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Z. P. JALGAON.

Reference No. ....

Govt. 232 Commr.

To  
H.D. L.A.O. Other

Dept.

Date of Receipt

Initials

Work Sheet No. ....

No. VPF-1380/6132/(CR-613)/XXVII-A,  
Rural Development Department,  
Mantralaya, Bombay- 400 032.  
Dated the 21st July 1980.

The Chief Executive Officers  
all Zilla Parishads.

Subject:- Deposits of District Village Development  
Fund in the District Central Co-operative  
Banks.

.....  
The District Village Development Fund constituted under  
Section 133 of Bombay Village Panchayats Act 1958, is required  
by the Bombay District Village Development Fund Rules, 1960,  
according to rule 3 of the said rules, the fund is vested in  
the Standing Committee and is administered by it through the  
District Village Panchayat Officer appointed under section 136  
of the Bombay Village Panchayats Act. Rule 5 of the afore-  
said rules provides for investment and re-investments of the  
sums in the fund. According to sub-rule (2) of rule 5 of the  
rules, the Standing Committee is required to deposit all other  
sums to the credit of the fund inter alia, subject to such  
conditions as the State Government may specify in this behalf,  
in such co-operative Society as may be approved by the State  
Government. For this purpose, the District Central Cooperative  
Bank in each District has been approved by the State Government  
under Government Circular, Rural Development Department, dated  
22nd July 1965, subject to the terms and conditions mentioned  
therein. It has been brought to the notice of the Government  
that some of the Standing Committees of the Zilla Parishads have  
resolved that the fund which was kept in deposits with the  
District Central Cooperative Banks ~~and~~ should be withdrawn and  
kept in deposits with some other Nationalised Banks. Government  
has considered such withdrawals from the District Central  
Co-operative Banks for depositing the same in other Nationalised  
Banks to get more interest on their deposits in the Nationalised  
Banks. The position was also examined in the past on a  
similar issue with regard to the deposits of the District Fund  
of the Zilla Parishads and it was found that in both the cases,  
i.e. the District Central Co-operative Banks and the Nationalised  
Banks, the rates of interest are almost the same. Further, the  
Co-operative Banks are rendering all types of banking services  
to Zilla Parishads/Panchayat Samitis and granting useful faci-  
lities, i.e. encashment of the Zilla Parishad cheques at any  
of the branches of the bank, free remittances facilities and  
free collection of cheques etc. and it is also the policy of  
Government to encourage the co-operatives. In view of this,  
Government has advised the Zilla Parishads under Government  
Letter, Rural Development Department No. INV-1073/15104/XXV,  
dated 22nd August 1975 that the Zilla Parishads shall keep or  
deposit, as far as possible, their District Fund in the  
District Central Co-operative Banks".

p. t. o.

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In the circumstances, orders have been issued under Government Letter, Rural Development Department No. 1WV-1073/15004/XXV, dated 22nd August 1975, that the Zilla Parishads should be requested to keep or deposit as far as possible their District Fund in the District Central Co-operative Banks. This position shall hold good with regard to the District Village Development Fund also. You are, therefore, requested to advise the Standing Committee of your Zilla Parishad to keep or deposit as far as possible the amount to the credit of the District Village Development Fund in the District Central Co-operative bank.

(B.B. Joshi)

Assistant Secretary to Government,  
Rural Development Department.

Copy forwarded to the Commissioners of all Divisions.

kem.21/7.