970, the District Village Development Fund can inter
alia be utilised for meeting expenditure on staff engaged
for operating the fund and on all charges incidental thereto,
such as printing, stationery, stamps and the like. The
State Government is empowered to make rules in respect of
certain matters viz. the purposes for which such loans
may be granted, the terms and conditions (including the
rate of interest) on which such loans may be made, the
period therefor, the manner of repayment and all matters
incidental to the grant of such loans vide clause (xxxvi)
of sub-section (2) of Section 176 of the Bombay Village
Panchayats Act 1958. It may thus be seen that the State
Government is empowered to frame Rules only in regard to the
matter connecting with the grant of loans. It would not,
therefore, be tenable nor would it seem to be necessary
to amend the Bombay District Village Development Fund Rules
1960 for enabling the Standing Committees for incurring
expenditure on staff. The only requirement is that the
Commissioner's sanction should be obtained.

3. Your presumption that the Chief Executive Officer,
Zilla Parishad, will have to create post (s) showing the
scale and the time limit for which it is needed after obtain-
ing the approval for creation of such posts from the
Standing Committee is confirmed.

4. In regard to the point that the expenditure towards
salaries of the staff etc. to be restricted to the amount
of interest available under the Bombay District Village
Development Fund, it is clarified that the expenditure is
to be debited to the Fund and not to any part thereof.
This is a matter for each of the Standing Committee of Zilla
Parishads to consider taking into account the number of
Village Panchayats to whom loans have been advanced, the
interest earned on account of advancing the loans and interests
earned by investment and deposits etc. and also for the
Commissioner before according sanction to such proposals.
It is however, desirable to restrict such expenditure to
the amount of interest accruable to the Fund.

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5. So far as the nature/type of service of the staff is concerned, your attention is invited to Government Circular, Rural Development Department No. VPM 2171/50008-E-1, dated 31st July 1971.

M. S. Chavhan
Section Officer.

Copy together with copy of the Commissioner, Aurangabad's letter under reference forwarded to:-

All Commissioners of Divisions,
(except Commissioner of Aurangabad Division Aurangabad),

All Chief Executive Officers of Zilla Parishads,
for information and guidance.

mmp. 12.11.