

CHAPTER-VI

FINDINGS, CONCLUSIONS
AND
SUGGESTIONS

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FINDINGS, CONCLUSIONS AND SUGGESTIONS

6.1 Introduction

Findings and conclusions are the last outcomes of any research task. It is also known as a core part of the research. After having, the overall overview of the financial position of Erandoli Village Panchayat and Arag Village Panchayat researcher is in a position to draw an appropriate conclusion and made attempt to suggest appropriate suggestion to address the said problem. Therefore, the present chapter deals with the findings, conclusion and suggestion of the study.

6.2 Findings of the study

The study has observed the overall financial scenario of Erandoli Village Panchayat and Arag Village Panchayat. Based on gathered data following major findings can be drawn.

1. Indian constitution sanctioned three tier of the government at local level -article 243-B states the Gram Panchayat at village level, Panchayat Samiti at Blocks Level and Zilla Parishad in district level. The Act provided three tiers Panchayat Raj System for all the states having the population of more than 20 lacks.
2. Article 243(I) provides for constitution of State finance commission to review financial position of the Panchayat Raj Institutions and to make recommendation to the Governor and Distribution between the State and the Panchayat Raj Institutions of the net proceeds of the taxes, duties, tolls and fees levied by the state.
3. Study reveals that both the villages were failed to raise tax revenue during the study period.

4. Study also found that both the villages are mostly depends non -tax revenue sources and the major sources of non-tax revenue are central, state and local board subsidies.
5. The expenditure scenario of Erandoli Village Panchayat is dismal. There is excess expenditure over the revenue. On the contrary, it is surplus in case of Arag, except year 2010-2011.
6. In case of Erandoli Village Panchayat, the non-tax revenue is being rapid raising trend except the year 2010-11 and stable growth found in tax revenue.
7. The revenue composition situation of Arag Village Panchayat is better off than Erandoli Village Panchayat because we found growth ratio of both the tax and non-tax revenue are successfully maintained. In addition, both are proportionately increased during the study period.
8. Study found that the percentage of capital expenditure in total expenditure is more in case of Erandoli Village Panchayat. On the contrary, percentage of revenue expenditure in total expenditure is notable in case of Arag Village Panchayat.

6.3 Conclusions

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

1. The present research study reveals that there is fluctuating trends in revenue as well as expenditure pattern in both the villages during the study period.
2. Total revenue of Erandoli Village Panchayat (table no.2.1) shows the fluctuating trend, total expenditure reveals an increasing trend in the study period, and Arag Village Panchayat (table no. 2.2) shows the

fluctuating trend and total expenditure reveal fluctuating 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 facing a problem of inadequate financial resources.
4. In Arag Village Panchayat, (table no.2.2) there was two years surplus position and one-year deficit position during the study period. Surplus position indicates that the welfare of the people as remain increasing during the year.
5. Thorough study both the Village Panchayats shows that total revenue was classified in to two heads such as tax revenue and non-tax revenue. Tax revenue includes taxes on house and building, light tax, market tax, fair tax, water tax, health tax, tax on vehicle profession tax etc. and non-tax revenue incurred grants from the State Government, earning from public undertakings like leasing of lands, buildings and plots, etc. It also includes fees, fines, payment services, and loans and advances, etc.
6. The above study reveals (table no.3.1) that the tax revenue of Erandoli village panchayat was low and the percentage share of tax revenue to the total revenue was lower than non-tax revenue. Arag village panchayat (table no. 3.2) had performed well in tax revenue. The above study reveals that the tax revenue was high and the percentage share of tax revenue in to the total revenue was higher than non-tax revenue.
7. Non-tax revenue of Erandoli Village Panchayat was high. The percentage share of non-tax revenue to total revenue was greater than the tax revenue.

8. An analysis of revenue composition of Erandoli Village Panchayat reveals (table no. 3.3) that tax on house and building was a prominent source of revenue. In the above study period in the tax revenue, the percentage share to total revenue was high. This shows increasing the increasing trend in study period. The revenue contribution of the taxes like light tax, profession tax, land revenue, etc. were also plays an important role in the study period. As compare to above taxes the percentage share of the tax on house and building was high.
9. A study of revenue composition of Erandoli Village Panchayat indicates (table no. 3.3) that in non-tax revenue 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.
10. An analysis of revenue composition of Arag Village Panchayat reveals (table no.3.4) that the tax on house and building plays an important role in the source of revenue. In the above study in tax revenue the tax on house and building was higher amount than the revenue contribution of the taxes like light tax, profession tax, fair tax, market tax, health tax etc. The percentage share of house and building tax was also higher than the above tax.
11. A study of revenue composition of Arag Village Panchayat (table no.3.4) shows that the non tax revenue from grants from the state

government and local board like sanitary grant, Pradhanmantri garakul yojana, grants to land revenue, stamp duty tax, etc plays an important role. In the overall study, non-tax revenue from grants from government was higher than loans and advances. The percentage share of grants from the state government and local board was higher than other non-tax revenue.

12. A study of both the Village Panchayat shows that total expenditure was classified in to two heads such as Revenue expenditure and Capital expenditure. Revenue expenditure includes expenditure on general administration, water supply, transport and communication, lighting of roads, public health, fair and markets, expenses on Women and Child Welfare Programmes, expenditure on backward class people, expenditure on District Rural Development Fund, Social Welfare Programmes etc. Capital expenditure includes expenditure on purchase of fixed assets or production of capital goods. The capital expenditure of village panchayat includes government loans and advance, repayment of loans, deposits, other items etc.

13. Analysis of growth and classification of revenue expenditure of Erandoli Village Panchayat (table no.4.1) reveals that in the year 2009-10 the percentage of revenue expenditure was greater than capital expenditure. In the year 2010-11 and 2011-12, capital expenditure was higher than revenue expenditure. Arag Village Panchayat (table no. 4.2) shows that in the study period revenue expenditure was higher than capital expenditure. Panchayat under the study shows the total expenditure was gradually increasing so, it shows the increasing trend under the period of the study. Revenue expenditure was decreasing so, it shows decreasing trend under the period of the study. Capital expenditure was gradually

increasing so; it shows the increasing trend under the period of the study. Therefore, compare to Revenue expenditure, the Capital expenditure was higher.

14. Arag Village Panchayat under the study (table no. 4.2) shows the fluctuating trends in their total expenditure as well as revenue expenditure and capital expenditure during the period under study. Revenue expenditure was fluctuating and Capital expenditure was gradually decreasing trend under the period of the study. Compare to capital expenditure, the revenue expenditure was higher.

15. An analysis of composition of total expenditure of Erandoli Village Panchayat reveals that in the head of loans and advances of Rs.6,38,360 out of this, the expenditure on Bharat nirman yojana was Rs.6,28,540 in the year 2009-10. The percentage share to total expenditure was higher than other expenditure. In the year 2011-12 the expenditure on National Rural Drinking water Rs.68,88,993. In this year, also the percentage of loans and advances to total expenditure was higher than other expenditure.

6.4 Suggestions

A detailed study of the village panchayat finance of Erandoli and Arag Village Panchayat in the period from 2009-10 to 2011-12 has identified some difficulties and problems relating to rural development. For solving the problems and difficulties of village panchayat, we find some suggestions. The main and important suggestions are as follows.

1. In Erandoli Village Panchayat, there is a need to improve the income source for the implementation of economic activities. Therefore, this Village Panchayat should need to greater power for collecting revenue.

2. In Erandoli Village Panchayat there was own income source from tax revenue limited. Therefore, panchayat should need to increase the rates of tax revenue.
3. Market taxes are not being collected in Erandoli Village Panchayat. Therefore, it may be suggested that panchayats should collect necessary market taxes in order to raise their income.
4. In Erandoli Village Panchayat there was not seen the collection of fair tax even though there was taken a fair once in a year. Therefore, it can be suggested that panchayats should collect the fair tax for improvement of fair place.
5. Arag Village Panchayat in the study period there was not seen any big fund comes from government. Therefore, this village panchayat should pay attention to the funds, like National Drinking Water grants, Bharat Nirman Yojana, etc. Therefore, this village panchayat should apply for grants and give benefit to the village people.
6. In both the village, panchayat there was limited income from the profession tax. Therefore, both villages have to be increase the tax on profession.
7. In both the village panchayat have limited income from the collection of fees, donations etc. Therefore, both the village panchayat have to pay attention to increase the fees and donations for the welfare of the people.

6.5 Concluding Remark

Village Panchayat is the bottom local government under the three-tier governance. It seem little bit but it is directly connected with the peoples and being run by the local leaders who are elected through democratic framework. The role of Panchayat in rural development is crucial. Especially in the process of provision of the public goods and prompting

welfare, local government plays very important role. It is prerequisite condition that these Village Panchayats should be possessed from the financial sickness, in order to improve rural standard of living. Unless and until rural village panchayats achieves strong and smooth financial soundness, the rural development cannot be realized.

Hence, taking into consideration above significance of Village Panchayats researcher has undertaken this research work.

After having, the overall study of the two sample villages it can be briefly concluded that both villages were unable to create strong financial soundness. Both villages are mostly depends on Central and State Government aids for their revenue. The non-tax revenue is still dominant factor in total revenue. Therefore, these two villages should try to rise a strong own revenue generation base and become a self-reliance. No doubt that the expenditure heads of the both villages are as per the constitutional provision but in addition they have to extend their own heads by taking into consideration the local and common requirement of the peoples.