GUJarat Act No. VI of 1962
THE GUJARAT PANCHAYATS ACT, 1961

(Prolusions relating to the constitution and working of a Gram Panchayat)

3. Establishment of panchayats of different tiers.

For the purpose of this Act, there shall be in each district—

(1) a gram panchayat for each gram,
(2) a nagar panchayat for each nagar,
(3) a taluka panchayat for each taluka, and
(4) a district panchayat for the district.

4. Establishment of Nyaya Panchayats.

(1) For the purpose of the administration of civil and criminal justice as provided in this Act, there shall be a Nyaya Panchayat—

5. Conciliation panch.

For settling disputes between parties by conciliation under this Act there shall be a conciliation for each gram and for each nagar for which a Nyaya Panchayat has been constituted.


There shall be a gram sabha for a gram for performing such functions as are provided in this Act and such other functions as may be prescribed.

9. Declaration of nagar and gram.

(1) After making such inquiries as may be prescribed, the State Government may, by notification in the Official Gazette, declare any local area, comprising a revenue village, or a group of revenue village or hamlets forming part of a revenue village, or such other administrative unit or part thereof, --

(a) to be a nagar, if the population of such local area
exceeds 10,000 but does not exceed 30,000, and
(b) to be a gram, if the population of such local area does not exceed 10,000.


(1) A gram panchayat shall subject to the provisions of sub-section (3) consist of such number of members not less than 9 and not more than 16 as the district panchayat may determine, elected from amongst the qualified voters of the gram.

(2) A gram panchayat shall have a Sarpanch and a Upa-Sarpanch elected by its members from amongst themselves.

(3) Out of the seats of members to be determined under sub-section (1) --

(a) two seats shall be reserved for women,
(b) one seat or if in the case of any gram, the State Government, having regard to the population of Scheduled Castes in the gram, specifies more seats in this behalf, the seats so specified, shall be reserved for Scheduled Castes, and
(c) if in the case of any gram the State Government, having regard to the population of Scheduled Tribes in the gram, specified any seat or seats for being reserved for Scheduled Tribes, the seat or seats so specified shall be reserved for Scheduled Tribes:

Provided that nothing in clause (b) shall apply to a gram, where there is no population of Scheduled Castes.


All persons whose names are included in the list of voters maintained for a gram shall be deemed to constitute the gram sabha of the gram.

17. Term of panchayat and reconstitution thereof on expiry of term.

(1) The term of a panchayat as constituted at its first meeting shall, save as otherwise provided in this Act, be four years from the date of such meeting.

(2) The State Government may by order in writing for reasons recorded therein extend the said term for a period
not exceeding in the aggregate one year.

(3) On the expiry of the term under sub-section (1) or sub-section (2), as the case may be, the panchayat shall be reconstituted.

20. **Electoral divisions.**

(1) For the purposes of elections of members to a gram panchayat and a nagar panchayat, each gram and nagar shall be divided into wards. The number of wards and the number of members to be elected from each ward shall be such as the competent authority may determine.

22. **Persons qualified to vote and be elected.**

(1) Every person whose name is in the list of voters shall, unless disqualified under this Act or any other law for the time being in force, be qualified to vote at the election of a member for the electoral division to which such list pertains.

(2) Every person whose name is in the list of voters shall, unless disqualified under this Act or any other law for the time being in force, be qualified to be elected from any electoral division. No person whose name is not entered in the list of voters for the gram or nagar shall be qualified to be elected from any electoral division thereof.

(3) Every person qualified to be elected shall be qualified to be appointed or co-opted as a member of a panchayat.

(4) Subject to any disqualification incurred by a person, the list of voters shall be conclusive evidence for the purpose of determining under this section whether any person is or is not qualified to vote, or as the case may be, to be elected at any election.

23. **Disqualification.**

No person shall be a member of a panchayat or continue as such who—

(a) has, whether before or after the commencement of this Act, been convicted—

(i) of an offence under the Untouchability (Offences) Act, 1955, or under the Bombay Prohibition Act, 1949,
or any law corresponding thereto in force in any part of the State, unless a period of four years, or such lesser period as the State Government may allow in any particular case, has elapsed since his conviction; or

(ii) of any other offence and been sentenced to imprisonment for not less than six months, unless a period of four years, or such lesser period as the State Government may allow in any particular case, has elapsed since his release; or

(b) has been adjudged by a competent court to be of unsound mind; or

(c) has been adjudicated an insolvent and has not obtained his discharge; or

(d) has been removed from any office held by him in any panchayat under any provisions of this Act or in any panchayat, municipality or district local board before the commencement of this Act under any law for the time being in force; and a period of four years has not elapsed from the date of such removal, unless he has, by an order of the State Government notified in the Official Gazette, been relieved from the disqualification arising on account of such removal from office; or

(e) has been disqualified from holding office under any provision of this Act and the period for which he was so disqualified has not elapsed; or

(f) holds any salaried office or place of profit in the gift or disposal of any panchayat, other than an office of President or Vice President of a panchayat or of a Chairman of an Education Committee of a panchayat, while holding such office or place; or

(g) has directly or indirectly, by himself or his partner, any share or interest in any work done by order of a panchayat, or in any contract with, by or on behalf of, or employment with or under any panchayat; or

(h) has directly or indirectly by himself or his partner any share or interest in any transaction of loan of money advanced to or borrowed from any officer or servant of any panchayat; or

(i) fails to pay any tax or fee or any other sum due to the panchayat within three months from the date on which the amount of such tax or fee or sum is required to be paid according to the bill presented to him under sub-section (1)
of section 192; or

(j) is a servant of the Government or a servant of any local authority; or

(k) has voluntarily acquired the citizenship of a foreign State or is under any acknowledgement of allegiance or adherence to a foreign State; or

(l) is disqualified under any other provision of this Act, and the period for which he was so disqualified has not elapsed.

27. Prohibition of canvassing in or near polling station.

(1) No person shall, on the date or dates on which a poll is taken in any polling station, commit any of the following acts within the polling station, or in any public or private place within a distance of one hundred yards of the polling station, namely:

(a) canvassing for votes; or
(b) soliciting the vote of any voter; or
(c) persuading any voter not to vote at the election; or
(d) persuading any voter not to vote for any particular candidate; or
(e) exhibiting any notice or sign (other than an official notice) relating to the election.

(2) Any person who contravenes the provisions of sub-section (1) shall, on conviction, be punished with fine which may extend to two hundred and fifty rupees.

(3) An offence punishable under this section shall be cognizable.

44. First meeting of panchayat and election of Sarpanch and Upa-Sarpanch, or Chairman and Vice-Chairman.

(1) On the constitution of a gram or nagar panchayat or on its reconstitution under section 17 or under any other provision of this Act, there shall be called the first meeting thereof for the election of its Sarpanch and Upa-Sarpanch or as the case may be, its Chairman and Vice-chairman.

(2) The meeting shall be held on such day within four weeks from the date on which the names of members elected at the general election are published under section 16 as may be fixed by the competent authority.
Provided that where no day is fixed within the aforesaid period of four weeks, the competent authority shall report the fact to the State Government or an officer or authority authorised by the State Government and the meeting shall be held on such day as the State Government or the said officer or authority, as the case may be, may specify.

(3) The first meeting shall be presided over by such officer as the competent authority may by order appoint in that behalf. Such officer shall have such powers and follow such procedure as may be prescribed but shall not have the right to vote.

(4) No business other than the election of the Sarpanch and Upa-sarpanch or as the case may be, the Chairman and the Vice-chairman shall be transacted at the meeting.

(5) If at the election under this section, there is an equality of votes, the result of the election shall be decided by lot drawn in the presence of the presiding officer in such manner as he may determine.

(6) In the event of a dispute arising as to the validity of an election under the foregoing provisions of this section, the dispute shall be referred to the competent authority for decision. The decision of the competent authority shall be final and no suit or other proceeding shall lie against it any court.

45. Term of office of members of gram and nagar panchayat and of Sarpanch, Chairman etc. thereof.

(1) Save as otherwise provided in this Act, the term of office of—

(a) the members of a gram panchayat or nagar panchayat,
(b) the Sarpanch and Upa-sarpanch of a gram panchayat, and
(c) the Chairman and Vice-chairman of a nagar panchayat,

shall be co-extensive with the term of the panchayat.

(2) After the expiry of his term of office, a Sarpanch or, as the case may be, a Chairman shall continue to carry on the current duties of his office until such time as a new Sarpanch or Chairman is elected and takes charge of the office.
46. **Resignation of members, Sarpanch, Chairman, etc.**

(1) The Sarpanch, or as the case may be, the Chairman may resign from his office by tendering his resignation in writing to the competent authority but the resignation shall not take effect until it is accepted by the competent authority.

(2) The Upa-sarpanch, or as the case may be, the Vice-chairman may resign from his office by tendering his resignation in writing to the panchayat but the resignation shall not take effect until it is accepted by the panchayat.

(3) Any other member of the panchayat may resign from his office by tendering his resignation to the Sarpanch, or as the case may be, the Chairman and the resignation shall take effect on the date on which it is received by the Sarpanch or the Chairman.

47. **Executive functions of Sarpanch, Chairman, Upa-sarpanch or as the case may be, Vice-chairman.**

(1) Save as otherwise expressly provided by or under this Act, the executive power, for the purpose of carrying out the provisions of this Act and the resolution passed by a gram panchayat or nagar panchayat vests in the Sarpanch or, as the case may be, the Chairman thereof who shall be directly responsible for the due fulfilment of the duties imposed upon the panchayat by or under this Act. In the absence of the Sarpanch or as the case may be, the Chairman his powers and duties shall, save as may be otherwise prescribed by rules, be exercised and performed by the Upa-sarpanch or as the case may be, the Vice-chairman.

(2) Without prejudice to the generality of the foregoing provisions—

(1) in the case of a gram panchayat, its Sarpanch and in the case of a nagar panchayat, its Chairman shall—

(a) preside over and regulate the meetings of the panchayat;

(b) exercise supervision and control over the acts done and action taken by all officers and servants of the panchayat;

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

(d) operate on the fund of the panchayat including authorisation of payment, issue of cheque and refund;
(e) be responsible for the safe custody of the fund of the panchayat;

(f) cause to be prepared all statements and reports required by or under this Act;

(g) exercise such other powers and discharge such other functions as may be conferred or imposed upon him by this Act or rules made thereunder.

(i1) The Upa-Sarpanch or the Vice-Chairman shall—

(a) in the absence of the Sarpanch or Chairman preside over and regulate the meetings of the panchayat;

(b) exercise such of the powers and perform such of the duties of the Sarpanch or Chairman as the Sarpanch or Chairman may, from time to time, delegate to him;

(c) pending the election of the Sarpanch or the Chairman or in case the Sarpanch or Chairman has been continuously absent from the gram or as the case may be nagar for more than fifteen days or is incapacitated, exercise the powers and perform the duties of the Sarpanch or as the case may be, the Chairman.

(3) In the absence of both the Sarpanch and the Upa-Sarpanch, or as the case may be, the Chairman and the Vice-Chairman, every meeting of the panchayat shall be presided over by such one of the members present as may be chosen by the meeting to be Chairman for the occasion.

48. Motion of no confidence.

(1) A motion of no confidence may be moved by any member of a panchayat against its Sarpanch, Upa-Sarpanch, Chairman or Vice-Chairman after giving such notice thereof as may be prescribed.

(2) If the motion is carried by a majority of not less than two-thirds of the total number of the then members of the panchayat, the Sarpanch, Upa-Sarpanch, Chairman or Vice-Chairman, as the case may be, shall cease to hold office after a period of three days from the date on which the motion was carried unless he has resigned earlier; and thereafter the office held by him shall be deemed to be vacant.

(3) Notwithstanding anything contained in this Act or the rules made thereunder a Sarpanch, Upa-Sarpanch, Chairman
or Vice-Chairman, as the case may be, shall not preside over a meeting in which a motion of no confidence is discussed against him; but he shall have a right to speak or otherwise to take part in the proceedings of such a meeting (including the right to vote).

(4) When in the case of a gram panchayat the offices of both the Sarpanch and Upa-Sarpanch and in the case of a nagar panchayat, the offices of both the Chairman and Vice-Chairman become vacant simultaneously, such officer as the Taluka Development Officer may authorise in this behalf shall, pending the election of the Sarpanch or as the case may be, Chairman exercise all the powers and perform all the functions and duties of Sarpanch or as the case may be, Chairman but shall not have the right to vote in any meetings of the panchayat.

49. Removal from Office.

(1) The competent authority may remove from office any member of a panchayat or the Sarpanch, the Upa-Sarpanch, the Chairman or as the case may be, the Vice-Chairman, thereof after giving him an opportunity of being heard and giving due notice in that behalf to the panchayat and after such inquiry as it deems necessary, if such member, Sarpanch, Upa-Sarpanch, Chairman or Vice-Chairman, as the case may be, has been guilty of misconduct in the discharge of his duties or of any disgraceful conduct or has become incapable of performing his duties under this Act. The Sarpanch, Upa-Sarpanch, Chairman or as the case may be, Vice-Chairman so removed may at the discretion of the competent authority also be removed from the membership of the panchayat.

(2) The competent authority may, after following the procedure laid down in sub-section (1), disqualify for a period not exceeding four years, any person who has resigned his office as a member, Sarpanch, Upa-Sarpanch, Chairman or Vice-Chairman or otherwise ceased to hold any such office and has been guilty of misconduct specified in sub-section(1) or has been incapable of performing his duties;

Provided that an action shall be taken within six months from the date on which the person resigns or ceases to hold, any such office.

(3) Any person aggrieved by an order of the competent authority under sub-section (1) or (2) may, within a period of thirty days from the date of the communication of such order, appeal to the State Government.
50. **Leave of absence.**

(1) Any member of a gram panchayat or nagar panchayat who, during his term of office—

(a) is absent for more than three consecutive months from the gram, or as the case may be, nagar unless leave not exceeding four months so to absent himself has been granted by the panchayat; or

(b) absents himself for four consecutive months from the meetings of the panchayat without the leave of the said panchayat,

shall cease to be a member and his office shall be vacant and thereupon the panchayat shall, as soon as may be, inform him that the vacancy has occurred.

(2) Any dispute as to whether a vacancy has or has not occurred under this section shall be referred for decision to the competent authority, whose decision shall be final.

(3) Whenever leave is granted under sub-section (1) to a member who is an Upa-Sarpanch or Vice-Chairman, another member shall, subject to the conditions to which the election of the Upa-Sarpanch or Vice-Chairman so absenting himself was subject, be elected to perform all the duties and exercise all the powers of an Upa-Sarpanch or Vice-Chairman during the period for which such leave is granted.

51. **Suspension of Sarpanch, Upa-Sarpanch, Chairman or Vice-Chairman.**

(1) The District Development Officer may suspend from office the Sarpanch or Upa-Sarpanch of a gram panchayat or as the case may be, the Chairman or Vice-Chairman of a nagar panchayat against whom any criminal proceedings in respect of an offence involving moral turpitude have been instituted or who has been detained in a prison during trial under the provisions of any law for the time being in force.

(2) Where any Sarpanch, Upa-Sarpanch, Chairman, or Vice-Chairman has been suspended under sub-section (1), another member of the gram panchayat or as the case may be, nagar panchayat shall, subject to the conditions to which the election of the Sarpanch, Upa-Sarpanch, Chairman or, as the case may be, Vice-Chairman so suspended was subject, be elected to perform all the duties and exercise all the powers of a Sarpanch, Upa-Sarpanch, Chairman or Vice-Chairman during the period for which such suspension continues.
(3) An appeal shall lie against an order passed under sub-section (1) to the State Government. Such appeal shall be made within a period of thirty days from the date of the order.

52. Eligibility of certain members for re-election.

A member of a gram panchayat or nagar panchayat whose office has become vacant under section 25 or under section 50 shall, if his disqualification or disability has ceased, be eligible for re-election.

53. Filling up of vacancies.

(1) Any vacancy of which notice has been given to the competent authority in the prescribed manner due to the disablement, death, resignation, disqualification, absence without leave or removal of a Sarpanch, Upa-Sarpanch, Chairman or Vice-Chairman or member of a panchayat shall be filled by the election of a Sarpanch, Upa-Sarpanch, Chairman or Vice-Chairman or member, as the case may be, who shall hold office so long only as the Sarpanch, Upa-Sarpanch, Chairman, Vice-Chairman or member, in whose place he has been elected, would have held office if the vacancy had not occurred;

Provided that if no member is so elected within two months from the date on which notice of the vacancy is given to the competent authority, the competent authority shall, as soon as possible, appoint a person who is qualified to be elected, and the person so appointed shall be deemed to have been duly elected under this sub-section;

Provided further that if vacancy of a member occurs within four months preceding the date on which the term of the panchayat expires under section 17, it shall not be filled.

(2) The meeting for the election of the Sarpanch or Upa-Sarpanch of a gram panchayat or of the Chairman or Vice-Chairman of a nagar panchayat under sub-section (1) shall be convened by the competent authority on such date as it may fix.

(3) When the offices of both the Sarpanch and Upa-Sarpanch or the Chairman and Vice-Chairman, as the case may be, become vacant simultaneously, such officer as the Taluka Development Officer may authorise in this behalf shall, pending the election of the Sarpanch or as the case may be, Chairman exercise all the powers and perform all the functions and duties of Sarpanch or as the case may be, Chairman but shall not have the right to vote in any meeting of the panchayat.
54. Vacancy not to affect proceedings of panchayats.

During any vacancy in a gram panchayat or nagar panchayat the continuing members may act as if no vacancy had occurred.

80. Meeting of panchayats.

The meeting of a panchayat shall be held at such intervals as may be prescribed:

Provided that the Sarpanch or, as the case may be, the Chairman for any specified reason may, and upon the written request of not less than one third of the members shall, call a meeting of the panchayat at any other time.

81. Gram Panchayat committees, their constitution, powers, functions and duties.

(1) A gram panchayat shall for each year constitute the following committees for exercising such of its powers and performing such of its functions and duties as the panchayat may assign to each such committee, namely:

(i) A Production Committee for performing functions relating to agricultural production, animal husbandry and industries.

(ii) An Education Committee for performing functions pertaining to literacy drives including pre-primary education, primary education, adult education and other cultural activities.

(iii) A Public Health and Public Works Committee for performing the rest of the functions of the panchayat.

(2) Each Committee shall consist of three members elected by the panchayat from amongst its members and the members of the committee shall elect from amongst themselves the chairman of the committee:

Provided that --

(a) where the Sarpanch and Upa-Sarpanch both are members of any such committee, the Sarpanch and

(b) where only one of them is a member thereof, he shall be the ex-officio Chairman of such Committee.

(3) A member once elected to a Committee shall be eligible for re-election.

(4) A member may resign from membership of a committee by tendering his resignation to the panchayat.
(5) Any vacancy occurring in a committee shall be filled by election under sub-section (2).

(6) Such of the powers, functions and duties of the panchayat as are not assigned to any committee shall be exercised and performed by the panchayat.

(7) The panchayat may at any time withdraw from any committee the powers, functions and duties assigned to it and assign the same to any other committee.

(8) In addition to the aforesaid committees, a gram panchayat may constitute one or more committees consisting of such members of the panchayat and other residents of the gram as the panchayat may determine, or appoint any of its members, to execute any work or scheme decided upon by the panchayat or to inquire into and report to the panchayat on matters which the panchayat may refer to such committee or member. The panchayat may regulate the procedure of any such committee.

83. Meetings of gram sabha.

(1) There shall be held at least two meetings of the gram sabha every year on such date, at such time and place, as may be prescribed:

Provided that the Sarpanch may, at any time on his own motion, and shall, if required by the taluka panchayat or district panchayat, call a meeting of the gram sabha.

(2) Any officer authorised in this behalf by the taluka panchayat or district panchayat by general or special order shall have the right to speak in, and otherwise to take part in, the proceedings of a meeting of the gram sabha, but shall not be entitled to vote.

(3) Unless otherwise provided in this Act, the Sarpanch, and in the absence of the Sarpanch, the Upa-Sarpanch shall preside over every meeting of the gram sabha. In the absence of the Sarpanch and Upa-Sarpanch, the members of the gram sabha shall elect one of the members of the panchayat present to preside.

(4) If any dispute arises as to whether a person is entitled to attend a meeting of a gram sabha, such dispute shall be decided by the person presiding, regard being had to the entry in the list of voters for the whole of the gram or ward thereof, as the case may be, and his decision shall be final.
84. Panchayat to place before gram sabha statement of accounts etc., and duties of gram sabha.

(1) The first meeting of the gram sabha in every year shall be held within two months from the commencement of that year, and the gram panchayat shall place before such meeting—

(i) the annual statement of accounts;
(ii) the report on the administration in the preceding financial year;
(iii) the development and other programme of work proposed for the current financial year;
(iv) the last audit note and replies (if any) made thereto;
(v) any other matter which the taluka panchayat and district panchayat requires to be placed before such meeting.

(2) It shall be open to the gram sabha to discuss any or all of the matters placed before it under sub-section (1) and the panchayat shall consider suggestions, if any, made by the gram sabha.

(3) A gram sabha shall carry out any other functions as may be prescribed.

85. Procedure in respect of meetings.

Save as provided in this Act, the time and place of a meeting of a panchayat or a committee thereof, the quorum for such meeting, the procedure for calling such meeting and the procedure at such meeting shall be such as may be prescribed.

86. Questions to be decided by majority of votes.

All questions before a meeting of a panchayat or committee thereof or of a gram sabha shall be decided by a majority of votes of the members present and unless otherwise provided in this Act, the presiding officer of the meeting shall have a second or casting vote in all cases of equality of votes.

87. Modification or cancellation of resolutions.

No resolution of a panchayat shall be modified, amended, varied or cancelled by a panchayat within a period of three months from the date of the passing thereof, except by a resolution supported by two-thirds of the whole number of members of such panchayat.
88. **Administrative powers of panchayats.**

Subject to the provisions of this Act it shall be the duty of each panchayat to make in the area within its jurisdiction, and so far as the fund at its disposal will allow, reasonable provision in regard to all or any of the matters specified in Schedule I.

89. **Other functions of panchayat.**

(1) A panchayat may with the previous sanction of the district panchayat incur expenditure on educational or medical relief outside its jurisdiction if its finances permit.

(2) A panchayat may also make provision, for carrying out in the areas, within the limits of its jurisdiction any other work or measure which is likely to promote the health, safety, education, comfort, convenience, or social or economic, or cultural well-being of the inhabitants of the area, including secondary education.

(3) A panchayat may, by resolution passed at its meeting and supported by two-thirds of the whole number of members make provision for any public reception, ceremony or entertainment in the area within its jurisdiction or may make contribution towards an annual gathering or such other gathering of panchayats in the district or the State or towards the fund of any institution which is established with the object of promoting the spirit of a community, self-help and mutual aid among village folk and suggesting ways and means for the efficient administration of panchayats and which is recognised by the State Government:

Provided that except with the previous sanction of the taluka panchayat, the panchayat shall not incur expenditure exceeding twenty-five rupees on any such reception, ceremony, entertainment or gathering.

(4) If in respect of any land it comes to the notice of a panchayat that on account of the neglect of the occupant or superior holder thereof or dispute between him and his tenant, the cultivation of the land has seriously suffered, the panchayat may bring such fact to the notice of the competent authority.

(5) A panchayat shall, in regard to the measures for the amelioration of the condition of Scheduled Castes and Scheduled Tribes and other backward classes, and, in particular, in the removal of untouchability, carry out the directions or orders given or issued in this regard from time to time.
by the State Government or the competent authority.

(6) A panchayat shall perform such other duties and functions as are entrusted to it by or under any other law for the time being in force.

(7) It shall be lawful for a panchayat to render financial or other assistance to any person for carrying on in the gram or as the case may be, nagar any activity which is related to any of the matters specified in Schedule I.


(1) There shall be --

(a) in each gram a fund to be called the gram fund, and

(b) in each nagar a fund to be called the nagar fund,

and in this section "relevant fund" means in the case of a gram panchayat the gram fund and in the case of a nagar panchayat the nagar fund.

(2) The following shall be paid into, and form part of the relevant fund, namely--

(a) the amount which may be allotted to the relevant fund by the State Government under the provisions of section 191 of the Bombay District Municipal Act, 1901 or under the said Act in its application to the Saurashtra area of the State of Gujarat;

(b) the proceeds of any tax or fee imposed by or assigned to the panchayat under this Act;

(c) all sums ordered to be paid as compensations realised under sections 234 and 235;

(d) all other sums ordered by a Court to be placed at the credit of the relevant fund;

(e) the sale proceeds of all dust, dirt, dung, refuse, or carcasses of animals, except in so far as any person is entitled to the whole or a portion thereof;

(f) sums contributed to the relevant fund by the State Government or the taluka panchayat or the district panchayat;

(g) all sums received by way of loans from the State Government or the taluka panchayat or the district panchayat or out of the District Development Fund;
(h) all sums received by way of gift or contributions by the panchayat;

(j) the income or proceeds of any property vesting in the panchayat;

(k) fees levied for the institution of suits and cases under section 244;

(l) the net proceeds (after deducting the expenses of assessment and collection) of the cess authorised by section 181;

(m) all sums, realised by way of rent or penalty otherwise than as the amount of any fine in a criminal case;

(m) all sums realised as pound fees after deducting the expenses.

102. Secretary and servants of panchayats.

(1) Subject to the provisions of this Act and the rules made thereunder—

(a) there shall be a Secretary for every gram panchayat and nagar panchayat who shall be appointed in accordance with the rules;

(b) a gram panchayat or as the case may be, nagar panchayat may appoint such servants as may be necessary for the discharge of its functions and duties under this Act;

Provided that the State Government having regard to the population of a gram and income of the panchayat thereof may direct in respect of a group of gram panchayats that such group shall have one Secretary and thereupon there shall be one Secretary for that group.

(2) A Secretary of a gram panchayat or nagar panchayat shall subject to the control of the Sarpanch or Chairman, as the case may be—

(a) keep in his custody the records and registers of the panchayat,

(b) issue receipts under his signature for sums of money received by him on behalf of the panchayat,

(c) prepare all statements and reports required under this Act, and

(d) perform such other functions and duties under this Act as may be prescribed.
104. Annual Budget Estimates.

(1) Every panchayat (whether a gram panchayat or nagar panchayat) shall have prepared annually on or before such date and in such form and manner as may be prescribed in this behalf a budget estimate of its income and expenditure for the next year and forward it to the taluka panchayat on or before such date as may be prescribed:

Provided that the budget estimate shall be so prepared that at the end of the year the panchayat shall have at its credit a balance of not less than such minimum amount as may be prescribed in that behalf.

(2) The taluka panchayat shall scrutinise the budget estimate and refer it back to the panchayat within two months of its receipt with such observations and recommendations as it may make in respect of the budget estimate.

(3) The panchayat shall thereupon approve the budget estimate with such modifications as it may think fit having regard to the observations and recommendations made by the taluka panchayat under sub-section (2).

108. Annual administration report.

(1) The Secretary of every panchayat shall prepare the annual report of the administration of the panchayat and shall place the accounts and the report for approval before the panchayat.

(2) The annual statement of the accounts together with the annual report shall be sent to the district panchayat through the taluka panchayat on or before such date and in such form as may be prescribed.

109. Audit of accounts of panchayat.

(1) The audit of the accounts of a panchayat shall, until the provisions of the Bombay Local Fund Audit Act, 1930 or any other corresponding law are made applicable thereto, be carried out by the State Government in such manner as may be prescribed and a copy of the audit note shall be forwarded to the panchayat and the taluka panchayat within one month of the completion of the audit.

(2) On receipt of the audit note referred to in sub-section (1), the panchayat shall either remedy any defects or irregularities which may have been pointed out in the audit note and send to the taluka panchayat within three months.
an intimation of its having done so or shall, within the said period supply to the taluka panchayat any further explanation in regard to such defects or irregularities as it may wish to give.

149. Recovery of land revenue by panchayats.

The State Government shall, notwithstanding anything contained in the Land Revenue Code, or any law relating to the collection of any cess, for the time being in force in the State, by notification in the Official Gazette, entrust to every gram panchayat and every nagar panchayat any or all of the functions and duties of a village accountant or patel or other similar functions of any other person, by whatever name called, in relation to the collection of land revenue (including cesses) and dues recoverable as arrears of land revenue, which is levied and assessed by or under the Land Revenue Code, or law relating to the collection of any cess for the time being in force in the State, and all other functions and duties of a village accountant under that Code.

150. Responsibility of the panchayats.

The panchayats so entrusted under section 149 shall be responsible for the recovery and collection of land revenue (including cesses) and other dues for the gram or, as the case may be, nagar in accordance with the provisions of the Land Revenue Code and the rules, instructions and orders made or issued thereunder and the law relating to the collection of such cesses.

151. Conferment of powers and duties for collection of land revenue on panchayats.

Where a panchayat has been entrusted with the functions and duties relating to the collection of land revenue (including cesses) and other dues under section 149, the State Government shall by notification in the Official Gazette, confer on such panchayat, subject to such conditions as may be specified in the notification all or any of the powers of the Collector, for the realisation of land revenue and other dues recoverable as arrears of land revenue under the Land Revenue Code, and for the collection of cesses under the law relating thereto, and it shall be competent for the panchayat so empowered to exercise all or any of the powers so conferred in this behalf.
194. **Provision by the State Government for making grants to panchayats.**

The State Government shall in each year after due appropriation made by the State Legislature by law in this behalf make provision for making grants to the panchayats in accordance with this Chapter.

195. **Extent of grants out of the average of three years collection of land revenue.**

(1) For the purposes of section 194, the State Government shall in each year determine a sum which shall be equal to the average of the land revenue collected or recovered during the three preceding revenue years in the State.

(2) Out of the sum determined under sub-section (1) an amount equal to—

(a) such percentage of the sum as may be prescribed shall be set apart for meeting the expenditure on the salaries of the secretaries of gram panchayats and of the village accountants (talatis) in the State and on their training;

(b) five per cent. of the sum shall be paid into the State Equalisation Fund established under section 196;

Provided that in the case of a gram or nagar panchayat of a Devasthan gram or nagar the land revenue in respect of which is wholly or partially alienated in favour of the Devasthan, the gram panchayat or as the case may be, nagar panchayat shall be paid in each year out of the State Equalisation Fund a sum on the same basis as is applicable to other grams and nagars under sub-section (3).

(3) Out of the balance remaining after making the provisions in accordance with sub-section (2)—

(1) an amount equal to—

(a) 50 per cent. of the balance shall be distributed among the gram panchayats and nagar panchayats.

(b) 25 per cent. of the balance shall be distributed among the taluka panchayats, and

(c) 10 per cent. of the balance shall be distributed among the district panchayats,

in proportion to the average collection and recovery of land revenue from the respective gram, nagar, taluka or as the case may be district panchayat in the three revenue years immediately
preceding;

(ii) an amount equal to --

(a) 7\(1/2\) per cent. of the balance shall be paid into the District Equalisation Fund established under section 197,

(b) 7\(1/2\) per cent. of the balance shall be paid into the District Gram Encouragement Fund established under section 198.

196. State Equalisation Fund.

(1) There shall be established by the State Government a fund to be called the State Equalisation Fund, which shall consist of the payments made into it under clause (b) of sub-section (1) of section 195 and which shall be utilised for making special grants to backward districts so as to minimise the social and economic inequalities between the districts of the State.

(2) The fund established under sub-section (1) shall be non-lapsable.

(3) Special grants out of the said fund to district panchayats shall be made in accordance with the rules made in that behalf.

197. District Equalisation Fund.

(1) In each district, there shall be established by the district panchayat a fund to be called the District Equalisation Fund, consisting of the payments made into it under sub-clause (a) of clause (ii) of sub-section (5) of section 195 which shall be utilised by the district panchayat for making special grants to the backward panchayats subordinate to it so as to minimise the social and economic inequalities between the panchayats in the district.

(2) The fund established under sub-section (1) shall be non-lapsable and shall be invested in the prescribed manner.

(3) Special grants out of the said fund shall be made in accordance with the rules made in that behalf.

198. District Gram Encouragement Fund.

(1) In each district, there shall be established by the district panchayat a fund to be called the District Gram Encouragement Fund which shall consist of the payments made