

Chapter – 3

**GROWTH AND COMPOSITION OF REVENUE  
OF KOLHAPUR ZILLA PARISHAD**

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## Chapter – 3

**GROWTH AND COMPOSITION OF REVENUE  
OF KOLHAPUR ZILLA PARISHAD****3.1 Introduction**

In fact, public revenue is the core of study of public finance as production occupies in the study of economics. <sup>1</sup> A government needs income for the performance of a variety of functions and meeting its expenditure.

Revenue plays an important role in the finances of Zilla Parishad. The development of district partly depends upon its sources of income and partly grants-in-aid by the state government from time to time. The financial pattern as provided in the Zilla Parishad and Panchayat Samittee Act 1961 is naturally based on the recommendations of the Naik Committee.

There are various provisions, which are made by the state government on the basis of Maharashtra Zilla Parishad and Panchayat Samittee Act 1961, to the Zilla Parishad with a view to collect revenue for their expenditures.

There are two major components of the total revenue of Kolhapur Zilla Parishad namely –

- a) Total Revenue Receipts
- b) Total Capital Receipts

**a) Total Revenue Receipts**

Total revenue receipts consist of the tax revenue, non-tax revenue and grants.

## b) Total Capital Receipts

Total capital receipts consist of loans bearing interest, loans not bearing interest and miscellaneous (Deposits and Advances repayable).

### 3.2 Growth and Composition of Total Revenue

Total revenue of Kolhapur Zilla Parishad consists of total revenue receipts and total capital receipts.

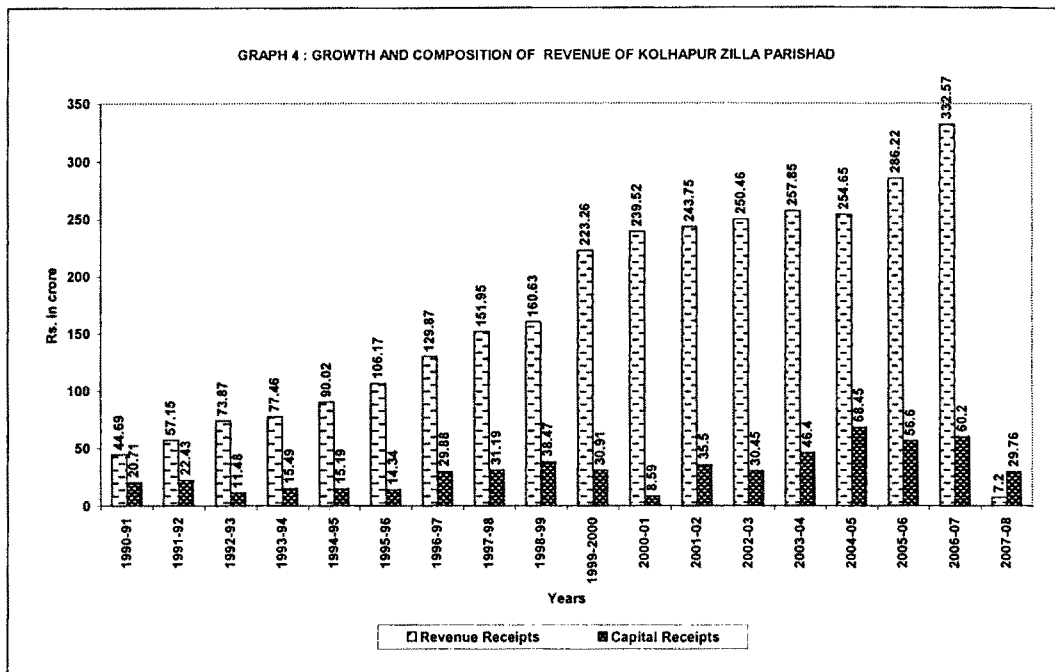
**Table No. 3.1**  
**Growth and Composition of Revenue of Kolhapur Zilla Parishad**

(Rs. in crore)

Year	Revenue Receipts	Capital Receipts	Total Receipts
1990-91	44.69 (68.13)	20.71 (31.66)	65.40 (100)
1991-92	57.15 (71.81)	22.43 (28.18)	79.58 (100)
1992-93	73.87 (86.54)	11.48 (13.45)	85.35 (100)
1993-94	77.46 (83.32)	15.49 (16.67)	92.96 (100)
1994-95	90.02 (85.55)	15.19 (14.44)	105.22 (100)
1995-96	106.17 (88.09)	14.34 (11.90)	120.52 (100)
1996-97	129.87 (81.29)	29.88 (18.70)	159.76 (100)
1997-98	151.95 (82.96)	31.19 (17.03)	183.14 (100)
1998-99	160.63 (80.67)	38.47 (19.32)	199.10 (100)
1999-2000	223.26 (87.83)	30.91 (12.16)	254.18 (100)
2000-01	239.52 (96.53)	8.59 (3.46)	248.11 (100)
2001-02	243.75 (87.28)	35.50 (12.71)	279.26 (100)
2002-03	250.46 (89.15)	30.45 (10.84)	280.91 (100)
2003-04	257.85 (84.74)	46.40 (18.25)	304.25 (100)
2004-05	254.65 (78.81)	68.45 (21.18)	323.10 (100)
2005-06	286.22 (83.48)	56.60 (16.51)	342.82 (100)
2006-07	332.57 (84.67)	60.20 (15.32)	392.77 (100)
2007-08	7.20 (19.48)	29.76 (80.51)	36.97 (100)
1990-91 to 2006-07	12.75	8.84	11.97
1990-91 to 1999-2000	17.8	9.04	15.8
2000-01 to 2006-07	4.83	31.1	7.12
Fold Growth	7.44	2.90	6.00

Source : Budgetary Documents of Kolhapur Zilla Parishad

Note : Figures into brackets shows percentage to total.



The table shows growth and composition of total revenue of Kolhapur Zilla Parishad during 1990-91 to 2007-08. During the study period, the total revenue of Kolhapur Zilla Parishad has increased continuously with 6.0 fold growth. It rose from Rs. 65.40 crore in 1990-91 to Rs. 120.52 crore in 1995-96, Rs. 248.11 crore in 2000-01, Rs. 392.77 crore in 2006-07. The CGR of total revenue of Kolhapur Zilla Parishad for 1990-91 to 2006-07 was 11.97 percent during 1990-91 to 1999-2000 it was 15.8 percent and for 2000-01 to 2006-07 was 7.12 percent. It has decreased after 2000-01.

Total revenue of Kolhapur Zilla Parishad consists of total revenue receipts and total capital receipts. During 1990-91 to 2006-07 revenue receipts of Kolhapur Zilla Parishad have increased gradually with 7.44 fold growth. They rose from R. 44.69 core in 1990-91, Rs. 106.17 crore in 1995-06, Rs. 239.52 crore in 2000-01 and Rs. 332.57 crore in 2006-07. The CGR of total revenue receipts of Kolhapur Zilla Parishad for 1990-91 to 2006-07 was 12.75 percent, for 1990-91 to 1999-2000 it was 17.8 percent and during 2000-01 to 2006-07 it was 4.83 percent.

This means that the CGR of total revenue receipts of Kolhapur Zilla Parishad has decreased after 2000-01. To achieve economic development revenue receipts as well as capital receipts are very important. Due to this, it necessitates to increase revenue receipts of Kolhapur Zilla Parishad. Revenue receipts have shown wide fluctuations, which is a thing of serious concern. However, they have showed a significant growth during the period under study.

The capital receipts of Kolhapur Zilla Parishad consist of loans bearing interest, loans not bearing interest and miscellaneous items (Deposits and Advances repayable). Total capital receipts have shown wide fluctuations. They fluctuated from Rs. 20.71 crore in 1990-91 to Rs. 14.34 crore in 1995-96, Rs. 8.59 crore in 2000-01 and Rs. 60.20 crore in 2007-08 registering a growth of about 2.90 times over the study period. The above data indicates fluctuating trend in the total capital receipts of Kolhapur Zilla Parishad, which is an indicator inabilities of the Kolhapur Zilla Parishad to mobilise capital receipts in accordance with needs.

The CGR of total capital receipts of Kolhapur Zilla Parishad for 1990-91 to 2006-07 was 8.84 percent, during 1990-91 to 1999-2000 it was 9.04 percent, and for 2000-01 to 2006-07 it was 31.1 percent. The data indicates that after 2000-01 the CGR of capital receipts of Kolhapur Zilla Parishad have increased significantly. Kolhapur Zilla Parishad could not raise capital receipts much, which indicates its inability and failure in speeding up the process of economic growth.

### **3.3 Growth and Composition of Revenue Receipts**

Kolhapur Zilla Parishad collects its revenue receipts through three major sources namely –

1. Tax Revenue
2. Non-Tax Revenue
3. Grants

## 16232

**1. Tax Revenue**

Tax levied and collected by the state and allotted to the Zilla Parishad forms an important source of Zilla Parishads income. According to Section No. 144 of Maharashtra Zilla Parishads and Panchayat Samittees Act 1961, land revenue is being collected under Section No. 146 of said tax Act and water rates also collected. Its tax revenue receipts include taxes and fees, local cess and local tax.

**2. Non-Tax Revenue**

The Non-Tax Revenue of Kolhapur Zilla Parishad comes from various types of fees, receipts from property (rent, lease, sale), penalties, sale of land, disposal of dead animals, license fees and other. Other sources of Non-Tax Revenue are receipts from interest, police, education, medicine, public health, agriculture, animal husbandry, public construction, miscellaneous and others.

**3. Grants-in-aid**

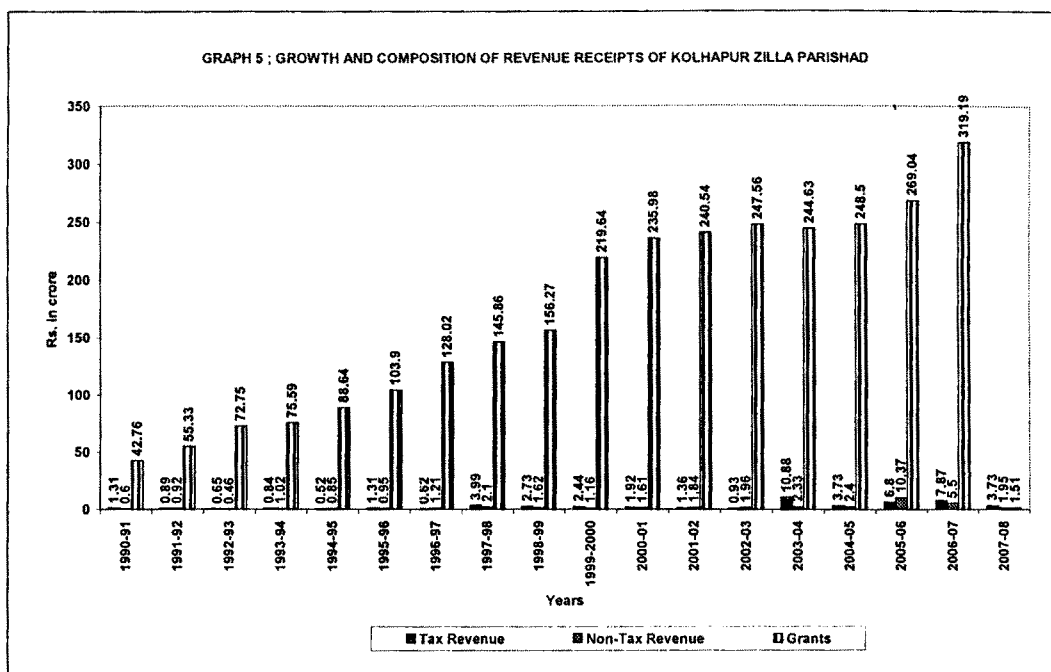
Grants are the main source of rural local governments income. According to the Maharashtra Zilla Parishad and Panchayat Samittee Act 1961, the procedure has been prescribed for how to get the grants from the state government to Zilla Parishad in many ways. <sup>2</sup>

**Table No. 3.2**  
**Growth and Composition of Revenue Receipts of Kolhapur Zilla Parishad**

(Rs. in Crore)

Year	Tax Revenue	Non-Tax Revenue	Grants	Total Revenue Receipts
1990-91	1.31 (2.94)	0.60 (1.36)	42.76 (95.69)	44.69 (100)
1991-92	0.89 (1.55)	0.92 (1.62)	55.33 (96.81)	57.15 (100)
1992-93	0.65 (0.88)	0.46 (0.63)	72.75 (98.48)	73.87 (100)
1993-94	0.84 (1.08)	1.02 (1.31)	75.59 (97.59)	77.46 (100)
1994-95	0.52 (0.58)	0.85 (0.94)	88.64 (98.46)	90.02 (100)
1995-96	1.31 (1.23)	0.95 (0.89)	103.90 (97.86)	106.17 (100)
1996-97	0.62 (0.48)	1.21 (0.93)	128.02 (98.57)	129.87 (100)
1997-98	3.99 (2.62)	2.10 (1.38)	145.86 (95.99)	151.95 (100)
1998-99	2.73 (1.7)	1.62 (1.01)	156.27 (97.28)	160.63 (100)
1999-2000	2.44 (1.09)	1.16 (0.25)	219.64 (98.38)	223.26 (100)
2000-01	1.92 (0.8)	1.61 (0.67)	235.98 (98.52)	239.52 (100)
2001-02	1.36 (0.56)	1.84 (0.75)	240.54 (98.68)	243.75 (100)
2002-03	0.93 (0.37)	1.96 (0.78)	247.56 (98.84)	250.46 (100)
2003-04	10.88 (4.22)	2.33 (0.9)	244.63 (94.87)	257.85 (100)
2004-05	3.73 (1.46)	2.40 (0.94)	248.50 (97.58)	254.65 (100)
2005-06	6.80 (2.37)	10.37 (3.62)	269.04 (93.99)	286.22 (100)
2006-07	7.87 (2.36)	5.50 (1.65)	319.19 (95.97)	332.57 (100)
2007-08	3.73 (51.77)	1.95 (27.18)	1.51 (21.03)	7.20 (100)
1990-91 to 2006-07	14.7	14.09	17.2	12.75
1990-91 to 1999-00	14.64	11.47	30.02	17.8
2000-01 to 2006-07	37.01	29.98	4.13	4.83
Fold Growth	5.98	9.03	7.46	7.44

Source : Same as of Table No. 3.1



The table shows growth and composition of Revenue Receipts of Kolhapur Zilla Parishad during 1990-91 to 2007-08. There are three sources of revenue receipts of Kolhapur Zilla Parishad namely – Tax revenue, Non –tax revenue and Grants. During this period, grants were a main source of income for Kolhapur Zilla Parishad. They rose from Rs. 42.46 crore in 1990-91 to Rs. 103.90 crore in 1995-96, Rs. 235.98 crore in 2000-01 and Rs. 319.19 crore in 2006-07 registering a growth of about 7.46 times over the study period. The CGR of grants for 1990-91 to 2006-07 was 17.2 percent, during 1990-91 to 1999-2000 it was 30.02 percent and during 2000-01 to 2006-07 it was 4.13 percent. After 2000-01 the CGR of grants have decreased and they are lower than tax and non-tax revenue.

The share of grants in total revenue receipts ranged from 93.99 percent to 98.84 percent during the study period. This means that grants were a main source of income for Kolhapur Zilla Parishad. It mainly relies on grants for revenue receipts collection of the state government.



Tax revenue includes taxes and fees, local cess and local tax. It rose from Rs. 1.31 crore in 1990-91, Rs. 1.31 crore in 1995-96, Rs. 1.92 crore in 2000-01 and Rs. 7.87 crore in 2006-07 registering a growth of about 5.58 times over the study period. This data clearly shows the fluctuations within the tax revenue receipts of Kolhapur Zilla Parishad. The individual share of tax revenue in total revenue receipts ranged from 0.37 percent to 4.22 percent during the study period. This implies that tax revenue is the minor sources of total revenue receipts of Kolhapur Zilla Parishad.

Non-tax revenue consists of receipts from interest, police, education, medicine, public health, agriculture, animal husbandry, public construction, miscellaneous and others. It was Rs. 0.60 crore in 1990-91, Rs. 0.95 crore in 1995-96, Rs. 1.61 crore in 2000-01 and Rs. 5.50 crore in 2006-07 registering a growth of about 7.44 times over the study period. This clearly shows the fluctuating trends in non-tax revenue and consequently in total revenue receipts of the Kolhapur Zilla Parishad.

The share of non-tax revenue in total revenue receipts ranged between 0.25 percent to 3.62 percent during the period under study.

It is observed that upto 2001, tax revenue and non-tax revenue grew slower than the growth of grants. However, after that the growth of grants was slower than them, which has reflections of fiscal reforms at the state. However, the Kolhapur Zilla Parishad was heavily depending on the grants for its revenue receipts collection, which is dangerous to its fiscal autonomy. Even though the contributions of grants in revenue receipts mobilization have been decreasing with fluctuations, it is a prominent and significant source of revenue.

The processing of data by using some important statistical tools revealed certain important results and thereby inferences. Tax revenue of the Kolhapur Zilla Parishad was in the range of minimum of Rs. 5280833 and of maximum Rs. 108853120 during the period

under study with its mean of Rs. 2898294. The standard deviation (SD) of the data in table revealed that Non-tax revenue (Rs. 23346775) and Tax revenue (Rs. 2898294) were the consistent sources of revenue receipts for Kolhapur Zilla Parishad and grants (Rs. 938477294) were the less consistent but significant source for its revenue receipts.

The correlation analysis of the data shows that grants showed a very highly and positive ( $r .99$ ) association with revenue receipts of Kolhapur Zilla Parishad, but not the sources such as Non-tax revenue ( $.59$ ) and Tax revenue ( $.5$ ).

The study of the data in table by applying regression analysis indicated that grants was a prominent determinant (standardized Beta  $.96$  and  $t$  value  $290791752$ ) than the tax revenue ( $0.03$ ,  $8616941$ ) and Non-tax revenue ( $0.02$ ,  $6833658$ ).

### **3.4 Growth and Composition of Tax Revenue of Kolhapur Zilla Parishad**

Taxes are levied and collected by the state government and allotted to the Zilla Parishad. Its tax revenue receipts include taxes and fees, local cess and local tax.

#### **A) Taxes and Fees**

Taxes and fees consist of the following components, namely –

1. Taxes on Profession and Trade : Profession tax is levied on the advertisements and trade tax is levied on the entry of goods into the local authority area for consumption.
2. Water Tax on Irrigation : A tax is imposed on water for recovery of the cost of minor irrigation works.
3. Pilgrim Tax : A pilgrim tax may be levied on those visiting hill stations like Shillong in summer.
4. Special Tax on Lands and Buildings : A tax is levied on brick and concrete buildings and a tax on cultivable lands lying fallow.

5. Market Fees : Market fee for right to expose goods for sale in the market.
6. License Fees : It imposes a tax or license fee on cinemas, circuses, variety shows, tea stalls etc.
7. General Water Tax : General Water tax levy is on the supply of water.
8. Registration Fees for Animals : A tax impose is on registration of cattle sold in markets. <sup>3</sup>

#### **B) Assigned Revenue**

According to the Maharashtra Zilla Parishad and Panchayat Samittee Act 1961, assigned revenue of the Zilla Parishad consists of the following components namely –

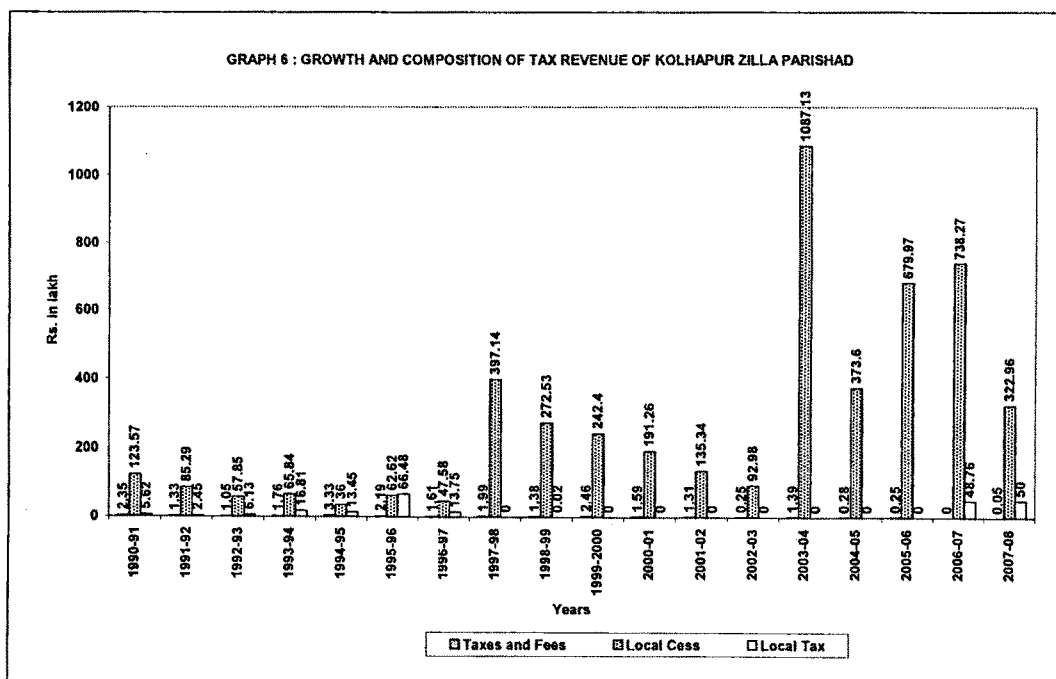
1. Cess levied under Section 144, 151 and 152 two hundred paisa on every rupee of land revenue within that district (original cess).
2. Cess levied under Section 155, five hundred paisa on every rupee of land revenue within the district (Additional Cess on land revenue).
3. Cess levied under Section 146, twenty paisa on every rupee of water rate under the provisions of the Bombay Irrigation Act, 1879 (Water Rate Cess).
4. Stamp Duty Grant : One percent stamp duty imposed by the Bombay Stamp Act, 1958 an instrument of sale, gift and mortgage, respectively of immovable property within the jurisdiction of any Zilla Parishad on the value of stamp duty and such amount is given to the Zilla Parishad.

**Table No. 3.3**  
**Growth and Composition of Tax Revenue of Kolhapur Zilla Parishad**

(Rs. in lakh)

Year	Taxes and Fees	Local Cess	Local Tax	Total Tax Revenue
1990-91	2.35 (1.79)	123.57(93.93)	5.62(4.27)	131.55(100)
1991-92	1.33(1.49)	85.29(95.75)	2.45(2.75)	89.08(100)
1992-93	1.05(1.61)	57.85(88.95)	6.13(9.43)	65.03(100)
1993-94	1.76(2.09)	65.84(77.98)	16.81(19.92)	84.43(100)
1994-95	3.33(6.3)	36.01(68.2)	13.45(25.48)	52.80(100)
1995-96	2.19(1.67)	62.62(47.69)	66.48(50.63)	131.31(100)
1996-97	1.61(2.56)	47.58(75.58)	13.75(21.85)	62.96(100)
1997-98	1.99(0.5)	397.14(99.49)	--	399.14(100)
1998-99	1.38(0.5)	272.53(99.48)	0.02(0.008)	273.94(100)
1999-2000	2.46(1.007)	242.40(98.99)	--	244.87(100)
2000-01	1.59(0.82)	191.26(99.17)	--	192.85(100)
2001-02	1.31(0.96)	135.34(99.03)	--	136.66(100)
2002-03	0.25(0.27)	92.98(99.72)	--	93.23(100)
2003-04	1.39(0.12)	1087.13(99.87)	--	1088.53(100)
2004-05	0.28(0.07)	373.67(99.92)	--	373.95(100)
2005-06	0.25(0.03)	679.97(99.96)	--	680.22(100)
2006-07	--	738.27(93.8)	48.76(6.19)	787.03(100)
2007-08	0.05(0.01)	322.96(86.58)	50.00(13.4)	373.01(100)
Growth in Fold	--	5.97	8.67	5.98

Source : Same as of Table No. 3.1



The above table shows growth and composition of tax revenue of Kolhapur Zilla Parishad during 1990-91 to 2007-08. Tax revenue receipts of Kolhapur Zilla Parishad include taxes and fees, local cess and local tax.

The above table shows taxes and fees of Kolhapur Zilla Parishad fell from Rs. 2.35 lakh in 1990-91, Rs. 2.19 lakh in 1995-96, Rs. 1.59 lakh in 2000-01. Their share in total tax revenue ranged between 0.05 to 2.56 percent during the study period with wide fluctuations.

Compared to other tax revenue, taxes and fees had very low share in income of Kolhapur Zilla Parishad.

In tax revenue, local cess had very high share in income of Kolhapur Zilla Parishad. It rose from Rs. 123.57 lakh in 1990-91 to Rs. 191.26 lakh in 2000-01, Rs. 738.27 lakh in 2006-07 registering a growth of about 5.97 times over the study period. The share of local cess in total tax revenue ranged from 47.69 percent to 99.96 percent during the study period. Thus, local cess is a major source of tax revenue for Kolhapur Zilla Parishad.

The processing of data in table No. 3.3 revealed that local cess as a source of tax revenue had a greater range. (min. 3601739, max. 108713520). Its standard deviation (SD) analysis indicated local cess registered greater variations (SD 28996849) but an important source of tax revenue than the taxes and fees and local tax.

The correlation analysis of the data revealed that local cess showed ( $r = .99$ ) a positive and high degree correlation with the tax revenue of Kolhapur Zilla Parishad during the study period. However, taxes and fees showed a negative but low degree ( $- 0.41$ ) association and local tax a positive but a very low ( $0.04$ ) relationship with the tax revenue of Kolhapur Zilla Parishad. Thus, local cess was a definite and prominent source of tax revenue.

The study of the data by employing regression analysis showed that local cess was a determinant of (Standardized Beta 1.00, t value 126947505) tax revenue of Kolhapur Zilla Parishad and taxes and fees (Standardized Beta 0.03, t value 405163) as well as local tax (Standardized Beta 0.07, t value 9821762) could not contribute significantly to the tax revenue mobilisation of Kolhapur Zilla Parishad during the period under study.

### **3.5 Growth and Composition of Non-Tax Revenue Receipts of Kolhapur Zilla Parishad**

In non-tax revenue receipts of Kolhapur Zilla Parishad items of income included are income from interest, police, education, medicine, public health, agriculture, animal husbandry, public construction, miscellaneous and others. It is the own income of Kolhapur Zilla Parishad. The non-tax revenue sources of Kolhapur Zilla Parishad can be described as follows :

#### **a) Interest**

- I) Interest on loans and advances by Zilla Parishad
- II) Interest on Pension Fund
- III) Interest on Other Miscellaneous Funds
- IV) Interest on Overdue Payments.

#### **b) Police**

- I) Receipts under the Bombay Public Conveyances Act, 1920

#### **c) Education**

- I) Fees from primary and secondary schools
- II) Receipts from basic schools
- III) Recoveries of over payments
- IV) Income from endowments and fines

V) Contribution from non local authorized municipalities

**d) Medicine**

I) Hospital fees

II) Sale of medicines

III) Income from endowments and contributions

IV) Miscellaneous recoveries

**e) Public Health**

I) Miscellaneous receipts

II) Miscellaneous recoveries

**f) Agriculture**

I) Agriculture school fees

II) Agriculture receipts

III) Miscellaneous receipts

IV) Miscellaneous recoveries

**g) Animal Husbandry**

I) Veterinary dispensary fees

II) Cattle fairs

III) Other receipts

IV) Miscellaneous recoveries

**H) Public Construction**

I) Buildings and communications

II) Rent of land, building, plants and tools

III) Sales of old stores and materials

IV) Sale proceeds of fruits and trees

V) Dharmashala fees

VI) Miscellaneous

**I) Pensions**

I) Contribution to pension fund

II) Contribution to provident fund

III) Miscellaneous

**J) Miscellaneous Items**

I) Sale of old stores and materials

II) Contributions

III) Receipts on account of block schemes

IV) Miscellaneous receipts.

**K) Others**



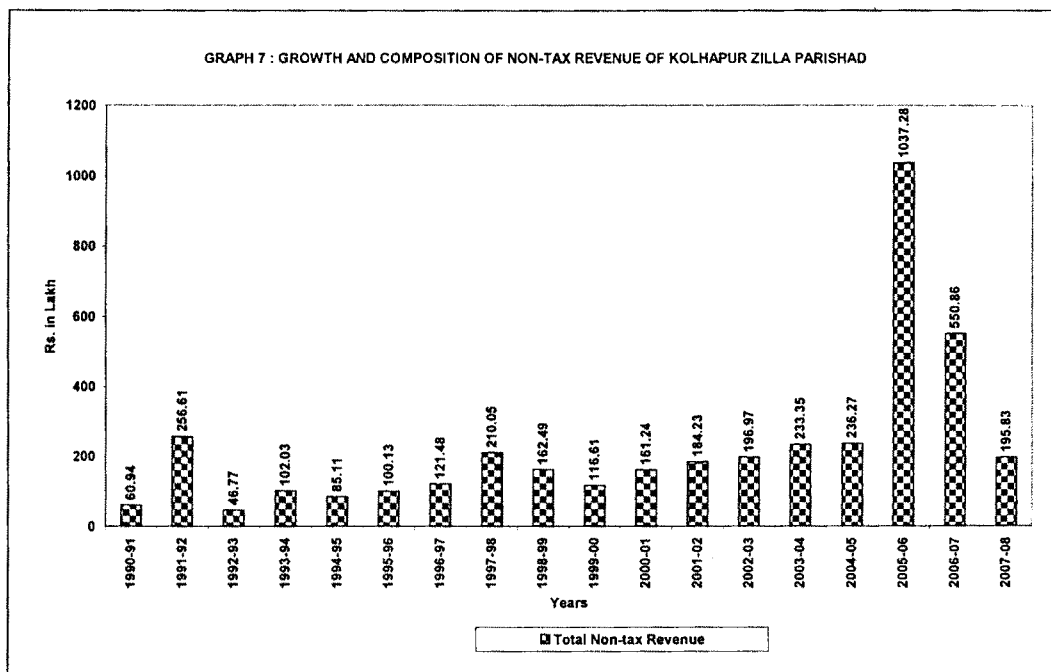
**Table No. 3.4**  
**Growth and Composition of Non-Tax Revenue of Kolhapur Zilla Parishad**

(Rs. in lakh)

Year	Items of Non-tax Revenue											Total Non-Tax Revenue
	Interest	Police	Education	Medicine	Public Health	Agriculture	Animal Husbandry	Public Construction	Miscellaneous	Pension Fund	Others	
1990-91	7.73 (14.88)	0.001 (0.003)	9.43 (18.71)	4.25 (8.2)	0.64 (1.24)	0.28 (0.55)	0.87 (1.67)	21.02 (23.14)	15.82 (30.45)	0.85 (1.65)	--	60.94
1991-92	18.21 (19.65)	0.001 (0.001)	9.92 (10.71)	4.24 (4.58)	1.34 (1.44)	0.24 (0.25)	0.25 (0.27)	17.52 (18.90)	40.25 (43.44)	0.66 (0.71)	--	256.61
1992-93	6.15 (13.15)	0.001 (0.002)	7.97 (17.05)	4.82 (10.32)	0.36 (0.77)	0.37 (0.81)	0.003 (0.008)	15.34 (32.81)	10.67 (22.82)	1.04 (2.23)	--	46.77
1993-94	3.42 (3.35)	0.001 (0.001)	15.38 (15.08)	4.69 (4.59)	0.74 (0.72)	0.13 (0.13)	0.19 (0.19)	18.82 (18.45)	57.31 (56.17)	1.31 (1.28)	--	102.03
1994-95	5.16 (6.06)	0.0005 (0.0006)	5.87 (6.9)	4.6 (5.41)	0.25 (0.3)	0.14 (0.16)	0.13 (0.15)	15.77 (18.53)	0.92 (1.09)	52.22 (61.35)	--	85.11
1995-96	21.86 (22.96)	-	13.91 (14.6)	2.67 (2.81)	0.57 (0.6)	0.06 (0.06)	0.2 (0.21)	27.34 (28.71)	27.96 (29.36)	0.6 (0.63)	--	100.13
1996-97	35.3 (29.06)	0.001 (0.001)	4.51 (3.71)	1.05 (0.87)	0.47 (0.38)	0.02 (0.01)	0.003 (0.002)	19.88 (16.36)	0.18 (0.15)	60.02 (49.41)	--	121.48
1997-98	19.61 (9.33)	0.001 (0.0006)	1.36 (0.65)	8.88 (4.22)	0.21 (0.1)	0.009 (0.004)	0.004 (0.002)	19.05 (9.07)	0.15 (0.07)	160.74 (76.52)	--	210.05
1998-99	79.93 (49.16)	-	0.54 (0.33)	10.56 (6.49)	0.04 (0.02)	0.68 (0.41)	--	38.24 (23.53)	0.009 (0.006)	32.48 (19.98)	--	162.49
1999-00	67.79 (58.13)	-	5.83 (5)	10.75 (9.22)	-1.25 (-1.07)	--	0.01 (0.01)	20.47 (17.55)	12.62 (10.82)	0.37 (0.31)	--	116.61

Year	Items of Non-tax Revenue											Total Non-Tax Revenue
	Interest	Police	Education	Medicine	Public Health	Agriculture	Animal Husbandry	Public Construction	Miscellaneous	Pension Fund	Others	
2000-01	37.71 (23.39)	-	6.83 (4.23)	13.38 (8.3)	5.26 (0.32)	0.20 (0.12)	13.40 (8.31)	22.33 (13.84)	66.84 (41.45)	0.004 (0.002)	--	161.24
2001-02	86.73 (47.07)	0.001	4.87	12.24 (6.64)	0.32 (0.17)	0.69 (0.37)	17.41 (9.45)	22.13 (12.01)	39.81 (21.61)	--	--	184.23
2002-03	77.78 (39.49)		5.14	15.21 (7.72)	1.79 (0.91)	6.93 (3.52)	15.02 (7.62)	25.07 (12.72)	49.93 (25.35)	0.05 (0.02)	--	196.97
2003-04	86.32 (36.99)		17.91	24.37 (10.44)	0.41 (0.17)	1.73 (0.74)	18.12 (7.76)	23.82 (10.21)	60.63 (25.98)	0.007 (0.003)	--	233.35
2004-05	111.50 (47.19)	2.07	0.47	26.96 (11.41)	2.39 (1.01)	4.08 (1.72)	15.45 (6.54)	23.13 (9.79)	50.11 (21.21)	0.05 (0.02)	--	236.27
2005-06	88.82 (8.56)	2.07	3.78	31.61 (3.04)	2.92 (0.28)	3.13 (0.3)	19.56 (1.88)	32.96 (3.17)	52.72 (5.08)	0.03 (0.003)	799.64 (77.09)	1037.28
2006-07	118.7 (21.54)	2.09	4.27	35.5 (6.44)	2.16 (0.39)	2.97 (0.53)	18.43 (3.34)	52.61 (9.55)	313.53 (55.91)	0.57 (0.1)	--	550.86
2007-08	80.1 (40.9)	2.07	6.86	20.82 (10.63)	1.77 (0.9)	4.00 (2.04)	10.02 (5.11)	44.98 (22.97)	25.21 (12.87)	--	--	195.83
Growth in Fold	15.34	1203.54	0.45	8.33	30.35	13.98	21.14	4.37	19.81	0.66	--	10.60

Source : Same as of Table No. 3.1



Above table shows the growth and composition of Non-tax revenue receipts of Kolhapur Zilla Parishad during 1990-91 to 2007-08. Interest income has been increased from Rs. 7.75 lakh in 1990-91 to Rs. 37.71 lakh in 2000-01 and Rs. 118.7 lakh in 2006-07 registering a growth of about 15.34 times over the study period. The share of interest income in total non-tax revenue ranged from 3.35% to 47.07% during the study period.

Receipts under the head 'police' refers to the collection of fines under the Bombay Public Vehicles Act 1920. The share of income from police actions was low.

Bulk receipts under Education of Kolhapur Zilla Parishad refer to the fees collected from the primary, secondary and basic training schools and receipts from the non-local authorized municipalities. They fluctuated from Rs. 9.43 lakh in 1990-91 to Rs. 6.88 lakh in 2000-01, Rs. 4.27 lakh in 2006-07 registering a growth of about 0.45 times over the study period. The individual share of Education in total non-tax revenue ranged 0.2% to 18.17% during the study period.

Fees for medical consist of hospital fees, sale of medicines and income from endowments and contributions. They rose from Rs. 4.25 lakh in 1990-91, Rs. 13.38 lakh in 2000-01 and Rs. 20.82 lakh in 2006-07 indicating significant fluctuations registering a growth of about 8.33 times over the study period. The share of receipts from medicine in total non-tax revenue ranged between 0.97% to 11.41% during the study period.

The share of public health in total non-tax revenue was very small. It was Rs. 0.64 lakh in 1990-91 which rose to Rs. 5.26 lakh in 2000-01 but fell to Rs. 2.16 lakh in 2006-07 registering a growth about 30.55 times with wide fluctuations over the study period.

Under agriculture as a source of Non-tax revenue the main sources of income are fees collected through crop competitions, collection of rent for the use of agricultural implements was also considerable. The share of agriculture in non-tax revenue receipts was very low. The share of agriculture in total non-tax revenue ranged from 0% to 3.52% during the study period. It was Rs. 0.28 lakh in 1990-91 that declined to Rs. 0.20 lakh in 2000-01 but significantly rose to Rs. 2.97 lakh in 2006-07 registering a growth of about 18.58 times over the study period.

The items of receipts from animal husbandry are the fees from slaughter houses, fees for examination and treatment of animal and also fees under cattle shows. They stood at Rs. 0.87 lakh in 1990-91, Rs. 0.21 lakh in 1995-96, Rs. 17.41 lakh in 2001-02, Rs. 18.43 lakh in 2006-07 registering a growth of about 21.14 times over the study period.

After 2000-01 the data presents that the share of agriculture and animal husbandry in total non-tax revenue has been increasing significantly.

Income from public construction and miscellaneous in total non-tax revenue was high. Income from public construction rose from Rs. 21.02 lakh in 1990-91 to Rs. 22.15 lakh in 2001-02, Rs. 52.61 lakh in 2006-07 with 4.37 fold growth. Its share in total non-tax revenue ranged between 3.17% to 32.91% during the study period.

Mean as statistical tool shows that interest payments (5293925), medicine receipts (1314946) and public construction (2528760) contributed significantly to non-tax revenue of Kolhapur Zilla Parishad under study. The standard deviation (S.D.) analysis shows that miscellaneous items (7065895), interest payments (3940403) and public construction (1026229) showed wide variations, but worked as significant subscribers in the non-tax revenue collection. On the contrary, education (487008), public health (100938), police (88788), registered minor variations in the non-tax revenue collection of Zilla Parishad.

The correlation analysis of composition of non-tax revenue shows that medicine (correlation coefficient .76), police (.68), public health (.65) and animal husbandry (.63) showed a high degree and positive correlation with the non-tax revenue. However, education indicated negative but lower degree (-.26) association with the non-tax revenue mobilisation. Moreover, agriculture showed a positive but lower degree (.40) correlation with the non-tax revenue collection of Kolhapur Zilla Parishad.

The regression analysis of non-tax revenue of Kolhapur Zilla Parishad showed that others (stand, Beta .80, t 244766271), miscellaneous items (.30, t 73668338) and interest payments (.16, t 26619176) were the major determinants of non-tax revenue. However, agriculture, animal husbandry (0.09 & 1975177, 0.36 & 6368135) did not show much important role in non-tax revenue collection of Zilla Parishad.

There was a very minor share of pension in total non-tax revenue of Kolhapur Zilla Parishad.

The above data shows that the share of non-tax revenue in revenue receipts was a very minor. The study of data in table No. 3.4 reveals that public health, animal husbandry, miscellaneous items and interest income shown a significant growth in non-tax revenue collection of Kolhapur Zilla Parishad during the period under study. But they were meagre as well as fluctuating significantly. In the real sense, interest income, public construction and miscellaneous items were the important and regular contributors in the non-tax revenue of the Kolhapur Zilla Parishad.

### **3.6 Growth and Composition of Grants of Kolhapur Zilla Parishad**

Grants from the state government is a very valuable source of income. Kolhapur Zilla Parishad mainly depends upon grants from the state government to mobilize its revenue receipts.

The following grants are given by the state government.

#### **1. Purposive Grants**

these are for the schemes transferred by the state government to the Zilla Parishads. In 1969, 90% of the expenditure on these schemes was paid by the government. Now the government has decided to meet the whole of the expenditure on all the schemes and works of committed nature including the development works of the former local bodies.

#### **2. Establishment Grants**

Originally these were fixed at 75% of the average annual cost on salaries and allowances. Later as, it was expanded to cover posts subsequently created by the Zilla Parishads with the approval of the government now the government has agreed to bear the whole of the

establishment expenditure of the Parishads including travelling allowances and contingent expenditure. <sup>4</sup>

### **3. Local Cess Matching Grants**

A local cess matching grants is given to each Zilla Parishad under section 185 of the Act. They consist of a sum calculated as follows.

If the rate of cess on land revenue exceeds minimum, cess on land revenue in that situation on each and every 500 paisa, 800 paisa grant is given by the state government in the form of local cess matching grants to the Zilla Parishad.

### **4. Grants for Plan Schemes**

The state government pays to each Zilla Parishad every year in such a manner and to such extent, as it may determine grants for such works and development schemes relating to any subject enumerated in the district list as are included in the development plan of the state. <sup>5</sup>

These are paid to the extent of 100% expenditure on all the transferred plan schemes.

### **5. Deduct Refund**

This was given to meet the deficits on committed expenditures on purposive and non-purposive schemes and establishments. In 1968-69, the grant was discontinued and non-purposive schemes and works were converted into purposive schemes and works.

### **6. Total Agency Scheme**

The state government has to pay agency charges to the Zilla Parishad in the form of remuneration for the usage of the Zilla Parishad administrative services. Normally 3% charges of the total expenditure of a particular schemes of the state government are being given to the Zilla Parishad.

## **7. Other Grants paid by Government**

There are various grants paid by government e. g. incentive grants, forest revenue grants, block grants etc. Incentive grants are paid for the progress achieved in the total works programmes, forest revenue grants are paid at 5% block grants on the community development schemes as sanctioned by the union government.

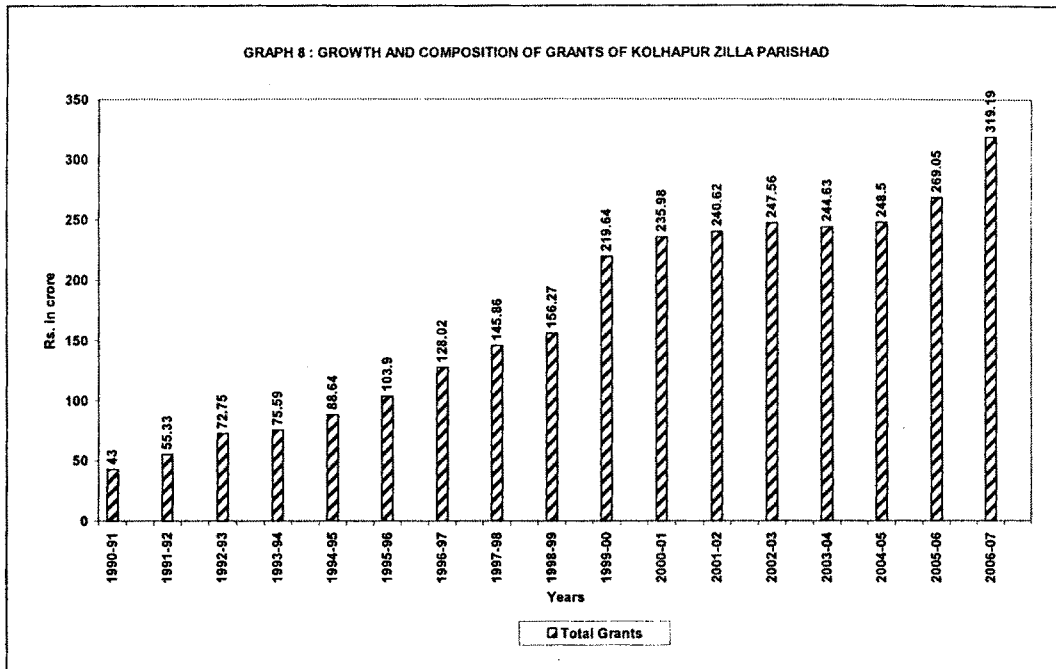
The government at any level performs various functions, discharges the assigned duties and responsibilities. Also provides a variety of services and facilities to the people to satisfy their social wants, whereby the level of social welfare and development can be promoted. But failure in mobilizing adequate revenue in comparison with the rapidly growing expenditure results in deficit to be faced by the government.<sup>6</sup>



**Table No. 3.5**  
**Growth and Composition of Grants of Kolhapur Zilla Parishad**  
(Rs. in Crore)

Years	Purposive Grants	Establishment Grants	Local Cess Matching Grants	Grants for Plan Schemes	Deduct Refund	Total Agency Scheme	Other Grants paid by Government	Total Grants
1990-91	32.82 (76.23)	5.60 (13.03)	0.80 (1.87)	3.36 (7.82)	-0.02 (-0.05)	-	0.42 (0.98)	43.00
1991-92	41.62 (75.23)	6.75 (12.21)	0.39 (0.7)	6.41 (11.59)	-0.10 (-0.19)	0.24 (0.44)	-	55.33
1992-93	45.42 (62.43)	7.54 (10.36)	0.33 (0.45)	6.51 (8.95)	-0.04 (-0.06)	12.75 (17.52)	0.23 (0.32)	72.75
1993-94	49.22 (65.1)	8.11 (10.73)	0.16 (0.21)	6.01 (7.95)	-0.04 (-0.05)	11.64 (15.4)	0.47 (0.63)	75.59
1994-95	56.63 (63.88)	8.92 (10.06)	0.31 (0.35)	7.83 (8.84)	-0.20 (-0.23)	14.83 (16.73)	0.31 (0.35)	88.64
1995-96	67.28 (64.74)	10.05 (9.68)	0.27 (0.26)	12.46 (12.00)	-0.16 (-0.15)	13.54 (13.03)	0.43 (0.41)	103.90
1996-97	76.98 (60.13)	12.16 (9.5)	0.43 (0.33)	22.23 (17.36)	-0.21 (-0.16)	16.28 (12.72)	0.13 (0.1)	128.02
1997-98	89.16 (61.12)	13.06 (8.95)	1.91 (1.31)	23.63 (16.2)	-0.40 (-0.27)	17.92 (12.28)	0.55 (0.83)	145.86
1998-99	95.23 (60.94)	14.36 (9.18)	-	27.29 (17.46)	-0.27 (-0.17)	17.92 (11.46)	1.72 (1.1)	156.27
1999-00	155.38 (70.74)	22.59 (10.28)	0.20 (0.09)	21.28 (9.68)	-0.04 (-0.01)	19.63 (8.93)	0.59 (0.26)	219.64
2000-01	55.57 (23.55)	143.91 (60.98)	1.44 (0.61)	13.03 (5.52)	-	21.16 (8.96)	0.84 (0.35)	235.98
2001-02	30.53 (47.9)	170.61 (26.8)	0.12 (0.05)	13.70 (5.69)	-0.16 (-0.06)	25.34 (10.53)	0.38 (0.16)	240.62
2002-03	24.72 (9.98)	160.06 (64.65)	0.79 (0.32)	32.70 (13.21)	-0.16 (-0.06)	28.69 (11.59)	0.73 (0.29)	247.56
2003-04	-	191.91 (78.45)	-	25.71 (10.51)	-0.04 (-0.19)	25.55 (10.44)	1.48 (0.6)	244.63
2004-05	181.46 (73.02)	19.66 (7.19)	-	20.07 (8.07)	-	26.11 (10.5)	1.18 (0.47)	248.50
2005-06	163.42 (60.74)	55.86 (20.76)	-	17.22 (6.4)	-0.85 (-0.31)	31.32 (11.64)	2.06 (0.76)	269.05
2006-07	185.15 (58.00)	50.57 (15.84)	2.25 (0.70)	42.52 (1.32)	-0.62 (-0.19)	35.71 (11.18)	3.59 (1.12)	319.19
Growth in Fold	5.64	9.02	2.79	12.63	24.90	148.19	8.50	7.42

Source : Same as of Table No. 3.1



Above table shows that growth and composition of income from grants of Kolhapur Zilla Parishad during 1990-91 to 2007-08. During the study period purposive grants have been grown faster. They rose from Rs. 32.82 crore in 1990-91 to Rs. 67.28 crore in 1995-96, but fell to Rs. 55.57 crore in 2000-01 again rose to Rs. 185.15 crore in 2007-08. The share of purposive grants in total grant ranged from 60% to 76.33% during the study period. For this grant, government has to do the whole of the expenditure on the development works of the former local bodies.

Establishment grants rose from Rs. 5.60 crore in 1990-91 to Rs. 10.05 crore in 1995-96, Rs. 143.91 crore in 2000-01 and Rs. 191.91 crore in 2003-04. However, the grants have been decreasing in recent years. They decreased from Rs. 19.0 crore in 2004-05 to Rs. 55.86 crore in 2005-06 and Rs. 50.57 crore in 2006-07. The share of establishment grants in total grants ranged between 7.89% to 26.8% during the study period.

Local cess matching grants, grants for plan schemes and other grants paid by government have subscribed very low shares to the revenue of the Kolhapur Zilla Parishad.

Grants of total agency schemes have been shown increasing trend. They rose from Rs. 0.24 crore in 1991-92 to Rs. 13.64 crore in 1995-96, Rs. 21.16 crore in 2000-01 and Rs. 35.71 crore in 2006-07. They ranged from 0.44% to 17.52% within total determined grants.

The standard deviation (SD) reveals that plan scheme grants (807556866) purposive grants (780785766), other grants (8878521), establishment grants (670433014) showed greater standard deviation values and thereby relative significance in grants receipts mobilisation. However, deduct refund showed a negative contribution in collecting grants income for Zilla Parishad.

The application of correlation technique reveals that plan scheme grants ( $r$  .91), purposive grants (.79), agency schemes grants (.69) showed a positive and high degree correlation with receipts from grants collected by the Kolhapur Zilla Parishad. However, local cess matching grants (0.02) other grants (.26) and deduct refund grants (- 0.21) showed a dismal performance in grants receipts of Kolhapur Zilla Parishad.

The regression analysis of the composition of grants receipts of the Kolhapur Zilla Parishad shows that purposive grants (standardized Beta .54), establishment grants (.46), plan scheme grants (.21) were the major determinants of grant receipts of Kolhapur Zilla Parishad during the period taken into consideration.

Purposive grants, establishment grants, grants for plan schemes and grants for total agency schemes are very important grants to the revenue of the Kolhapur Zilla Parishad. These grants have been very importantly contributing to Zilla Parishad in collecting its revenue receipts.

### **3.7 Growth and Composition of Capital Receipts of Kolhapur Zilla Parishad**

Capital receipts of the Kolhapur Zilla Parishad consist of loans (loans bearing interest, loans not bearing interest), deposits and advances and miscellaneous receipts.

#### **A) Loans**

1. Loans bearing Interest
  - a) Loans received from state government
  - b) Schemes in the state five year plan
  - c) Recoveries of loans paid by Zilla Parishad.
2. Loans not bearing Interest
  - a) Temporary advances sanctioned by government
  - b) Refund of interest advances or short term loans for standing schemes

#### **B) Deposits and Advances Repayable**

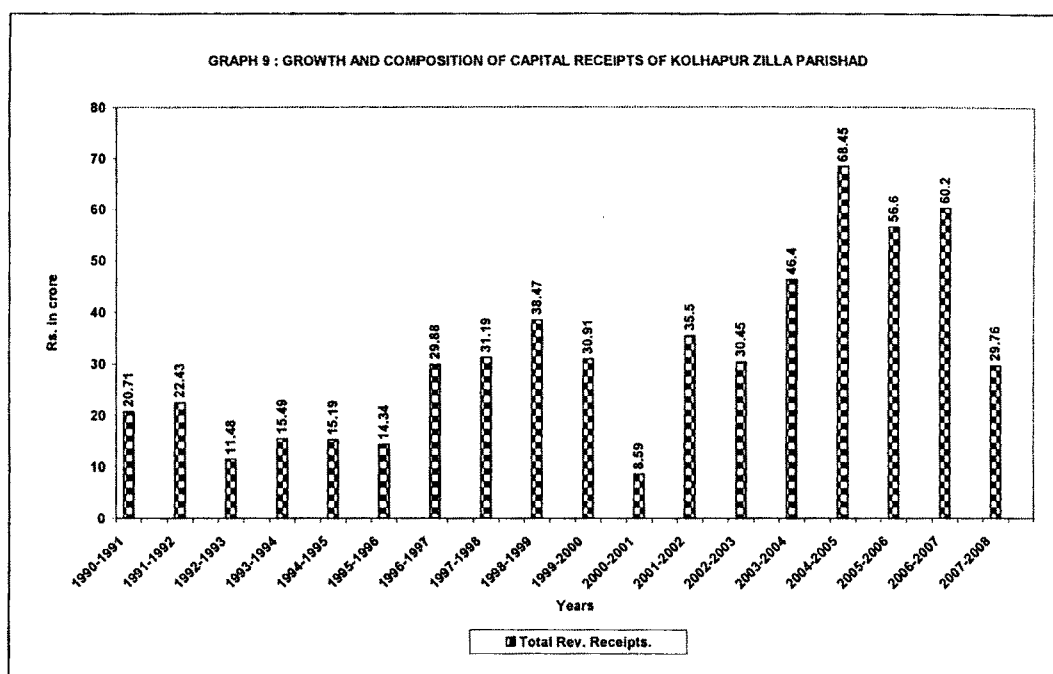
- a) Deposits taken by the Zilla Parishad
- b) Advances to the employees of the Zilla Parishad.

#### **C) Miscellaneous Items**

**Table No. 3.6**  
**Growth and Composition of Capital Receipts of Kolhapur Zilla Parishad**  
(Rs. in crore)

Year	Loans	Dep. & Adv.	Miscellaneous	Total Rev. Receipts.
1990-1991	1.23 (5.97)	19.47 (94.02)	-	20.71
1991-1992	-0.21 (-0.98)	22.65 (100.98)	-	22.43
1992-1993	-0.24 (-2.09)	11.72 (102.09)	-	11.48
1993-1994	2.70 (17.45)	12.39 (79.99)	0.39 (2.54)	15.49
1994-1995	1.66 (10.92)	13.53 (89.07)	-	15.19
1995-1996	2.74 (19.15)	11.60 (80.84)	0.0005 (0.003)	14.34
1996-1997	0.008 (0.02)	29.88 (99.97)	-	29.88
1997-1998	2.83 (9.08)	25.24 (80.91)	3.11 (10.00)	31.19
1998-1999	-2.23 (-5.81)	40.70 (105.81)	-	38.47
1999-2000	-17.40 (-56.27)	41.49 (134.19)	6.82 (22.08)	30.91
2000-2001	-23.62 (-274.92)	29.21 (339.96)	3.00 (34.96)	8.59
2001-2002	7.02 (19.77)	28.48 (80.22)	-	35.50
2002-2003	-14.62 (-48.02)	42.07 (138.17)	30.00 (9.85)	30.45
2003-2004	13.92 (30.01)	32.47 (69.98)	-	46.40
2004-2005	23.01 (33.61)	45.44 (66.38)	-	68.45
2005-2006	32.62 (57.63)	23.98 (42.36)	-	56.60
2006-2007	30.006 (49.84)	30.19 (50.15)	-	60.20
2007-2008	0.01 (0.05)	29.28 (98.36)	0.47 (1.57)	29.76
Growth in Fold	24.24	1.55	-	2.90

Source : Same as of Table No. 3.1



The above table shows the growth and composition of capital receipts of Kolhapur Zilla Parishad during 1990-91 to 2007-08. During the study period, they fluctuated from Rs. 20.71 crore in 1990-91 to Rs. 14.34 crore in 1995-96, Rs. 8.59 crore in 2000-01 and Rs. 60.20 crore in 2006-07 registering a growth of about 2.90 times over the study period.

The capital receipts consist of loans, deposits and advances and miscellaneous items.

The loans consist of loans bearing interest and loans no bearing interest. They rose from Rs. 1.23 crore in 1990-91 to Rs. 2.74 crore in 1995-96, Rs. 23.62 crore in 2000-01 and Rs. 30 crore in 2006-07 registering a growth of about 24.24 times over the study period. The share of loans in total capital receipts ranged between 5.47% to 49.84% during the study period i. e. 1990-91 to 2006-07. However, receipts in 2007-08 fell very rapidly to Rs. 0.01 crore.

The share of deposits and advances in total capital receipts was very large. They fluctuated from Rs. 19.47 crore (94%) in 1990-91 to Rs. 11.60 crore in 1995-96, Rs. 29.21 crore in 2000-01 and Rs. 30.19

crore in 2006-07 (50%) registering a growth of about 1.55 times over the study period. The average share of deposits and advances in total receipts stood at 10.2% during the study period. Loans as a source of capital receipts of Kolhapur Zilla Parishad have played a very dismal performance in mobilizing its capital receipts.

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