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No.VPG.1065/41095/E,
Rural Development Department,
Sachivalaya, Bombay-32,
Dated the 29th December, 1966.

To

The Chief Executive Officer,
Zilla Parishad Ratnagiri,
Ratnagiri.

Subject:- Village Panchayats.
Grant of loans to the by the Zilla Parishads
under section 132 of the Bombay Village
Panchayat Act, 1958.

Reference your letter No.VPG.4.2246, dated the 3rd
January 1966 addressed to the Commissioner, Bombay Division,
with a copy to Government, on the subject mentioned above.

2. The view taken by you that the provisions of section
132 of the Bombay Village Panchayat Act, 1958 saves the
Village Panchayats from the proviso to sub-section (1) of
section 141 of the Maharashtra Zilla Parishads and Panchayat
Samitis Act, 1961, and that the Zilla Parishads can grant
loans to the Village Panchayats under section 132 for the
purposes mentioned in the Bombay Village Panchayat Act, 1958,
is correct. However, the power of the Zilla Parishad to
grant a loan to the Village Panchayat under that section is
subject to the rules to be framed under it. The expression
rules in section 132 is defined in clause (16) of section
3 of the Bombay Village Panchayat Act and it means rules made
or deemed to have been made under that Act. Thus, the
B.L.A. Loans Rules, 1923, framed under the Maharashtra
Zilla Parishads (Grant of Loans) Rules, 1964, framed under
the Maharashtra Zilla Parishads and Panchayat Samitis Act,
1961, will not be of any avail. Nor would the Bombay
District Village Development Fund Rules, 1960 framed in
pursuance of the provisions of section 133 of the Bombay
Village Panchayat Act, 1958 would be of any avail, as they
are not the rules contemplated by section 132 of the Bombay
Village Panchayat Act, 1958.

Z. P. JALORGI	
Reference No.....	3
Comr.	
HD.....	Other
Date of Receipt.....	
Initials.....	2
Work Sheet No.....	

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[Signature]
31/12/66

Under Secretary to the Government of Maharashtra,
Rural Development Department.

No.VPG.1065/41095/E, Sachivalaya, Bombay-32.

Copy forwarded with compliments to -

The Commissioner, Bombay Division with reference to
his letter No.CDP/1594/1712, dated the 23th February, 1966.

All other Commissioners of Divisions,
All other Chief Executive Officers of Zilla Parishads,
for information and guidance with a copy of the Chief
Executive Officer, Ratnagiri's letter under reference.

[Signature]
31/12/66

Under Secretary to the Government of Maharashtra,
Rural Development Department.

pkc/21.12.

GCP-Rota/RDD-H-1723 (650-2-67)

No.VPC.4.2246

Office of the Zilla Parishad,
Ratnagiri : 31st December 1965.
3rd January 1966.

To

The Commissioner, Bombay Division,
Bombay.

Subject:- Grant of loans to village panchayat from District fund of the Zilla Parishad under Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961.

Reference:- This office letter No.VPC.4.2246 dated 20.11.1965 addressed to Government and Submitted through you and your endt. letter CDE 1247 dated 20.12.1965 submitted to Govt. and copy endt. to this office.

Sir,

Even though section 141 of the Maharashtra Zilla Parishad and Panchayat Samiti Act 1961 bars the Zilla Parishads from payment of loans in respect of matters falling in the sphere of Agricultural and Irrigation, the provisions of Section 132 of the Bombay Village Panchayat Act 1958, have allowed the Zilla Parishads to grant loans to Village Panchayats from any purposes provided in the Bombay Village Panchayats Act 1958. The provisions of this section will have to be construed giving wider scope in granting loans. As such the Zilla Parishads can grant loans to Village Panchayats for purchasing oil engines and electric motors even though the purchase falls within the sphere of Agriculture and Irrigation.

The intended purchase of 54 motors and engines by the Zilla Parishad and out of its District Fund and sanction of 200 engines by Government and further purchase of engines from block funds recently allowed by Government, will fall short the rising demand of the village panchayats, villagers and agriculturists. The above engines will be the property of the Zilla Parishad. The Panchayats will not have supreme control over it.

It is true that the Standing Committee will grant loans to Village Panchayats from the District Village Development Fund constituted under section 133 of the Bombay Village Panchayat Act 1958. It is already clarified that the balance of the District Village Development fund has been fully utilized for granting loans to village panchayats and no adequate balance is available. The Zilla Parishad does not intend to grant loans to the village panchayat which have already been granted loans from the District Village Development fund. The Village Panchayats will be getting loans from either of the funds once only. The extent of loan to be sanctioned will depend upon the repaying capacity and the need of the village panchayats. The point raised in your letter in clause 3 of para 4 of that the panchayats will not be in a position to repay loans and interest on the ground that finances are meagre is not therefore correct.

The position may kindly be reviewed again on the following:-

1. The District Village Development Fund can not satisfy the urgent demand for loans from village panchayats.
2. The loan will be granted to village panchayats taking into consideration the repaying capacity and loans from both the funds will not be granted to one and the same village panchayat.

P.T.O.



The engines etc., supplied by Government purchased by zilla Parishad, or purchased from Block fund will not meet the demand.

4. The provisions of section 132 of the Bombay Village Panchayat Act 1958 saves from the barring provisions of under section 141 of the Maharashtra Zilla Parishad and Panchayat Samiti Act 1961, and allows Zilla Parishad to grant loans to Village Panchayats for purposes mentioned in Bombay Village Panchayat Act, 1958.
5. The provisions of Bombay Local Authorities loans, Rules 1923 can not be applied in the absence specific rules.

The Zilla Parishad will be unable to give assurance to village Panchayats that loan will be paid on receipt of Government orders and the Village Panchayats should go ahead and purchase the engines etc. A specific provision has been made in the Village Panchayat Act to allowing the zilla Parishad to assist the Village Panchayats by way of granting loans and if the Zilla Parishad is barred from exercising its power the provision under section 132 of the Village Panchayat Act will be inoperative. This does not appear to be the intention of the Legislature.

Government may, therefore, be moved to pass early orders in this connection.

Yours faithfully,

Sd/-
for Chief Executive Officer,
Ratnagiri Zilla Parishad.

Copy submitted to Government in Rural Development Department with reference to this office letter No.VPC.4.2240 dated 20.11.1965 and D.O. letter of even No. dated 6.12.1965 and endt. letter No. CDP/1247, dated 20.12.1965, from the Commissioner, Bombay Dn. submitting this office letter under No.VPC.4.2246 dated 20.11.1965.

2. It is requested to kindly move Government to pass orders in the matter very early.