

FINANCIAL STATUS OF VILLAGE PANCHAYAT: A CASE STUDY OF ERANDOLI VILLAGE PANCHAYAT

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Abstract:

The Panchayat Raj has been playing an important role in the rural development. In Maharashtra, Panchayat Raj System is a three-tier system with elected bodies at the village, Taluka and district levels. It ensures greater participation of people and more effective implementation of rural developmental programmes. Village Panchayat is the lowest unit in the Panchayat Raj System. Every Village Panchayat has to perform the various functions for development of village. The functions are construction of the street, sanitation, prevention measures to remove and to prevent the spread of an epidemic, registration of birth, death and marriages, regulations of market and fair, establishing and maintaining of primary schools, supply of drinking water etc. for development of village. For this, the Village Panchayat has to depend on huge financial resources. The present study is focused on the financial status of Village Panchayat: A case study of Erandoli Village Panchayat of Sangli District in Maharashtra. The study examines the financial position of Village Panchayat with its revenue from all sources and expenditure pattern. The shortcomings in the financial system of Village Panchayat have been examined in the study period.

KEYWORDS:

Financial Status , Erandoli Village Panchayat , effective implementation .

INTRODUCTION:

In India Panchayat Raj has been playing an important role in rural development. Rajasthan was the first state inaugurates Panchayat Raj in 1959 after the Balavantray Mehta study team's recommendations. In Maharashtra, the Panchayat Raj institution had launched on 1 May 1962 on the recommendation of Shri. Vasantrao Naik Committee. Maharashtra State was adopted by the new three tiers Panchayat Raj System. The pattern adopted in the three-tier system of Panchayati Raj included a Zilla Parishad at the district level, the Panchayat Samiti at the Taluka level and Village Panchayat at the village level. The Village Panchayat has been playing a significant role at village level in improving the living standard of the people. Their main functions are the supply of drinking water, building, and repair's roads and gutters, facility of streetlight, education, provide funds for backward class people, etc. The income source of Village Panchayats like tax for house, fair, health, water, market, etc. and fees, and grants from Government, etc.

The present study attempts "Financial Status of Village Panchayat: A case study of Erandoli Village Panchayat." The study examines the financial position of Village Panchayat with its revenue from all sources and expenditure pattern.

OBJECTIVES OF THE STUDY

The main objectives of the present study are-

- 1) To analyze the changing trends in components wise income source of Erandoli Village Panchayat.
- 2) To analyze the changing trends in components wise expenditure sources of Erandoli Village Panchayat.

HYPOTHESIS OF THE STUDY

- 1) Both income and expenditure sides of Village Panchayats are showing growing trends.

RESEARCH METHODOLOGY

Study Area

The area selected for the study is limited to one village Panchayat in Sangli District i.e. Erandoli Village Panchayat of Miraj Taluka.

Data Collection and Data Processing

The present study is entirely based on the secondary data. Necessary secondary data have been gathered from the official records of the selected Village Panchayat. The collected data were classified, tabulated, and processed by using the computer software package such as Excel. The collected data were processed by using appropriate statistical tools like Compound Growth Rate (CGR) etc. Based on the results from the analysis of the data the conclusions have been drawn relating to Village Panchayat in Sangli District in Maharashtra for the period 2009-10 to 2011-12.

Study Period

The study has attempted analyses both income and expenditure trends in selected Village Panchayat. The period of the study is fixed i.e. from 2009-10 to 2011-12.

PROFILE OF ERANDOLI VILLAGE PANCHAYAT

Erandoli is a village situated in Miraj Taluka in Sangli District of Maharashtra State, in India. It is located in fourteen k.m. towards east from Miraj Taluka. The population of village is 6,791 as per the survey of census of 2011 by the Indian Government. There are total 1,405 households; and total 3,500 males (52%) and 3,291 females (48%). There are 5181 (76%) literates and 1610 (24%) illiterates. Agriculture is the primary occupation of Erandoli village. They produce grapes, sugarcane, jowar, etc. Erandoli is primarily famous for grapes. They produce the grapes and then use it to prepare raisins in Junooni. Most of the grapes farmers make raisins and then sold it in the market. These raisins were seen into export quality. In Erandoli, there is one Marathi boy's school, one girl's school and one New English School. There is also one Junior College of Arts and Commerce faculty. This village is famous for Janhavi Devi Temple, which is a holy place. In the month of February, there is Yatra.

The present study attempts to analyze the study of Financial Status of Erandoli Village Panchayat, of Miraj Taluka of Sangli District of Maharashtra. The village was founded in year 1940. In order to study overall finance of the Village Panchayat, the researcher has considered total revenue and total expenditure of the panchayat during the study period.

SOURCES OF INCOME AND EXPENDITURE OF ERANDOLI VILLAGE PANCHAYAT

Table 1, shows that the sources income received in study period by Erandoli Village Panchayat in Sangli district. The table 1 and Graph 1 indicates that the details of sources of income from Village Panchayat during 2009-10 to 2011-12. Total income of three years was tax on house and building Rs.399411, light tax Rs.38085, tax on profession Rs.795, health tax Rs.36284, land revenue Rs.71950, fees, fines and donations Rs.18163, grants from central, state and local bodies Rs.10043503, loans and advances Rs. 77739, miscellaneous Rs.35470, other expenses Rs.81190 and total revenue Rs. 10802590. In study period, the income received from grants was higher but in the calculation of Compound Growth Rate the fees, fine and donations (131.84) was higher than grants CGR (68.63).

FINANCIAL STATUS OF VILLAGE PANCHAYAT: A CASE STUDY OF ERANDOLI VILLAGE PANCHAYAT

Graph 3, Shows that the Village Panchayat received its maximum income in study period from grants from central, state and local bodies was Rs.10043503 and the percentage to total income was (92.97%). Tax on house and building was Rs 399411 and its percentage was (3.70%), income from other sources (0.75%), etc. and minimum income received from tax on profession was only Rs.795 and its percentage was only (0.01%) to total income.

**Table no.1 Composition of Total Income of Erandoli Village Panchayat
(Amount in Rupees)**

Year	Tax on House and building	Light tax	Tax on Profession	Health tax	Land Revenue	Fees, Fines, Donations	Grants	Loans And Advances	Miscellaneous	Other tax	Total Revenue
2009-10	80531	8220	380	7975	19055	2300	2536811	31910	35400	8470	2731052
2010-11	159105	17524	200	16675	22480	3500	292963	21629	70	8470	542616
2011-12	159775	12341	215	11634	30415	12363	7213729	24200	0	64250	7528922
Total	399411	38085	795	25813	71950	18163	10043503	77739	35470	81190	10802590
CGR	40.85	22.52	-24.78	20.78	26.33	131.84	68.63	-13.00	-99.80	17.54	66.03

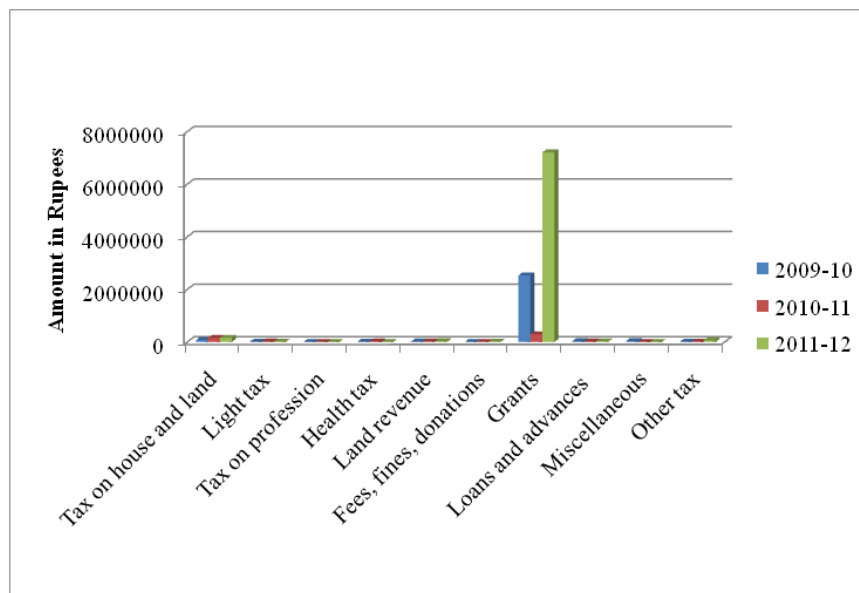
Source: Official Records of Erandoli Village Panchayat

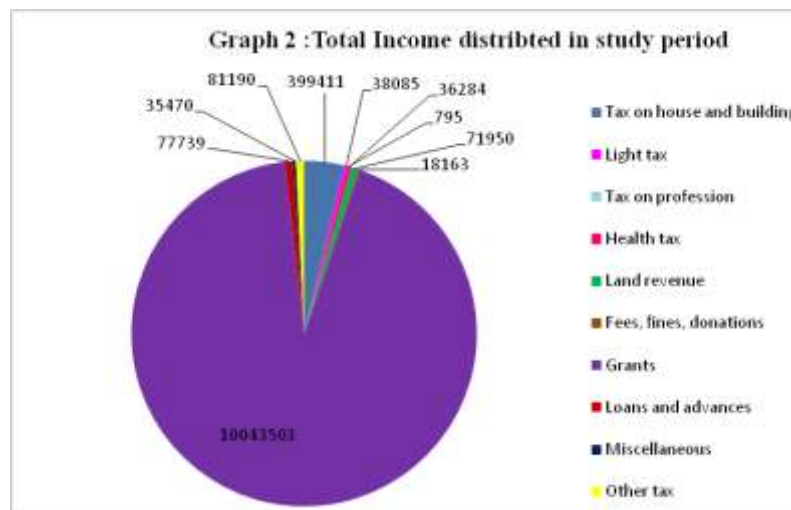
**Table no.2 Composition of Total Expenditure of Erandoli Village Panchayat
(Amount in Rupees)**

Year	General Administration	Water Supply	Transport And Communication	Health And Cleaning expenses	Street Light	Expenses on woman and child welfare	Expenses On district Rural development fund	Loans And advances	Expenses On Social programme	Other Exp.	Total expenditure
2009-10	74404	710995	0	29006	23286	0	1860	9820	7598	92399	949368
2010-11	133986	1820212	134700	43550	16400	500	1589	30500	9507	11790	2202734
2011-12	140044	6955796	44800	190363	151722	150	1820	118320	25548	34301	7662864
Total	348434	9487003	179500	262919	191408	650	5269	158640	42653	138490	10814966
CGR	37.19	14.03	-66.75	156.18	155.28	-70	-1.08	247.11	83.37	-39.06	184.10

Source: Official Records of Erandoli Village Panchayat

Graph 1: Composition of Total Income of Erandoli Village Panchayat





Graph 3: Composition of Total expenditure of Erandoli Village Panchayat

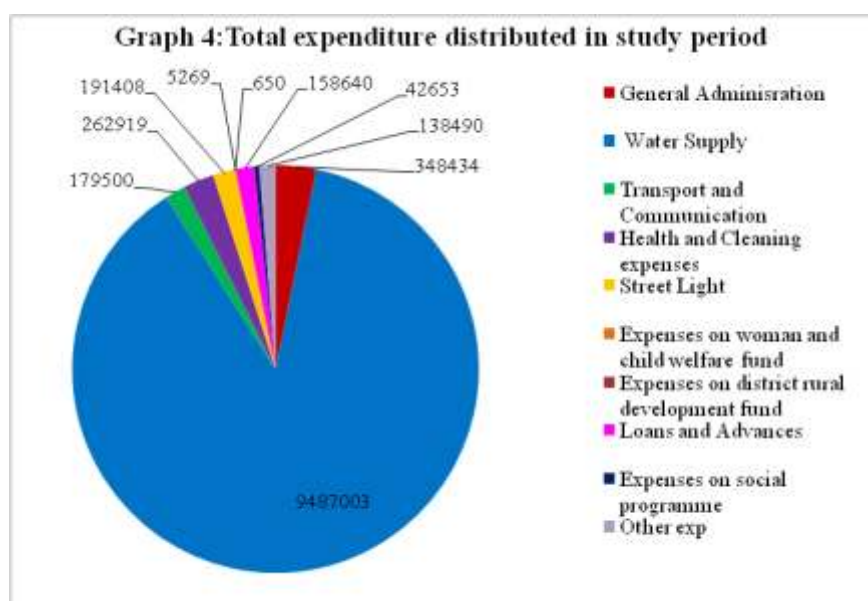
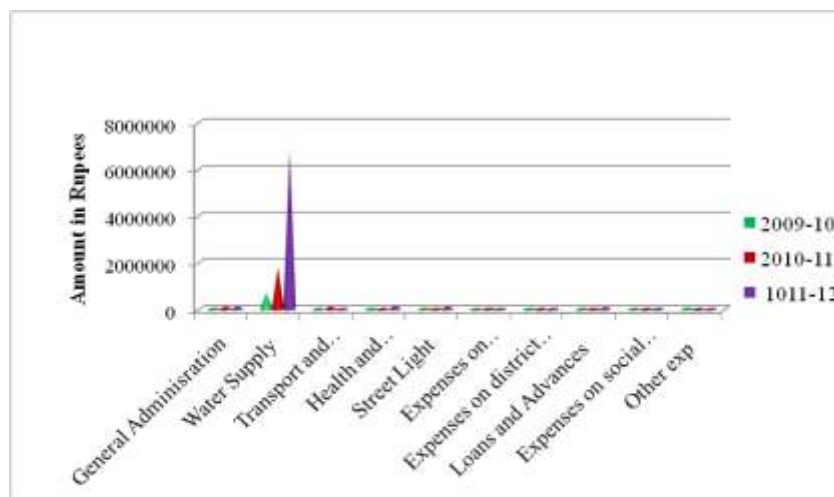


Table 2, shows that the sources of expenditure incurred in the study period by Erandoli Village Panchayat in Sangli district. The table 2 and graph 3 indicates that the details of sources of expenditure from Village Panchayat during 2009-10 to 2011-12. Total expenditure of three years was expenditure on general administration Rs.348434, water supply Rs.9487003, transport and communication Rs.179500, health and cleaning expenses Rs.262912, street light Rs.191408, expenditure on woman and child welfare Rs.650, expenditure on district rural development fund Rs.5269, loans and advances Rs. 158640, expenditure on social programme Rs.42653, other expenditure Rs.138490 and total expenditure Rs. 10814966. In the study period, the expenditure incurred for water supply was higher but in the calculation of Compound Growth Rate, the health and cleaning expenses (156.28) was higher than the CGR (14.03) of water supply.

Graph 4, shows that the Village Panchayat incurred its maximum expenditure in the study period for water supply and the percentage to total expenditure was (88%) and minimum expenditure on woman and child welfare was only Rs.650 and its percentage were only (0.006%) to total revenue.

CONCLUSIONS

The entire financial study of Erandoli Village Panchayat reveals number of conclusions. The following major conclusions can be drawn based on forgoing analysis.

- 1.The present research study reveals that there is fluctuating trends in revenue as well as expenditure pattern in the village during the study period.
- 2.Total revenue of Erandoli Village Panchayat shows the fluctuating trend, total expenditure reveals an increasing trend in the study period.
- 3.The study reveals that the Erandoli Village Panchayat has maintained surplus in their balance sheet only for a year. Remaining two years, the position was deficit. It indicates that the in Erandoli Village Panchayat has to face a problem of inadequate financial resources.
- 4.A study of revenue composition of Erandoli Village Panchayat indicates (table no. 1) that the loans and advances play an important role. The revenue from loans and advances was high. Panchayat had to depend more on the subsidy from Bharat Norman Yojana compare to its own revenue. In the year 2009-10, a big amount of Rs.23,56,783 received from Bharat Nirman Yojana. This shows how heavily the panchayat depended upon the subsidy from Bharat Nirman Yojana. In the year 2011-12, also a big amount of Rs.68,88,993 received from National Rural Drinking Water. Therefore, in this year, also the panchayat much depend grants.

An analysis of composition of total expenditure of Erandoli Village Panchayat reveals that in the expenditure of water supply was high. In the year 2009-10 expenditure on water supply of Rs.710995 out of this, the expenditure on Bharat nirman yojana water scheme was Rs.6,28,540. In the year 2011-12, the expenditure on National Rural Drinking Water Rs.68,88,993. Therefore, in the study period the expenditure on water supply was high.

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