

To

The Under Secretary to Government,  
Co-operation and Rural Development Department,  
Sachivalaya, Bombay-32.

Subject:- District Village Development fund -  
Constituted under section 133 of the  
BVP Act 1958.

Sir,

Under the provisions of sub-section (3) of section 62 of the BVP Act 1958, the village panchayats are required to contribute every year to the District Village Development fund constituted under section 133 of the BVP Act 1958, percentage of its income from all sources (including contributions from the State Government).

Rule 7 of the Bombay village panchayats (Budget and Accounts) Rules, 1959 provide that five percent of the income realized during the preceding financial year from all sources shall be contributed by the village panchayat.

The village panchayat is required to make provisions for the expenditure in its annual budgets which is required to be prepared and submitted in December 1963 to the Panchayat Samiti for approval. The village panchayat in case, prepares budget for 1964-65 will have to prepare it in December 1963. The contributions to be made in 1964-65 will have to be based on the income derived in 1963-64. The village panchayat is not in a position to know exact amount of income and share to be made towards contribution. Thus the amount of contribution to be provided for in the budget will be approximate. The village panchayat will have to prepare a supplementary budget or a reappropriation for the purposes of contributions. This case will arise in each and every panchayat. The panchayat Samiti will get supplementary budgets or reappropriation statements from all the village panchayats. The work load will naturally be increased at the panchayat Samiti.

It is, therefore, presumed that the village panchayats can be permitted to contribute the share on the basis of income derived in the preceding year in which the budget is prepared for the succeeding year. If this is allowed then the question of preparing supplementary budgets by village panchayat and sanctioning them by the Panchayat Samiti may not arise.

The above presumption may kindly be confirmed.

Yours faithfully,

Sd/-

for Chief Executive Officer,  
Ratnagiri Zilla Parishad.

VP  
28 SEP 1964