

CHAPTER - 12
AN APPRAISAL OF THE FINANCES
OF URBAN LOCAL BODIES IN THE STATE
A MICRO LEVEL APPROACH

12.1.0 Introduction :

12.1.1 In an earlier Chapter, the Commission has made a Macro Review of Municipal Finances in Chhattisgarh, on the basis of data made available in the memorandum *XIIthFC* report and also by State Government. Despite the fact that available data related to the behavior of a few aggregates of Revenue and Expenditure, it could give a fair picture of the Financial Health of *ULBs* in the state. This review has facilitated our journey from macro to micro. The main limitation of the macro study was that being aggregative in nature, it could not go beyond certain aggregates, not enabling us to have an insight into the interrelationships between large number of components comprising such aggregates. Moreover, the macro study cannot help us much in the task of estimating the Revenue Gap, very essential for reducing the hiatus between needs of *ULBs* and their capacity to raise their Own Resources. The Study also could not be used for recommending *Restructuring Individual Items of Revenue and Expenditure*.

12.1.2 In the *Present Chapter*, we make *An Appraisal of Municipal Finances in the State, on the basis of data relating to individual items of Revenue and Expenditure of sampled ULBs, collected through structured questionnaires, designed by the Commission*. In the absence of a regular system of collection and maintenance of data relating to Municipal Finances in the State by the field staff of the Urban Development of the State Govt. on a regular basis, the *SFC* had organized the micro level study for meeting its requirements of the task assigned to it. The authenticity and reliability of the data collected through the field study was checked at the headquarters of the Commission. Despite checks and balances, there may be some gaps and deficiencies in this Study, arising out of the manner in which data are maintained and supplied by the *ULBs*.

12.1.3 ***The primary objective of this appraisal is to realistically capture the Financial Strengths and Weaknesses of ULBs and use the results for estimating their Future Financial Requirements.*** It involved collection of key financial data relating to five years period and putting them together, to bring out strengths and weaknesses of their Financial Performance.

12.1.4 In the ***Next Two Chapters***, to complete our assignment, we would be taking up the following two issues:

1. ***Estimation of Revenue Gap*** and recommendation of ***Fiscal Package*** for ***ULBs***.
2. ***Beyond the Fiscal Package.***

12.2.0 The Coverage Of The Study :

12.2.1 As already stated, the ***SFC*** had designed the necessary questionnaires for the purpose of collecting data. These questionnaires were sent to all the ***ULBs*** of the State, with the intention that the questionnaires of such ***ULBs*** would be accepted for inclusion in the Study which have responded correctly to all the questions and also provided correct relevant data. The checking was done at the level of the headquarters of the ***SFC*** by the research staff. We are very happy to report that the response of the ***Municipal Corporations*** and ***Municipal Councils*** has been encouraging and satisfactory. But response has been disappointing in respect of ***Nagar Panchayats***. ***This fact is revealed in Table No. 12.1. I which gives information about the total number and population of ULBs in each category and the number and population of ULBs in each category and the number and population of such ULBs whose questionnaires have been accepted for inclusion in the Study.***

12.2.2 The Table shows that our sample covers 100 % of Total ***Municipal Corporations***, 71.43% of ***Municipal Councils***, but only 27.78% of ***Nagar Panchayats***. Taking all the three categories together, the coverage comes to 45.45% of the total number of ***ULBs*** in the State and 82.56% of their Total Population. In respect of population, the sample covers 100% of Population of ***Municipal Corporations***, 67.40% of ***Municipal Councils*** and 36.11% of ***Nagar Panchayats***. Thus, our sample is adequate enough to represent the universe, both in terms of numbers as well as population.

12.2.3 Though the major concern of the Study is with *Revenue and Expenditure of ULBs of Revenue Account*, we have also included Capital Account in the present appraisal, since Capital Expenditure has its impact on Revenue Expenditure via Expenditure on maintenance of assets created by capital investment and also because of the fact that there may be Revenue Component of Expenditure on Capital Account. We have included Capital Expenditure also for the purpose of making a review of the over-all financial position of Local Bodies in the state. But we would like to point out that our terms of reference do not require us to make a detailed probe into different components of Capital Receipts and Capital Expenditure.

12.3.0 Revenue Appraisal :

12.3.1 As already stated, the primary objective of this appraisal is to realistically capture the financial strengths and weaknesses of ULBs, using the results for estimating their future requirements and also for suggesting restructuring their finances, for improving their functional and Fiscal Performance. This part of the chapter makes an appraisal of the supply side of resources on Revenue Account, the resources which ULBs generate with financial powers assigned to them under the legislation, subject to regulations and guidelines of the State Government. The appraisal would also relate to such resources which are externally provided to them through devolution from the higher levels of Government in terms of Grants-in-Aid and Assigned Revenue and Compensation.

12.3.2 The Revenue of *ULBs* are derived from *Own Tax and Non-Tax Revenues*, clubbed together under “**Own Resources**”, and transfers from the State and Central Governments in the form of *Grants-in-Aid and Assigned Revenues*, clubbed together under “**Transfers to ULBs**” or externally provided resources.

12.3.3 In **Appendix No. 12.1, 12.2 & 12.3** present respectively a comprehensive and detailed picture of revenue side of *Municipal Corporations, Municipal Councils* and *Nagar Panchayats*. Tables given in the main text of the report are derived from these Appendix.

12.3.4 The **Table No. 12.2** gives the *Components of Total Revenue Receipts of different categories of ULBs in the State* during the five-year period of 1999 - 2000 to 2003-2004.

12.3.5 The tables reveal some important facts - Own Tax Revenue as percent of Total Own Revenue has been the highest as well as increasing in respect of *Municipal Corporations*, but in the case of *Municipal Councils*, the percentage has shown a decline. It is interesting to note that *Nagar Panchayats* have recorded an increase in percentage of their Tax Revenue in Total Own Revenue. In respect of Non-Tax Revenue, its percentage of Total Own Revenue as well as of Total Revenue Receipts, there has been decline in the case of *Municipal Corporations* and *Nagar Panchayats*, but increase in respect of *Municipal Councils*. Taking Total Own Resources as percentage of Total Revenue Receipts, we find the percentages declining in respect of all the three categories of *ULBs*. As a consequence of this, the dependence of all the three categories on Transfers from the State has been increasing, the dependence being the highest in the case of *Nagar Panchayats*. It is to the extent of 85% of their Total Revenue Receipts.

12.4.0 Sources Of Revenue Of *Municipal Corporations* :

12.4.1 Let us now make an analysis of the sources of Revenue of different types of *ULBs* of the State. In the first instance, we confine our focus on the *Municipal Corporations*. In **Table No. 12.3**, given below, *we present the Revenue of Municipal Corporations*, classified into (i) Own Revenue, further sub-divided into Own Tax and Own Non-Tax Revenue, and (ii) transfers from the state and the Central Government.

12.4.2 The table shows that *Own Tax Revenue as well as Non-Tax Revenue* of the *Municipal Corporations* as percent of *Total Revenue Receipts*, have been declining, but transfers from the State and Central Government total have increased their share in *Total Revenue Receipts* from 59.02% in 1999-2000 to 71.47% in 2003-2004. The contribution of *Own Resources in Total Revenue Receipts* has declined from 40.98% in 1999-2000 to 28.53% in 2003-2004. This trend in Municipal Body finances is reducing *Fiscal Autonomy*, an essential requirement of *Fiscal Decentralization*.

12.5.0 Sources Of Revenue Of Municipal Councils

12.5.1 The **Table No. 12.4** demonstrates the *Percent Share of Own Revenue and the contribution of Outside Sources, in the Total Revenue Receipts of Municipal Councils.*

12.5.2 Unlike *Municipal Corporations* whose both Own Tax and Non-Tax Revenue constituted a declining percentage of Total Revenue Receipts, in respect of *Municipal Councils*, though the percent contribution to Total Revenue Receipts of Own Tax Revenue has been declining, the share of Non-Tax Revenue has accounted for an increasing percent of Total Revenue Receipts. Because of this fact, the percent share of Total Own Revenue in Total Revenue Receipts, has declined at a slow rate compared to *Municipal Corporations* where the decline is faster. Like the *Municipal Corporations*, the dependence of *Municipal Councils* on outside source has been increasing throughout the period of analysis, from 71.62% Total Revenue Receipts in 1999-2000 to 74.58% in 2003-2004, a little higher than that of *Municipal Corporations*. Of the Total Transfers, the bulk is accounted for by transfers from the State Government, though the percentage share in Total Transfers is declining, and correspondingly the share of Central Transfers has been increasing. This trend in Municipal Finances runs counter to the requirement of Fiscal Autonomy which is considered a basic requirement of Self-Governance.

12.6.0 Source Of Revenue Of Nagar Panchayats

12.6.1 Table No. 12.5 given below depicts the *financial picture of Revenue Receipts of Nagar Panchayats in the State.*

12.6.2 Of the Total Own Revenue of *Nagar Panchayats*, the percent share of Own Tax Revenue has manifested an increase. This is in contrast to the performance of *Municipal Councils* whose contribution of Own Tax Revenue to the Total Own Revenue has shown a decline. But Own Revenue as percent of Revenue Receipts, has shown a steep decline from 24.56% to 14.59 % during the period under review, mainly due to decline in percent share of Non-Tax Revenue. There has been a sharp

increase in the dependence of *Nagar Panchayats* on Total Transfers from 75.44 % of Total Revenue Receipts to 85.41% during the period under study. One striking fact emerging from this analysis is that of the three categories of *ULBs*, the dependence of *Nagar Panchayats* on outside sources has been the highest and also increasing rapidly.

12.7.0 Extent of Self-Reliance Of *ULBs* In The State :

12.7.1 One important criterion to judge the efficiency and productivity to the Tax and Non-Tax system of Revenue generation, is the extent to which Revenue from Own Source, can finance Revenue Expenditure of the Government at every level. The theory of public finance stipulates that, as far as possible, Revenue Expenditure of the Government, should be financed by Revenue Receipts from Own Source. This is what we have emphasized while reviewing the State Government finances in the earlier report. This principle needs to be equally emphasized in the review of Municipal Finances.

12.7.2 *The Index of Self-Reliance, as revealed by the percentage of Own Revenue Receipts of ULBs to the Total Revenue Expenditure, gives a different picture for different categories of ULBs as indicated in the Table No. 12.6 .*

12.7.3 Though the Degree of Self-Reliance is the highest in respect of *Municipal Corporations*, it has been declining over time, in some years, when the extent of decline is very steep. The extent of Self-Reliance in respect of *Municipal Councils* has risen to 45.25 % in 2003-2004, compared to 39.17 % in 1999-2000, but in between these years, these are fluctuations, caused by fluctuations in the magnitude of Revenue Expenditure. The performance in this regard, has been the worst in the case of *Nagar Panchayats*, which could finance only 32.45% of their Revenue Expenditure in 1999-2000, declining to 27.25 % in 2003-2004. *The over-all picture of Municipal Finances judged by this criterion, seems to be depressing and worrisome.*

12.8.0 Annual Average Growth Rate Of Urban Local Bodies Revenues (1999-2000 To 2003-2004) :

12.8.1 The **Table No. 12.7** gives the *Percentage Annual Average Rate of Growth of ULBs Revenues in the State.*

12.8.2 The *Own Tax Revenue* has shown the lowest growth rate 11.54% in respect of *Municipal Corporations*, in contrast to 11.92% of *Municipal Councils* and the highest in respect of *Nagar Panchayats* 18.05%. Similarly, the annual average rate of growth of *Non-Tax Revenue* has been the lowest in respect of *Nagar Panchayats* 7.95%, and 8.33 % of *Municipal Corporation* and maximum 33.56 % of *Municipal Councils* and. The *Total Own Revenue Growth Rate* has been the highest in respect of *Municipal Councils* mainly due to higher growth rate of Non-Tax Revenue. The dependence of *Nagar Panchayats* on Total Transfers from the State and Central Government has shown annual rate of growth of 34.62% compared to 31.04% of *Municipal Councils* and 24.95% of *Municipal Corporation*. Even in respect of *Total Revenue Receipts*, the performance of *Municipal Corporations* as revealed by annual average growth rate, has been the poorest (19.84%), compared to 29.61% of *Municipal Councils* and 30.03% of *Nagar Panchayats*. This may be attributed to higher growth rates achieved by *Municipal Councils* and *Nagar Panchayats*, in every source of Revenue Receipts. The *Municipal Corporations*, among all the sources of Own Revenue, have recorded the lowest rate of growth of 10.64% in respect of Own Revenue which needs to be stepped up to improve the index of Self-Reliance and also to reduce dependence on outside sources of Revenue. The issues emanating from this discussion have been addressed in a subsequent chapter while discussing the issue of restructuring Municipal Finances.

12.9.0 Tax Structure Of Urban Local Bodies :

12.9.1 The *Madhya Pradesh Municipal Corporation Act, 1956* and the *Madhya Pradesh Municipalities Act, 1961*, were adopted by the *Chhattisgarh* Government,

immediately after the bifurcation of the erstwhile State of Madhya Pradesh, on first November, 2000. The two legislations, amended from time to time, empower **ULBs** in the State to levy a number of Taxes, subject to the general or special order which the State Government may issue in this behalf. The **ULBs** may levy other tax which the State Government has the power to levy, with the prior approval of the State Government. Subject to the conditions and limitations imposed by the State Government, **ULBs** in the State can impose any of the Taxes and Fees specified in the Act, increase the rates of Taxes and fees already levied. ***Some Taxes are Compulsory, others are Optional.***

12.9.2 Most of the ***Compulsory Taxes*** are being imposed by the **ULBs** in the State, but all the ***Optional Taxes*** are not being levied by all the **ULBs**. The Tax Structure of **ULBs** is determined by the Legislations Governing Municipal Taxes, the Tax base, the growth of Tax Revenue, the number and buoyancy of Tax Revenue, the rate structure and the changes made by **ULBs** from time to time in their taxation policies. Perceived as inferior in comparison to Revenue bases of the higher governmental tiers and narrow, with only a small percentage of population paying for Municipal Services, the Municipal Tax Structure can play an important role in mobilizing resources for financing municipal functions and services. The Constitutional Amendment Act has paid more attention to functional restructuring but very little attention to fiscal restructuring of **ULBs**. It has not cared to create a separate list of Municipal Taxes exclusively meant for the use of **ULBs**.

12.10.0 Tax Structure of *Municipal Corporation s* :

12.10.1 **Table No. 12.8** given presents the Tax Structure of ***Municipal Corporation s*** in the State.

12.10.2 ***Property Tax*** is the main source of Tax Revenue accounting for 55.71% of Own Tax Revenue of ***Municipal Corporation s*** in 1999-2000, but gradually declining to 49.39% in 2003-04. As percentage of Own Revenue, the Revenue from Property Tax has shown a decline from 38.27% to 34.42%, and as percentage of Total Revenue Receipts, it has declined from 15.68% to 9.82% during the same period.

The Tax is levied on the basis of Self-Assessment made by the Tax-Payers. The rates of this Tax have not been revised to mop up more Revenue from this source. There seems to be no buoyancy in Revenue. The average annual growth rate of Revenue from this Tax, has been 8.63% which is deemed to be very low, taking in to account the increase in number of properties and their annual rental values.

- 12.10.3 The *Next Compulsory Tax is the Consolidated Tax which includes a number of Taxes, Conservancy Tax, Lighting Tax and Fire Tax. Revenue* from this Tax has more or less remained constant at 14 or 15 % of Total Own Revenue of *Municipal Corporations*. The user charges on services rendered by corporations have remained at a very low level and no attempt has been made to raise more revenue from this source.
- 12.10.4 *Water Tax* is another Compulsory Tax. The Revenue from this Source as percent of Total Own Tax Revenue has at 18% to 24%. As percentage of Total Revenue, it has not registered any increase. As percent of Total Revenue Receipts of *Municipal Corporations*, there has been a decline from 6.07% to 4.18% during the period under study. The Revenue from water charges cannot meet even the current Expenditure on the provision of water supply to the people. This is a municipal service which needs considerable improvement and expansion.
- 12.10.5 Taking into account *Total Revenue from three Compulsory Taxes*, we find that the percentage has declined from 88.66% of Total Own Revenue in 1999-2000 to 85.03% in 2003-04. This may be due to poor recovery ratio, lack of efforts to rationalise the rates, little attempt to increase the rates of taxes and large-scale evasion.
- 12.10.6 *Optional Taxes*, taken together, constitute an increasing percentage of Total Own Tax Revenue of *Municipal Corporations*, increasing from 11.34% to 14.97%. Their number may be larger, but Revenue yield from individual Taxes does not seem to be large. The corporations can augment their Revenue by levying such Optional Taxes which they have no so far levied. There is considerable scope for Additional Resource Mobilization through Own Tax Revenue. The *Average*

Annual Rate Of Growth of Revenue from all Taxes (Compulsory & Optional) imposed comes to 11.54% which does not appear to be high, taking in to account the need for raising more Tax Revenue, with a view to boosting up Own Revenue of City Corporations.

12.11.0 Tax Structure Of Municipal Councils :

12.11.1 **Table No. 129** given below presents *the Tax structure of Municipal Councils*.

12.11.2 The Tax structure of *Municipal Councils* seems to be little bit more diversified compared to that of *Municipal Corporations*. Revenue from *Property Tax* as percent of Own Tax Revenue has registered an increase from 23.84 % in 1999-2000 to 42.81% in 2003-2004, unlike *Municipal Corporations* where the percentage has shown a decline. In terms of percentage of Total Own Revenue and Total Revenue Receipts, Revenue from Property Tax has recorded an increase (except 2003-04) compared to those of *Municipal Corporations* which have shown decline. But Revenue from *Consolidated Tax* as percentage of Own Tax Revenue, Total Own Revenue and Total Revenue Receipts, has shown decline. Again there is the problem of raising user charges for certain services rendered by *Municipal Councils*

12.11.3 Revenue from *Water Tax*, another important Compulsory Tax, has shown deterioration, from 31.96% to 29.60 % during the period under review. Little attempt has been made to raise water rates by the *Municipal Councils*, despite the fact that water supply in urban areas falls short of requirements. Compulsory Taxes, taken as a whole, have contributed a higher percentage to Total Own Tax Revenue of *Municipal Councils*, compared to *Municipal Corporations*. The percentage contribution of Compulsory Taxes have improved from 78.99% to 92.71% during the period under review. The percent contribution of Optional Taxes, on the other hand, has shown a decline from 21.01% to 7.29 %, a steep fall. The annual average rate of growth of Own Tax Revenue of *Municipal Councils* has been 11.92%, a little bit higher than that of *Municipal Corporations*.

12.12.0 Tax Structure Of Nagar Panchayats :

12.12.1 In the Table No. 12.10 presents The *relative importance of different Compulsory Taxes in the Tax Structure of Nagar Panchayats*, is little different from other two categories of *ULBs*. *Property Tax* is not the largest single source of Revenue. Revenue from this Tax as percent of Own Tax Revenue has 25 to 32%. Largest percentage contribution to Total Own Tax Revenue was made by *Water Tax*, 42.11% in 1999-2000, but declining to 31.05 % in 2003-2004. The largest single source of Own Tax Revenue has been Water Tax. The percentage share of *Consolidated Tax* to Total Own Tax Revenue, though higher than the percentage of *Municipal Corporations*, has shown a decline from 23.10 % to 18.70 %. Revenue from all *Compulsory Taxes* taken together, was very high 90.33% in 1999-2000, but went on declining to reach the figure of 75.04% in 2003-2004.

12.12.2 Another important feature of Tax Structure of *Nagar Panchayats* that can be observed from the above is the contribution of *Optional Taxes* to the Total Own Tax Revenue of *Nagar Panchayats*. The percent contribution has increased from 9.67% in 1999-2000 to 24.96 %, in 2003-04 a steep rise. The annual average rate of growth of Own Tax Revenue in *Nagar Panchayats* in the State, 18.05%, as against 11.54% of *Municipal Corporation s*, and 11.92% of *Municipal Councils*. It is to be noted that *Nagar Panchayats* have made greater efforts in the direction of resource mobilization through their Tax Revenue.

12.12.3 We had a glimpse into the tax structure of ULBs of different categories in the State. We admit that five year period is too short to manifest any marked changes in the Tax Structure. We can only get an idea of direction in which things are moving. There is further scope for diversification of Tax Structure, by including a number of new Taxes in the Tax Structure and by increasing the yield and productivity of existing taxes. We would take up these issues in details in the last chapter of this Report.

12.13.0 Collection Of Property Tax Against Demand :

- 12.13.1 Since Property Tax constitutes the largest proportion of Municipal Tax Revenue in the State and also dominates the Tax Structure of ULBs, it would be in the fitness of things that a probe may be made into realization of Revenue from this Tax against demand. The main problems faced in the domain of realization of Revenue are, under-assessment, accumulation of arrears, poor collection of Revenue against demand, evasion and non-payment by the Tax Payers, laxity in tax administration and absence of system of incentives and disincentives. At present we are mainly focusing on the important issue and that is, the extent of collection of this tax against demand, considered to be one important criterion for judging the *Efficiency of Municipal Fiscal Administration*.
- 12.13.2 The Commission has made an attempt of collect data in respect of collection of Property Tax against demand, from sampled *ULBs*, which we present and interpret in this section of the chapter. Let us first have a look at the **Table No. 12.11**, which gives information regarding the *Percentage of Collection of Revenue to Demand by different categories of ULBs in the State, during 5 years period of 1999-2000 to 2003-2004*.
- 12.13.3 One conspicuous point that emerges from the above table is that all the three categories of *ULBs* in the State, have improved their percentage of collection to demand during the period under study. The average of five-year improvement has been the largest in respect of *Municipal Councils* followed by *Municipal Corporation* and *Nagar Panchayats*. But despite improvement it is to be seen that there is still considerable scope for further improvement in this ratio.
- 12.13.4 Since the averages may conceal individual variations, we now present some information which is dis-aggregated to some extent and relates to individual *ULBs*. The **Table No. 12.12** gives the *number of ULBs, which have improved their ratios during 2003-04 over 1999-2000*.
- 12.13.5 The table reveals that 80% of *Municipal Corporations* have improved their percent of collection to demand, but these percentages are 55% and 50% respectively in

respect of *Municipal Councils* and *Nagar Panchayats*, which are lagging behind in this regards. Still a large number of *Nagar Panchayats* 40% and *Municipal Councils* 35% are collecting less than 50% against demand. In the case of *Municipal Corporations*, this percentage is very low with 20%.

- 12.13.6 Looking to the individual performance of *Municipal Corporations*, we find that in the case of Jagdalpur, out of 5 years, the percentage of collection to demand has been less than 35%, in 3 years, in Raigarh it has been less than 20% in 2 years each, out of 5 years. In Ambikapur, the percentage has been less than 25% in 5 out of 5 years.
- 12.13.7 In respect of *Nagar Panchayat* in the case of Kurud and Bagbahara, the ratio has been less than 50% though out the period. In Khairagarh, it has been less than 20% though out the period, in Naya-Baradwar, less than 50 %, in Surajpur and Baikunthpur less than 50% in 4 out of 5 years.
- 12.13.8 The above analysis brings home the idea that judged by different standards, the performance of *Municipal Corporations* is praise-worthy in respect of mobility of majority from lower range to higher ranges of collection ratios, such an upward mobility is very slow in respect of *Municipal Councils* and *Nagar Panchayats* which have to cover a long distance to reach a satisfactory level of performance.
- 12.13.9 Improvement of recovery ratio needs correct assessment, incentives for timely payment of tax, Heavy Penalties for defaulters, even to the extent of attachment of property in the event of non-payment beyond a certain period, adequate supervision, frequent checking of self-assessment made by the Tax-Payers, publication of the names of defaulters in daily newspapers, widening the net of tax by bringing untaxed properties within the net of the Tax.
- 12.13.10 The Commission recommends that a probe may be made in the case of all such ULBs where the ratio of collection to demand is less than 30% continuously for three years.

12.14.0 Non-Tax Revenue Of Urban Local Bodies In The State :

12.14.1 *The place which Non-Tax Revenue occupies in the Revenue Structure of ULBs,* is presented in the **Table No. 12.13.**

12.14.2 Non-Tax Revenue is derived from a number of sources like rent of ULBs land and buildings, market fees, license fees, interest on loans, revenue from gardens and parks, and sale of manure, building construction fees, compounding fees, fines and other items. The largest contribution to Total Own Revenue is made by **Municipal Councils**, where Non-Tax Source contributed 56.58% in 1999-2000 and increased to 75.88 % in 2003-2004, followed by *Nagar Panchayats*, where the percent contribution has been high but declining from 56.77 to 48.48% in 2003-04, and the lowest in respect of *Municipal Corporations* where it has been 31.29% in 1999-2000 it decline 30.31% in 2003-04. As percentage of Total Revenue Receipts, the picture is more or less similar; the largest contribution is made by *Municipal Councils* and the lowest by *Municipal Corporation s*.

12.14.3 *The Non-Tax Revenue has been shown in Table No. 12.14 with the following rates of growth during 1999-2000 and 2003-2004.* As already stated, the highest rate of growth has been recorded by *Municipal Councils*, followed by *Municipal Corporation*, the lowest by *Nagar Panchayats*. This indicates that *Municipal Corporation s* are not exploiting their Non-Tax Sources of Revenue to the desired extent; there is considerable scope through higher user charges for providing certain Municipal Services.

12.14.4 The **Table No. 12.15, 12.16 and 12.17** shows the *share of individual items of Non-Tax Source in Total Non-Tax Revenue of Municipal Corporations, Municipal Councils and Nagar Panchayats.* In respect of **Municipal Councils**, the contribution of rent on land, buildings and fees is not only small but at the same time declining.

12.15.0 Transfers of Funds To Urban Local Bodies (The External Sources Of Revenue) :

12.15.1 Due to poor performance of *ULBs* in the State in terms of mobilization of their Own Resources, there has been increasing dependence of Transfers from the State Government and the Central Government. The Share of Total Transfers in the Total Revenue Receipts of *Nagar Panchayats* accounted for 75.44% in 1999-2000, increasing to 85.41% in 2003-2004, the largest percentage, followed by *Municipal Councils* , increasing their share from 71.62% to 74.58%, and *Municipal Corporations* from 59.02% to 71.47% during the same period. This is not a healthy trend. By and large, lower percentage of Own Revenue in Total Revenue Receipts may be attributed to reluctance of *ULBs* to raise their Own Resource through Tax and Non-Tax Sources. It may also be due to the disincentive impact of increasing share of transfers from the State and Central Government. Their Own Resource are severely constrained on account of their reluctance to exploit their Internal Sources of Revenue, Poor Tax Base, Laxity in Tax Collection and Large-Scale Evasion.

12.15.2 We have seen in this chapter in another section that *Degree of Self-Reliance of ULBs* has been declining. Their Own Resources are financing a declining proportion of their Revenue Expenditure.

12.15.3 While making analysis of the composition of transfers to *ULBs*, we came across an important fact, that of the Total Transfers from the State Government, a very small proportion of Total Transfers is accounted for by Grants-in-Aid and a larger proportion partakes the nature of compensation in lieu of abolition of certain Taxes by *ULBs* like Octroi, Passenger Tax, and Assignment of Tax Revenue in respect of Additional Stamp Duty and Few Other Taxes. The **Table No. 12.18** presents the *Composition of Transfers from the State Government to ULBs in the State*.

12.15.4 The table indicates that the share of transfers from the State Government assumes the form of compensation for certain Taxes, Assigned Revenue declining during the period and proportion in the form of Grants-in-Aid increasing in the same period in all *ULBs*. In fact, Grants-in-Aid and transfers in the form of Compensation and Assignments, should not be clubbed together but shown under separate heads, since

both have different objectives and are governed by different principles. We admit that excessive dependence on Grants-in-Aid may undermine the autonomy of *ULBs*, by providing scope for interference of the State Government, and also may lead to profligacy. Despite this, the system of Grants-in-Aid has come to stay in a Federal Set-up. We cannot think of a system of Local Finance without grants from higher tiers of Government to the lower tier of Government. This issue we have already discussed at some length in the chapter dealing with Federal Finance and the role of Local Bodies.

12.15.5 The needs of Local Bodies are to be considered in the formulation of Grants-in-Aid Policy. Population may be used as a crude indicator of needs. But at the same time, other factors cannot be ignored. *Musgrave* has laid more emphasis on the factor of tax effort in the grant formula. Tax effort may be measured by the amount of Tax Revenue raised in proportion to Total Revenue or the criterion of Per Capita Tax Revenue. This criterion may reduce the danger of grants slackening Tax Effort.

12.15.6 If the objective of grant is to encourage a particular type of activity, a conditional grant would be more appropriate. But if grant is mainly intended to transfer funds for general purpose, the un-conditional grants may be given. This type of grant gives greater discretion to *ULBs* in the management of their funds. *As far as possible, General Purpose Grants may be made progressive with the object of reducing Horizontal Disparities between different categories.*

12.15.7 It is recommended that a systematic policy relating to transfers through Grants-in-Aid, needs to be formulated by the State Government so as to deploy this mechanism for assisting *ULBs* in the task of performing their functions, for reducing horizontal disparities and for encouraging them to exploit their Own Resources to the optimum level. The system of Grants-in-Aid should adhere to a number of criteria simplicity, predictability and preservation of autonomy. The criteria should be objective and quantifiable and also to neutralize the effects of inflation. *The system of grants should also provide an appropriate mechanism for proper monitoring and review of the uses of grants.*

12.16.0 Assignment Of Revenue :

- 12.16.1 According to the principle of congruence, the less mobile the tax base and stronger the spatial concentration of Tax Base and ownership, the more suitable in that Tax for lower level of Government. Taxes to be imposed by Local Bodies should include such taxes, which are based on Local Consumption of Goods and Services, Local Employment and Local Business. But with the integration of Local Economy with the Regional and National Economy, there can be exceptions to this principle. There are some Taxes which though legitimately belong to the domain of *ULBs*, are being levied and collected by the State Government in the interest of better collection or for some historical reasons and the net proceeds of such taxes, either wholly or partly are assigned to Local Bodies under the head “*Assigned Revenue*”. Such type of transfers from the State Government to *ULBs* are in the nature of reimbursement of whatever would have accrued to *ULBs* from particular Taxes, had such Taxes been levied by the Local Bodies themselves. The basis of allocation of Revenue from such Taxes has to be collection of Revenue from such Taxes, minus the cost of collection. There are also certain Taxes which have been abolished by the *ULBs* in the interest of the State and on that account the *ULBs* are being compensated by the State Government.
- 12.16.2 In fact, transfers of funds from the State Government to *ULBs* as *Compensation and Assigned Revenue*, should not be treated as *Grants-in-Aid*, as such transfers do not adhere to the principles and criteria governing Grants-in-Aid.
- 12.16.3 *In this context the Commission recommends that one more Tax, the Entertainment Tax which at present is being levied and collected by the State Government, but which legitimately belongs to the domain of Local Taxes, may be included in the category of “Assigned Revenue”. This is a purely Local Tax. Its Tax base is local. The State Government may continue to levy this Tax, but net proceeds after netting out collection charges, may be allocated to ULBs, mainly on the basis of collection.*

12.17.0 Transfers from The State Government And Central Government To Urban Local Bodies In The State -

12.17.1 Let us now have a look at the data relating to *Transfers* from the State and the Central Government, *classified into two categories, Grants-in-Aid and Compensation and Assigned Revenue*, to different categories of *ULBs* in the State. In the first instance, we take up *Municipal Corporations*.

12.17.2 The **Table No. 12.19, 12.20 & 12.21**, show that *the share of Total Transfers in the Revenue Receipts of ULBs in the State has been increasing over time*, from 59.02% in 1999-2000 to 71.47% in 2003-2004 in the case of *Municipal Corporations*, from 71.62% to 74.58% in respect of *Municipal Councils*, and from 75.44% to 85.41% in respect of *Nagar Panchayats*. Bulk of the transfers is from the State Government, more in the form of Compensation form certain Taxes and Assigned Revenue in initial years. On the other hand, Central Transfers are mostly on account of Grants-in-Aid, Basic Grants, both General Purpose and Specific and also on the recommendations of the *CFC* (except *Municipal Corporation*).

12.18.0 Per Capita Tax And Non-Tax Revenue -

12.18.1 *Per Capita Tax, Non-Tax Revenue, Own Revenue and Total Transfers* are given in **Table No. 12.22**. The table shows that though Per Capita Tax Revenue is the highest in *Municipal Corporation* but has grown at the highest rate in *Nagar Panchayats*, compared to *Municipal Councils* and *Municipal Corporation*, *Per Capita Growth of Own Tax Revenue* is the highest in respect of *Municipal Councils* compared to the other two categories of *ULBs* in the State. This may be attributed to higher Per Capita Non-Tax Revenue of **Municipal Councils**. Per Capita Non-Tax Revenue of *Municipal Corporations* has increased from Rs. 42.48 to Rs. 53.87, and of *Nagar Panchayats* from Rs. 41.45 to Rs. 54.78 but the increase has been the highest from Rs. 50.28 to Rs. 152.79 of *Municipal Councils*. The Per Capita Total Transfers have recorded the highest increase, 194.98% in 2003-2004 over 1999-2000 in respect of *Nagar Panchayats*, followed by *Municipal Councils* and *Municipal Corporation*s. One interesting fact that is

discernible from the table is that growth rate in respect of all indicators (except Tax Revenue) of Per Capita Revenue, has been the lowest of *Municipal Corporations* compared to the other two categories of *ULBs* in the State.

12.19.0 The Summing Up :

12.19.1 After having reviewed different facets of Revenue side of Municipal Finances in the State, we are now in a position to summaries the main points which have emerged from the study. These are given below:

(i) The study covers 100% of *Municipal Corporations*, 71.43% of *Municipal Councils* and 27.78% of *Nagar Panchayats*. To put it in another way, the study covers 45.45% to total *ULBs* in the State, accounting for 82.56 % of *Total Population* of *ULBs*. It is, therefore adequate enough to cover the universe, both in items of numbers as well as in population.

(ii) The Revenue Receipts of *ULBs* are derived from two sources, (a) *Own Resources or Internal Sources* and (b) *External Sources of transfers from the State and the Central Governments*. One worrisome feature of Municipal Finances in the State is that *Total Own Resources of all categories of ULBs, have been declining*, of *Municipal Corporations* form 40.98% of Total Revenue Receipts in 1999-2000 to 28.53% in 2003-2004, of *Municipal Councils* from 28.38 % to 25.42%, and of *Nagar Panchayats* from 24.56% to 14.59% during this same period. The decline is mostly due to sharp decline in the share of Own Tax Revenue in Total Revenue Receipts. *The Non-Tax Revenue, the other component of Total Own Revenue Receipts, has also recorded a decline, both in respect of Municipal Corporations and Nagar Panchayats, but in respect of Municipal Councils , there has been an increase in the percent share of Non-Tax Revenue to Total Revenue Receipts*. This brings us to the conclusion that Own Resources of all categories of *ULBs* in the State, have registered a decline, the decline being faster in respect of *Municipal Corporations* and *Nagar Panchayats*. This is not a healthy development. *The healthy growth of Own Resources would enable ULBs to improve their fiscal autonomy*.

(iii) ***Due to declining percentage of Own Revenue Resources in Total Revenue Receipts, the dependence of ULBs on external sources, has been increasing over time.*** This dependence is substantial in respect of ***Nagar Panchayats***, which obtained 85.41% of their Total Revenue Receipts from External Sources, followed by ***Municipal Councils*** 74.58%, and ***Municipal Corporations***, 71.47%. More worrisome is the fact that this dependence is not only large but also increasing over time. In a Federal Set-up, one of the objective of such transfers from higher level to lower levels of Government is to stimulate them to raise more Internal Resources. But unfortunately, the Federal Financial System in most of the States has not been performing this function of stimulating ULBs to mobilize their Own Resources. On the other hand, we find a reverse trend in the direction of increasing dependence of ULBs on the State and the Central Government.

(iv) Analyzing the magnitude of transfers from the State and Central Government of ULBs, we find that ***Grants-in-Aid constitute a very small proportion of Total Transfers from the State Government in initial year the bulk of the transfers partake the nature of compensation to ULBs in lieu of certain Taxes abolished by them, and Assignment of Revenue from Certain Taxes.*** In respect of transfers from the Central Government, most of the transfers assume the form of General Purpose Grants and Specific Grants, particularly for improving basic services, and grants on the recommendations of the ***CFC. The two types of transfers, Grants-in-Aid and Compensations and Assignments, should not be clubbed together, since they have different objectives and also are governed by different principles.***

(v) ***Because of increasing dependence of ULBs in the State on outside Sources of Revenue, The Index of Self-Reliance, has been showing decline over time,*** (except Municipal Council) thereby reducing their Fiscal Autonomy, an important requirement of the Decentralization Process.

(vi) Though five year period is too small for analyzing the changes in Tax Structure of ***ULBs***, even this short period does not give any indication of increasing diversification of ***their Tax Structures which are dominated by a few Compulsory Taxes.***

(vii) *The Annual Average Rates of Growth of Tax Revenue* has been 11.54% in respect of *Municipal Corporations*, 11.92% of *Municipal Councils* and 18.05% of *Nagar Panchayats*. Poor performance of the growth rate of Tax Revenue may be attributed to low Tax Base, no increase in the rates of most of the taxes since long, laxity in tax collection, large-scale evasion, lack of efforts to diversify the tax structure.

(viii) Another Source of Own Revenue, the *Non-Tax Source*, has recorded increase in the Percent Share of Total Own Revenue only in respect of *Municipal Councils* but a decline in respect of other two category of *ULBs*. Non-Tax Revenue has grown at an Annual Average Rate of 33.56 % in respect of *Municipal Councils*, 8.33 % of *Municipal Corporations* and 7.95% of *Nagar Panchayats*, The bulk of Non-Tax Revenue comes from two items, different types of fees and rent of land and buildings. This source of Revenue has not yet been exploited to the optimum extent. There is considerable potential for revenue raising from some of the items of Non-Tax Revenue. There are many new emerging areas from which Revenue can be raised.

(ix) Both the Tax as well as the Non-Tax Structures has not exhibited much diversification, with the result that growth of *Own Revenue Receipts* has been very slow, the *Annual Average Rate of Growth* has been 10.64% of *Municipal Corporation*, 12.51% of *Nagar Panchayats* and 25.92 % of *Municipal Councils*. The better performance of *Municipal Councils* in terms of growth rate of Own Revenue Receipts may be due to higher rate of growth of Non-Tax Revenue.

(x) *Another Indicator of the Fiscal Performance of ULBs* commonly used is the *Growth of Per Capita Tax and Non-Tax Revenue*. *Per Capita Tax Revenue* has been the highest in respect of *Municipal Corporation*; Rs. 123.85 compared to Rs. 58.21 of *Nagar Panchayats* and Rs. 48.56 of *Municipal Councils* in 2003-04. The highest increase in Per Capita Non-Tax Revenue has been recorded by *Municipal Councils*, which have also recorded the highest Per Capita Own Revenue Receipts, mainly due to higher Per Capita Non-Tax Revenue.

12.20.0 Urban Local Bodies Expenditure:

- 12.20.1 Traditionally Public Finances focus on Expenditure first and then seek to make an assessment of taxes and tariffs to ensure Revenue commensurate with Expenditure. We have departed from the traditional approach by discussing the Revenue Side first. In this part of the chapter, we make an assessment of different facets of Municipal Expenditure, on the basis of data provided by the ULBs.
- 12.20.2 The underlying objective of Municipal Expenditure is to provide adequate infrastructure and basic amenities in terms of water supply, roads, street lighting, draining, sewerage, parks and gardens, not only to the local population but also to those who have various types of linkages with Urban Areas. The opening up of Indian Economy is making Indian Cities as the hubs of Industrial and Economic Activities and Attractive Destinations for domestic as well as foreign capital. As a consequence, it has become imperative for the Municipal Government to provide better infrastructure not only to the local citizenry but also to the outsiders intending to have linkages with Urban Areas, more particularly larger cities.
- 12.20.3 The *XIIth Schedule* of the Constitutional Amendment has designed a larger functional domain for **ULBs** than what was evolved historically, known as traditional functions. The new functions include planning of Economic and Social Development, Poverty Alleviation, Urban Planning, Urban Forestry and Protection of Environment. Out of 18 functions assigned to *ULBs* in *Schedule XIIth*, 14 are such which have direct or indirect bearing on checking *Environmental Pollution*, Our immediate environment, where we are born, breathe, live, work and die, can be considerably improved, if *ULBs* and *PRIs* perform their functions in an integrated manner, with better functional management and performance. The *ULBs* in the state have not yet started to play their new role as envisaged in the Constitutional Amendment. *A multiplicity of parastatal authorities, by performing some of these functions, are making encroachment in the legitimate domain of ULBs.*
- 12.20.4 The level and magnitude of expenditure is generally regarded as an indicator of the level of services rendered, even though there may not exist a strict correspondence

between the two, since outcomes may not be identical with outlays. Rapid urban growth and the low level of Urban Development have created serious deficiency in the availability of basic amenities in Towns and Cities. In the absence of relevant over-time data regarding the availability of infrastructure and services, it would not be possible to indicate the extent of availability of core service in Urban Areas, though the census reports and the NSS Surveys provide some data in respect of the availability of these services with considerable time-lag.

12.20.5 Chhattisgarh is a state of small towns where basic services are inadequate and poor. Their hinterlands are predominantly agricultural. Most of these small towns are mandi towns which need better infrastructure for promoting and strengthening linkages with their respective Rural Economies. These towns need to be strengthened both financially as well as administratively. The State has considerable scope for industrial development, particularly industries based on its natural resources. What is needed is planned development of its towns and cities not only for meeting their current requirements but also future requirements. The present dichotomy between Rural and Urban Development must go and be replaced by integrated development of both.

12.20.6 Broadly speaking, *Municipal Expenditure is classified into two categories, Revenue Expenditure and Capital Expenditure. Revenue Expenditure is mainly incurred on general administration in terms of wages and salaries, pensions; Public Safety which includes streets lighting and fire safety; Public health and convenience which includes, drinking water supply, drainage and conservancy, disposal of waste, cleaning of roads, parks and gardens, hospitals and dispensaries and checking of communicable diseases. Revenue Expenditure also includes public works and their maintenance: education, mostly primary education and interest payments.* Capital Expenditure includes Expenditure on the construction of roads, culverts and bridges, markets, bus stands, drainage purchase of equipment, vehicles etc. At the Municipal Level, the distinction between Revenue and Capital Expenditure is sometime blurred. The bulk of Municipal Expenditure partakes the nature of Revenue Expenditure, though in recent years we find a trend in the direction of increase in Capital Expenditure.

12.20.7 In the **Appendix No. 12.4, 12.5 and 12.6**, give a *detailed account of Revenue Expenditure during five years, 1999-2000 to 2003-2004*. A quick look at the table shows that *Revenue Expenditure as percent of Total Expenditure of Municipal Corporations* has increased from 72.29% in 1999-2000 to 78.86% in 2001-2002, but has declined in the next two years, reaching the level of 60.26% in 2003-2004. In respect of *Municipal Councils*, there has been a continuous decline in the *share of Revenue Expenditure* from 76.30% in 1999-2000 and accordingly a continuous increase in the percentage share of *Capital Expenditure in Total Expenditure*. Similarly, there has been a continuous decline in Revenue Expenditure as percent of Total Expenditure of *Nagar Panchayats*. *Increase in proportion of Capital Expenditure in the Total Expenditure of ULBs is a healthy development from the point of view of future development of towns and cities in the State. But a certain level of Revenue Expenditure is essential for the provision of Municipal Services and for the maintenance of infrastructure.*

12.21.0 Allocation Of Revenue Expenditure Of Urban Local Bodies :

12.21.1 It is essential to look at the manner in which *ULBs* in the state are allocating their Revenue Expenditure among their different functions and services they provide, though we would like to repeat the fact that mere increase in allocation of funds may not be a sufficient requirement. Along with allocation of funds, there has to be an optimum utilization of funds, proper management and efficient delivery mechanism.

12.21.2 The **Table No. 12.23 set of 3 tables** give information about the manner in which funds have been utilized by different categories of *ULBs* in respect of performance of their different functions.

12.21.3 Whereas *Individual ULB* may be allocating their *Revenue Expenditure* among different items according to their priorities and needs, the broad trends in Revenue Expenditure is indicated for different category of *ULBs*, in the above tables. The largest share of Revenue Expenditure goes to *General Administration* in respect of *Municipal Corporations*, but the percent share has continued to decline from 53.03%

in 1999-2000 to 28.87% in 2002-2003, but increasing to 42.64% in 2003-2004. In respect of other two categories of **ULB**, the percent share of this item in Total Revenue Expenditure, has been more or less the same, declining from 31.21% and 34.48% to nearly 22.43% and 22.39% during the same period. **Municipal Corporations** because of larger area and population they serve, have to employ more staff for the performance of their functions. Hence they are required to spend a larger proportion of Revenue Expenditure on wages and salaries and pensions. But a redeeming feature is that the percent share of this head of Revenue Expenditure has been declining over time.

12.21.4 Surprisingly, the percent share of Revenue Expenditure on **Public Safety** has been lower in respect of **Municipal Corporations** compared to the other two categories of **ULBs**, there the **Nagar Panchayats** are spending the entire amount of Revenue Expenditure allocation on street lighting, whereas the other two categories are spending also on fire fighting equipment and services apart from street lighting.

12.21.5 In respect of **Public Health and Convenience**, the percent share of **Municipal Corporations** has not shown any consistency, starting with 30.84 % in 1999-2000. Increasing to 61.12% in 2001-2002, coming down to 52.98% and then to 29.80% of the Total Revenue Expenditure in the next two years respectively. On the other hand, **Municipal Councils** and **Nagar Panchayats** have shown consistency and stability in the percent share of this item in Total Revenue Expenditure. This head of Expenditure includes some important items having considerable impact on Urban Environment, such as drainage, sewage, and sanitation, checking communicable diseases, hospitals and dispensaries. This function of **ULBs** can play an important role in improving the public health of their respective areas.

12.21.6 **Public Works** which mainly include Expenditure on maintenance of assets created, account for a very low percentage of Revenue Expenditure, with the result that maintenance of fixed assets, remains neglected. Mixing up of Revenue and Capital Expenditure on this item, may have resulted in wrong reporting of data regarding funds spent on this head, particularly by **Nagar Panchayats**.

- 12.21.7 Expenditure on **Education** has been very low, between 1.20% and 1.30%, in respect of **Municipal Corporations**, 4.06% to 5.58% of **Municipal Councils** and 2.95% to 4.42% of **Nagar Panchayats**. The low level of Expenditure on this item may be due to the fact that Expenditure on Education is mostly incurred by the State Government, Only a few primary schools may be operated and maintained by **ULBs**.
- 12.21.8 **Interest Payment** constitutes a negligible proportion of Revenue Expenditure in between 0.51% to 1.25% of Total Revenue Expenditure of **Municipal Corporation s** and zero or negligible in respect of other two categories of **ULBs**. **ULBs** in the state have not yet embarked upon the path of borrowing from financial institutions, to develop infrastructure.
- 12.21.9 It is good to find the share of **General Administration** declining in respect of all categories of **ULBs**. But it is not known whether it is due to Economy measures and reduction of unproductive Expenditure or it is due to vacant posts not being filled up. If it is due to non appointment of staff, then it may not be desirable since Economy at the cost of efficiency may not be supported. Most of the employees are engaged in the performance of municipal functions, any cut in such services, may lead to functional deficiencies. Expenditure of **Public Safety** which includes street lighting and fire fighting services, has to be maintained at a certain level and has to increase with growing urbanization and expansion of urban areas. **Public Health And Convenience** also need more resources for improving and expanding services under this head.
- 12.21.10 Since **Public Health And Convenience** constitutes a number of important components, it would be desirable to make a brief review of **the individual components of this head of Expenditure**. The **Table No. 12.24** presents **this information**.
- 12.21.11 **Water Supply** constitutes the largest single item of Expenditure of Public health, accounting for 42.90% of Total Revenue Expenditure in 2003-2004 of the **Municipal Corporation s**, 51.59% of **Municipal Councils** and 45.61% of **Nagar**

Panchayats. This is followed by Expenditure on cleaning of roads, but Expenditure of this sub-head has shown wide fluctuations from year to year. Expenditure on drainage also has shown wide fluctuations, varying from 12.83% of Total Expenditure on Public health in 1999-2000 to 3.15% in 2002-2003. Similarly this sub-head has shown wide fluctuations in percent Expenditure in respect of **Nagar Panchayats** and **Municipal Councils**. Inconsistency in Expenditure reveals lack of planning of **ULBs** Expenditure, thereby adversely affecting the delivery of services to the people.

12.22.0 Fluctuating Nature Of Revenue Expenditure :

12.22.1 One important feature of Municipal Revenue Expenditure that we have observed is the fluctuating nature of this Expenditure. The **Table No. 12.25 highlights this aspect of Municipal Expenditure**.

12.22.2 The **Table No. 12.25** indicates wide fluctuations from year to year in respect of certain items of Revenue Expenditure. For instance, in the case of **Public Health & Convenience** Revenue Expenditure of **Municipal Corporations**, there is a sudden increase of 259.26% in 2001-2002, but a steep fall to 8.66% in the next year, followed by a negative growth of 64.39%. Similarly in the case of Expenditure **Development Works**, in 2 years there is negative growth, but in another year an abnormal increase at the rate of 1198.51%. Fluctuations are very wide in respect of capital Expenditure incurred by all the three categories of **ULBs**. Examples can be multiplied. These fluctuations in Municipal Expenditure may be due to a number of factors, lack of stability in Revenue Receipts, particularly transfers from the State Government, poor planning of Expenditure Management, Local Pressures in determining allocations **But all this tantamounts to violation of the basic canon of public expenditure that budgetary allocations should follow a consistent policy**.

12.22.3 The fluctuations may have adverse effect on outcomes of Municipal Expenditure, resulting in wastage of funds particularly when schemes are left incomplete or postponed. The Commission is of the view that these developments need a

thorough probe as to which factors cause these year-to-year fluctuations in expenditure. *For this purpose the Commission recommends that a small committee of experts may be appointed by the State Government to make a probe into the issue and suggest measures to be adopted by the State Government and the Municipal Government, for better Expenditure Planning and Management.*

12.23.0 Per Capita Urban Local Bodies Expenditure :

- 12.23.1 Generally, Per Capita Expenditure on different municipal services is considered as a barometer of the level of different services made available by ULBs to their respective population. **Table No. 12.26** presents *data in respect of Per Capita Expenditure on Different Services-Revenue Expenditure, Capital Expenditure and Total Expenditure and also percentage increase in 2003-2004 over 1999-2000.*
- 12.23.2 The **Table No. 12.26** shows that *Per Capita Revenue Expenditure* has recorded an increase of 36.15% in 2003-2004 over 1999-2000 in respect of *Municipal Corporation s, Nagar Panchayats* 84.26% and increase has been higher in respect of *Municipal Councils* 96.14%. Per Capita Capital Expenditure has recorded the highest increase of 704.53% in respect of *Nagar Panchayats*, followed by *Municipal Councils* 278.50% and the lowest of 134.24% in respect of *Municipal Corporation s*. Total Per Capita Expenditure also registered the highest increase of 170.28% in respect of *Nagar Panchayats*, compared to 139.35% of *Municipal Councils* and 63.33% of *Municipal Corporation s*. Partly this may be attributed to rapid growth of population of cities having corporations and because of wide fluctuations in the quantum of expenditure from year to year.
- 12.23.3 In respect of **Table No. 12.27** Per Capita Expenditure on *Public Safety* has recorded the highest increase of 152.65% in 2003-2004 over 1999-2000 in respect of *Nagar Panchayats*, compared of *Municipal Councils* 90.73% and 46.02% of *Municipal Corporations*. It appears that *Municipal Corporations* are not spending an increasing amount on this function which includes street lighting and fire fighting. In respect of *Public Health and Convenience*, the percentage increase in

Per Capita Expenditure has been the lowest again for *Municipal Corporations* 31.54%, compared to 100.85% of *Municipal Councils* and 114.21% of *Nagar Panchayats*. The percentage increase recorded in respect of *Education* is not very large, lowest increase in respect of *Nagar Panchayats*. The increase in Per Capita Expenditure on general administration has been the lowest of *Municipal Corporations* 9.47%, followed by *Nagar Panchayats* 19.65% and 40.97% of *Municipal Council*. But in terms of absolute figures, the Per Capita Expenditure has been the highest for corporations Rs. 184.56, followed by *Municipal Councils* Rs. 99.81 and the lowest in respect of *Nagar Panchayats* Rs. 92.82.

12.23.4 *What is recommended in this context is that there is the need to step up Per Capita Expenditure on Public Safety, Public Health and Convenience and Education by the ULBs of the state and reduction in Per Capita Expenditure on General Administration, but not at the Cost of Efficiency. To avoid wide fluctuations in Per Capita Expenditure on different items, there is the need for proper Planning and Management of Municipal Expenditure. As we have already stated, such fluctuations have adverse effect on the quantity of Municipal Services in the State.*

12.24.0 Over-All Position Of The Finances Of Urban Local Bodies In The State:

12.24.1 After having discussed and reviewed separately the Revenue Receipts and Revenue Expenditure and their components, now we make an evaluation of the *Over-All Financial Position of ULBs* in the State. The accompanying **Table No. 12.28** reveals *separately this position of the three categories of ULBs*.

12.24.2 The table reveals something interesting as well as worrisome. *The Municipal Corporations have shown Revenue Deficit in 2 out of 5 years but this Over-All Budgetary Position, taking into account also the Capital Budget, reveals Deficits in 3 out of 5 years*, This implies that their deficits on Capital Account, have brought them to the present financial position of Over-All Deficits. Despite the fact that even when they had Revenue Surpluses, which could be deployed for meeting capital needs, they have to face Over-All Deficits. It needs a probe as to how

Capital Expenditure has out-stripped Capital Receipts plus Surpluses on Revenue Account, leading to Over-All Deficits. *It seems that their Financial Management is not satisfactory.*

12.24.3 *The other two categories, the Municipal Councils and Nagar Panchayats, have witnessed Revenue Surpluses as well as Over-All Surpluses* which implies that they are not capable of utilizing their available funds. In the midst of humble position of Municipal Infrastructure and basic services, it is deplorable to witness Surpluses on both Revenue and Capital Account, Their Own Resources fall short of their Revenue Expenditure. Therefore, their Revenue Surpluses may be on account of transfers from the State and the Central Government. Their Capital Receipts are exceeding their Capital Expenditure, despite large gaps and deficiency in the availability of Municipal Services, *it would be unjustified to have Surpluses in their finances.* It appears from the study of data made available that paucity of funds does not seem to be any constraint on the expansion and improvement of their services. *Perhaps the main constraints are administrative and technical deficiencies, absence of perspective planning and guidance from the State Government. The ULBs in the state need perspective planning for the integrated development of towns and cities. They must have a large number of projects in their portfolio, ready to take up new projects as and when required. The elected representatives should have vision to build up their respective Local Areas.*

12.24.4 It is suggested that *A Committee Of Experts May Be Constituted* to make a thorough probe into the co-existence of huge *Budget Surpluses* along with large gaps and deficiencies in the availability of Municipal Infrastructure and Services, In an earlier section of this chapter, the Commission had recommended the appointment of an expert committee to make a probe into wide fluctuations in the Revenue Expenditure of different heads and sub-heads of Municipal Expenditure and also *Suggest Measures For Improvement.* We also recommend that the same committee may be entrusted with the task of making a probe into the existence of *Huge Surpluses On Revenue Account, Capital Account and the over-all finances of ULBs in the State , and Suggest Ways And Means of Tackling The Problem of Emerging Surpluses.*

Table No. 12.1
The Coverage Of The Study

S No.	ULBs	Total Number In State	Number Included In The Study	% Of Sample In The Total	Total Population Of Each Category	Population Of Sample ULBs	% Of Sample In The Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Municipal Corporations	10	10	100.00	2688792	2688792	100.00
2.	Municipal Councils	28	20	71.43	933671	629325	67.40
3.	Nagar Panchayats	72	20	27.78	705010	254567	36.11
4.	Total	110	50	45.45	4327473	3572684	82.56

Table No. 12.2
Components Of Total Revenue Receipts Of ULBs In The State
(1999-00 To 2003-04)

(% Of Different Aggregates)

S No.	Indicator & ULBs	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
1	Percent Of Own Tax Revenue To Total Own Revenue					
i)	Municipal Corporations	68.71	71.62	73.36	75.51	69.69
ii)	Municipal Councils	43.42	37.39	40.00	37.29	24.12
iii)	Nagar Panchayats	43.23	40.46	56.95	49.64	51.52
2	Own Tax Revenue As % Of Total Revenue Receipts					
i)	Municipal Corporations	28.15	23.63	23.75	23.12	19.88
ii)	Municipal Councils	12.32	11.29	11.96	10.51	6.13
iii)	Nagar Panchayats	10.62	9.60	11.84	8.33	7.52
3	Non-Tax Revenue As % Of Total Own Revenue					
i)	Municipal Corporations	31.29	28.38	26.64	24.49	30.31
ii)	Municipal Councils	56.58	62.61	60.00	62.71	75.88
iii)	Nagar Panchayats	56.77	59.54	43.05	50.36	48.48
4	Non-Tax Revenue As % Of Total Revenue Receipts					
i)	Municipal Corporations	12.82	9.36	8.63	7.50	8.65
ii)	Municipal Councils	16.05	18.90	17.94	17.66	19.29
iii)	Nagar Panchayats	13.94	14.12	8.95	8.44	7.07
5	Total Own Revenue As % Of Revenue Receipts					
i)	Municipal Corporations	40.98	32.99	32.38	30.62	28.53
ii)	Municipal Councils	28.38	30.18	29.90	28.17	25.42
iii)	Nagar Panchayats	24.56	23.72	20.80	16.77	14.59
6	Total Transfers As % Of Total Revenue Receipts					
i)	Municipal Corporations	59.02	67.01	67.62	69.38	71.47
ii)	Municipal Councils	71.62	69.82	70.10	71.83	74.58
iii)	Nagar Panchayats	75.44	76.28	79.20	83.23	85.41

Table No. 12.3
Revenue Receipts Of Municipal Corporations
(1999-00 To 2003-04)

(In %)

S NO.	Indicator	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
1. As Percent Of Own Resources						
i)	Own Tax Revenue	68.71	71.62	73.51	75.51	69.69
ii)	Own Non-Tax Revenue	31.29	28.38	26.64	24.49	30.31
2. As Percent Of Total Revenue Receipts						
i)	Own Tax Revenue	28.15	23.63	23.80	23.12	19.88
ii)	Non-Tax Revenue	12.82	9.36	8.63	7.50	8.65
iii)	Total Own Resources	40.98	32.99	32.38	30.62	28.53
iv)	Total Transfers	59.02	67.01	67.62	69.38	71.47
v)	Transfers from State Government as % Of Total Transfers	78.70	84.55	89.65	77.56	77.37
vi)	Transfers from the Center as % of Total Transfers	21.30	15.46	10.35	22.44	22.63

Table No. 12.4
Revenue Receipts Of Municipal Councils
(1999-00 To 2003-04)

(In %)

S NO.	Indicator	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
1. As Percent Of Own Resources						
i	Own Tax Revenue	43.42	37.39	40.0	37.29	24.12
ii	Own Non-Tax Revenue	56.58	62.61	60.00	62.71	75.88
2. As Percent Of Total Revenue Receipts						
i	Own Tax Revenue	12.32	11.29	11.96	10.51	6.13
ii	Non-Tax Revenue	16.05	18.90	17.94	17.66	19.29
iii	Total Own Resources	28.38	30.18	29.90	28.17	25.42
iv	Total Transfers	71.62	69.82	70.10	71.83	74.58
v	Transfers from State Government as % of Total Transfers	83.69	81.13	86.72	85.09	72.65
vi	Transfers from the Center as % of Total Transfers	16.31	18.87	13.28	14.91	27.35

Table No 12.5
Source Of Revenue Of Nagar Panchayats In The State
(1999-00 To 2003-04)

(In %)						
S NO.	Indicator	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
1. As Percent Of Own Resources						
i)	Own Tax Revenue	43.23	40.46	56.95	49.65	51.52
ii)	Own Non-Tax Revenue	56.77	59.54	43.05	50.35	48.88
2. As Percent Of Total Revenue Receipts						
i)	Own Tax Revenue	10.62	9.60	11.84	8.33	7.52
ii)	Non-Tax Revenue	13.94	14.12	8.95	8.44	7.07
iii)	Total Own Resources	24.56	23.72	20.80	16.77	14.59
iv)	Total Transfers	75.44	76.28	79.20	83.23	85.41
v)	Transfers from State Government as % of Total Transfers	76.06	68.64	79.84	73.78	74.13
vi)	Transfers from the Center as % of Total Transfers	23.94	31.36	21.16	26.22	25.87

Table No. 12.6
Index Of Self-Reliance Of ULBs
(Own Revenue As Percent Of Total Revenue Expenditure)
(1999-00 To 2003-04)

(In %)						
SNo.	ULBs	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
1.	Municipal Corporations	42.74	41.65	24.56	21.77	41.06
2.	Municipal Councils	39.17	40.37	39.24	39.57	45.25
3.	Nagar Panchayats	32.45	41.38	35.29	29.67	27.25

Table No. 12.7
Annual Average Growth Rate Of ULBs Revenues In The State
(1999-00 To 2003-04)

In %)

S No.	Source Of Revenue	Municipal Corporations	Municipal Councils	Nagar Panchayats
1	2	3	4	5
1.	Own Tax Revenue	11.54	11.92	18.05
2.	Non-Tax Revenue	08.33	33.56	07.95
3.	Total Own Revenue	10.64	25.92	12.51
4.	Total Transfers	24.95	31.04	34.62
5.	Total Revenue Receipts	19.84	29.61	30.03

Table No. 12.8
Tax Structure Of Municipal Corporations In The State
(1999-00 To 2003-04)

(In %)

SNo.	Discription	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
I	Compulsory Taxes					
1.	Property Tax					
i)	% of Own Tax Revenue	55.71	52.18	50.05	50.97	49.39
ii)	% of Total Own Revenue	38.27	37.37	36.71	38.49	34.42
iii)	% of Total Revenue Receipts	15.68	12.33	11.89	11.78	9.82
2	Consolidated Tax (Sanitation Tax, Lighting And Fire)					
i)	% of Own Tax Revenue	11.41	14.41	14.09	15.48	14.64
ii)	% of Total Own Revenue	7.84	10.32	10.33	11.69	10.20
iii)	% of Total Revenue Receipts	3.21	3.40	3.35	3.58	2.91
3.	Water Rate					
i)	% of Own Tax Revenue	21.54	22.56	23.74	17.98	21.01
ii)	% of Total Own Revenue	14.80	16.15	17.41	13.58	14.64
iii)	% of Total Revenue	6.07	5.33	5.64	4.16	4.18
	Compulsory Taxes As % Of Total Own Tax Revenue	88.66	89.15	87.87	84.43	85.03
II.	Optional Taxes					
1.	Latrine Tax	ng.	ng.	0.00	ng.	0.00
2.	Drainage Tax	0.00	0.00	0.00	ng.	0.00
3.	Entry Tax	0.00	0.00	0.14	0.14	0.12
4.	Export Tax	2.57	2.55	5.62	10.42	7.41
5.	Tax On Advertisement	0.27	0.38	0.35	0.36	0.37
6.	Passenger Tax	-	-	-	-	-
7.	Other Taxes	8.49	7.93	6.02	4.65	7.06
	Total Optional Taxes As % Of Total Own Revenue	11.34	10.85	12.13	15.57	14.97
	Total Tax Revenue As % Of Total Revenue Receipts	28.15	23.63	23.75	23.12	19.88

Note - ng. (shows negligible)

Table No. 12.9
Tax Structure Of Municipal Councils
(1999-00 To 2003-04)

(In %)

S.N.		1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
I	Compulsory Taxes					
1.	Property Tax					
i)	% of Own Tax Revenue	23.84	28.15	47.23	42.55	42.81
ii)	% of Total Own Revenue	10.35	10.53	18.89	15.87	10.33
iii)	% of Total Revenue Receipts	2.94	3.18	5.65	4.47	2.62
2.	Consolidated Tax (Sanitation Tax, Lighting And Fire)					
i)	% of Own Tax Revenue	23.18	24.05	21.72	24.35	20.29
ii)	% of Total Own Revenue	10.07	8.99	8.69	9.08	4.89
iii)	% of Total Revenue Receipts	2.86	2.71	2.60	2.56	1.24
3.	Water Rate					
i)	% of Own Tax Revenue	31.96	33.97	22.61	24.04	29.60
ii)	% of Total Own Revenue	13.88	12.70	9.05	8.97	7.14
iii)	% of Total Revenue	3.94	3.83	2.70	2.53	1.82
	Compulsory Taxes as % of Total Own Tax Revenue	78.99	86.17	91.56	90.95	92.71
II.	Optional Taxes					
1.	Latrine Tax	0.02	0.01	0.01	0.01	ng.
2.	Drainage Tax	0.00	0.00	0.00	0.00	0.00
3.	Entry Tax	1.19	0.73	0.69	0.17	0.56
4.	Export Tax	8.31	7.77	5.24	5.72	3.52
5.	Tax On Advertisement	0.08	0.06	0.04	0.04	0.04
6.	Passenger Tax	0.75	1.96	0.74	1.12	1.45
7.	Other Taxes	10.66	3.30	1.72	2.00	1.72
	Total Optional Taxes as % of Total Own Revenue	21.01	13.83	8.44	9.05	7.29
	Total Tax Revenue as % of Total Revenue Receipts	12.32	11.29	11.96	10.51	6.13

Note - ng. (shows negligible)

Table No. 12.10
Tax Structure Of Nagar Panchayats
(1999-00 To 2003-04)

(In %)

S.N.		1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
I	Compulsory Taxes					
1.	Property Tax					
i)	% of Own Tax Revenue	25.12	26.63	32.00	28.97	25.29
ii)	% of Total Own Revenue	10.86	10.78	18.22	14.38	13.03
iii)	% of Total Revenue Receipts	2.67	2.56	3.79	2.41	1.90
2.	Consolidated Tax (Sanitation Tax, Lighting And Fire)					
i)	% of Own Tax Revenue	23.10	20.97	15.86	19.75	18.70
ii)	% of Total Own Revenue	9.98	8.48	9.03	9.81	9.69
iii)	% of Total Revenue Receipts	2.45	2.01	1.88	1.64	1.41
3.	Water Rate					
i)	% of Own Tax Revenue	42.11	32.12	35.06	31.38	31.05
ii)	% of Total Own Revenue	18.21	12.99	19.97	15.58	16.00
iii)	% of Total Revenue	4.47	3.08	4.15	2.61	2.33
	Compulsory Taxes as % Of Total Own Tax Revenue	90.33	79.72	82.92	80.10	75.04
II.	Optional Taxes					
1.	Entry Tax	0.00	2.44	1.98	2.24	2.51
2.	Export Tax	5.95	13.90	8.80	13.47	16.30
3.	Tax On Advertisement	0.17	1.42	0.49	2.27	1.89
4.	Other Taxes	3.55	2.51	5.81	1.92	4.26
	Total Optional Taxes as % of Total Own Revenue	9.67	20.28	17.08	19.90	24.96
	Total Tax Revenue as % of Total Revenue Receipts	10.62	9.90	11.84	8.33	7.52

Table No. 12.11
**Average Annual Percent Of Collection To Demand Of Property Tax
 (1999 -00 To 2003 -04)**

Year	Municipal Corporations	Municipal Councils	Nagar Panchayats
1	2	3	4
1999-2000	50.89	56.14	42.66
2000-2001	60.85	62.11	50.01
2001-2002	62.09	67.72	58.52
2002-2003	60.68	66.16	56.59
2003-2004	77.52	66.06	52.32
Average of 5 Years	62.41	63.64	52.02

Table No. 12.12
**Percent Of ULBs Which Have Improved Their Percent Of Collection To Demand In
 2003 -04 Over 1999 -2000**

S No.	Urban Local Body	% of Total Which Have Improved The Percent Of Collection	% Which Have Reached The Range Of 70 To 100%	% ULBs Whose Collection Ratio Is Below 50% Of Demand
1	2	3	4	5
1.	Municipal Corporations	80%	80%	20%
2.	Municipal Councils	55%	35%	35%
3.	Nagar Panchayats	50%	35%	40%

Table No. 12.13
Revenue From Non-Tax Sources
(1999-00 To 2003-04)

(In%)

S No.	Indicator's & ULBs	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
I.	% Share in Total Own Revenue					
1.	Municipal Corporations	31.29	28.38	26.64	24.49	30.31
2.	Municipal Councils	56.58	62.61	60.00	62.71	75.88
3.	Nagar Panchayats	56.77	59.54	43.05	50.36	48.48
II.	% of Total Revenue Receipts					
1.	Municipal Corporations	12.82	9.36	8.63	7.50	8.65
2.	Municipal Councils	16.05	18.90	17.94	17.66	19.29
3.	Nagar Panchayats	13.94	14.12	8.95	8.44	7.07

Table No. 12.14
Annual Average Rate Of Growth Of Non-Tax Revenue
(1999-00 To 2003-04)

(In%)

S No.	ULBs	Annual Average Rate Of Growth
1	2	3
1.	Municipal Corporations	08.33
2.	Municipal Councils	33.56
3.	Nagar Panchayats	07.95

Table No. 12.15
The Share Of Individual Items
Of Non-Tax Source In Total Non-Tax Revenue Of Municipal Corporations
(1999-00 To 2003-04)

(In%)

S No.	Items Of Non-Tax Revenue	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
1	Land & Building	29.04	27.03	29.10	33.13	21.70
2	Market Fees	13.93	20.85	16.64	16.21	11.99
3	Other Fees	24.54	28.19	33.90	29.08	27.35
4	Fines	2.38	1.95	1.98	0.94	1.01
5	Sale Proceeds Of Manure And Parks And Gardens	0.54	1.09	1.12	1.12	0.57
6	Interest Receipts	4.54	3.61	3.70	3.73	5.63
7	Other	25.33	17.28	13.56	15.77	31.76

Table No. 12.16
**The Share Of Individual Items
Of Non-Tax Source In Total Non-Tax Revenue Of Municipal Councils
(1999-00 To 2003-04)**

(In %)

S. No.	Items Of Non-Tax Revenue	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
1.	Land & Building	12.42	7.58	7.58	8.91	4.44
2.	Market Fees	10.24	9.68	6.16	6.37	3.27
3.	Other Fees	2.57	2.45	1.88	1.75	1.28
4.	Fines	0.23	0.21	0.15	0.12	0.06
5.	Sale Proceeds Of Manure And Parks And Gardens	0.02	0.01	0.01	0.08	0.14
6.	Interest Receipts	0.24	0.43	0.21	0.09	0.13
7.	Other	74.27	79.63	84.01	82.68	90.67

Table No. 12.17
**The Share Of Individual Items
Of Non-Tax Source In Total Non-Tax Revenue Of Nagar Panchayats
(1999-00 To 2003-04)**

(In%)

S.No.	Items of non-tax revenue	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
1	Land & Building	30.53	44.37	27.23	26.64	21.99
2	Market Fees	30.32	20.33	27.33	26.99	24.03
3	Other Fees	2.23	1.71	1.80	1.55	2.04
4	Fines	0.43	0.39	0.49	0.65	0.50
5	Sale Proceeds Of Manure And Parks And Gardens	2.35	2.35	2.42	2.64	2.18
6	Interest Receipts	0.03	0.63	1.67	0.39	0.00
7	Other	34.10	30.22	39.07	41.14	49.25

Table No. 12.18
**Composition Of Transfers From The State Government To ULBs
(1999-00 To 2003-04)**

(In%)

Year	Municipal Corporations		Municipal Councils		Nagar Panchayats	
	Grants *	Compensations & Assigned Revenue	Grants *	Compensations & Assigned Revenue	Grants *	Compensations & Assigned Revenue
1	2	3	4	5	6	7
1999-2000	20.90	79.10	29.73	70.27	29.79	70.21
2000-2001	42.24	57.76	42.47	57.53	43.65	56.35
2001-2002	23.23	76.77	42.92	57.08	48.36	51.64
2002-2003	30.26	69.74	46.23	53.77	51.38	48.62
2003-2004	37.98	62.02	60.04	39.96	62.45	37.55

Note : * Include grants and other.

Table No. 12.19
**Transfers From The State Government
And Central Government To Municipal Corporations
(1999-00 To 2003-04)**

(In%)

S No.	Indicator	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
I. Transfers From The State Government						
1.	Compensation for Abolition of Octroi	63.01	49.39	70.08	62.07	55.77
2.	Compensation for Passenger Tax	9.90	6.20	4.32	4.72	3.35
3.	Share in Additional Stamp Duty	6.19	2.18	2.37	2.95	2.90
4.	Other Transfers	20.90	42.24	23.23	30.26	37.98
	% Of Total Transfers	78.70	84.55	89.65	77.56	77.37
II. Transfers From Central Government						
1.	Special Grants	6.80	6.01	13.68	9.66	7.73
2.	General Grants	2.06	12.84	8.35	8.88	6.77
3.	Grants On The Recommendation Of The Central FC	7.32	11.17	21.13	6.09	6.64
4.	Basic Grants	6.57	18.15	15.06	5.92	5.33
5.	Other Transfer	77.25	51.82	41.78	69.46	73.53
	% of Total Central Transfers	21.30	15.45	10.35	22.44	22.63
	Total Transfers As % of Total Revenue Receipts	59.02	67.01	67.62	69.38	71.47

Table No. 12.20
**Transfers From The State And
 Central Government To Municipal Councils
 (1999-00 To 2003-04)**

(In %)

S No.	Indicator	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
I. Transfers From The State Government						
1.	Special Grants	12.99	13.04	15.29	20.72	28.05
2.	Compensation For Abolition Of Octroi	56.63	48.22	50.47	45.70	35.12
3.	Compensation For Passenger Tax	11.30	7.96	5.22	5.92	3.46
4.	Share In Additional Stamp Duty	2.34	1.34	1.39	2.15	1.38
5.	Other Transfers	16.75	29.43	27.63	25.51	32.00
	% of Total Transfers	83.69	81.13	86.72	85.09	72.65
II. Transfers From Central Government						
1.	Special Grants	40.67	5.24	25.26	25.66	23.38
2.	General Grants	16.32	27.58	20.59	13.76	40.12
3.	Grants On The Recommendation Of The Central FC	1.98	17.93	16.90	26.56	1.77
4.	Basic Grants	20.92	41.46	26.01	17.76	24.63
5.	Other Transfer	20.11	7.79	11.24	16.27	10.11
	% of Total Central Transfers	16.31	18.87	13.28	14.91	27.35
	Total Transfers As % of Total Revenue Receipts	71.62	69.82	70.10	71.83	74.58

Table No. 12.21
**Transfers From The State And
The Central Government To Nagar Panchayats
(1999-00 To 2003-04)**

(In%)

SNo.	Indicators	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
I. Transfers From The State Government						
1.	Special Grants	8.88	5.35	7.10	10.02	11.01
2.	Compensation For Abolition Of Octroi	46.74	39.85	38.53	33.33	24.78
3.	Compensation For Passenger Tax	19.11	11.05	6.21	6.22	4.69
4.	Share In Additional Stamp Duty	4.36	5.46	6.90	9.08	8.08
5.	Other Transfers	20.90	38.30	41.25	41.35	51.44
	% of Total Transfers	76.06	68.64	78.84	73.78	74.13
II. Transfers From Central Government						
1.	Special Grants	12.64	18.55	19.12	27.72	24.07
2.	General Grants	16.01	10.97	27.69	13.72	26.94
3.	Grants On The Recommendation Of The Central FC	22.95	12.01	11.76	21.92	8.74
4.	Basic Grants	34.32	43.02	30.61	21.84	23.46
5.	Plan Revenue Grant	0.00	1.05	0.39	0.40	0.71
6.	Other Transfer	14.08	14.40	10.42	14.40	16.09
	% of Total Central Transfers	23.94	31.36	21.16	26.22	25.87
	Total Transfers As % of Total Revenue Receipts	75.44	76.28	79.20	83.23	85.41

Table No. 12.22
Per Capita Tax And Non-Tax Revenue OF Urban Local Bodies In The State
(1999-00 To 2003-04)

(In Rs)

Year	Per Capita Own Tax Revenue			Per Capita Non Tax Revenue			Per Capita Own Revenue			Per Capita Own Total Transfers		
	Municipal Corporation	Municipal Councils	Nagar Panchayats	Municipal Corporation	Municipal Councils	Nagar Panchayats	Municipal Corporation	Municipal Councils	Nagar Panchayats	Municipal Corporation	Municipal Councils	Nagar Panchayats
1	2	3	4	5	6	7	8	9	10	11	12	13
1999-2000	93.28	38.59	31.56	42.48	50.28	41.45	135.76	88.87	73.01	195.57	224.31	224.29
2000-2001	98.43	41.34	45.48	39.01	69.22	66.94	137.44	110.56	112.42	279.12	255.73	361.49
2001-2002	105.46	59.16	68.10	38.31	88.74	51.47	143.77	147.90	119.57	300.19	346.78	455.38
2002-2003	116.42	56.39	56.87	37.75	94.81	57.68	154.17	151.19	114.55	349.39	385.52	568.53
2003-2004	123.85	48.56	58.21	53.87	152.79	54.78	177.72	201.35	122.99	445.13	590.65	661.61
% Increase In 2003-2004 Over 1999 - 2000	32.77	25.84	84.43	26.80	203.88	32.15	30.90	126.57	54.75	127.61	163.32	194.98

Table No. 12.23
Revenue Expenditure Of Urban Local Bodies In The State
(% Of Total Revenue Ex penditure)
(1999-00 To 2003-04)

S No.	Items Of Revenue Expenditure	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
1.	Municipal Corporations					
i)	General Administration	53.03	50.62	27.96	28.87	42.64
ii)	Public Safety	7.62	9.99	5.10	6.24	10.42
iii)	Public Health & Convenience	30.84	31.27	61.12	52.98	29.80
iv)	Public Works	4.21	4.45	3.32	3.59	10.08
v)	Education	1.20	1.28	0.78	0.79	1.30
vi)	Dev. Works	0.79	0.65	0.63	6.49	0.85
vii)	Interest Payments	1.25	1.11	0.51	0.59	1.10
viii)	Other Revenue Expenditure	1.05	0.62	0.58	0.46	3.81
2.	Municipal Councils					
i)	General Administration	31.21	33.16	26.84	25.57	22.43
ii)	Public Safety	13.82	12.26	17.39	15.76	13.44
iii)	Public Health & Convenience	33.05	32.65	34.04	36.25	33.84
iv)	Public Works	9.27	5.84	5.08	9.30	12.49
v)	Education	4.06	5.58	4.66	4.91	4.44
vi)	Dev. Works	6.54	4.38	4.31	4.68	4.65
vii)	Interest Payments	0.00	0.02	0.00	0.03	0.00
viii)	Other Revenue Expenditure	2.06	6.11	7.68	3.51	8.71
3.	Nagar Panchayats					
i)	General Administration	34.48	31.65	27.26	23.81	22.39
ii)	Public Safety	11.15	13.99	14.73	14.59	15.29
iii)	Public Health & Convenience	28.88	28.93	27.84	31.76	33.57
iv)	Public Works	9.26	10.21	14.65	16.76	14.68
v)	Education	4.42	3.43	3.54	2.95	3.50
vi)	Dev. Works	7.50	7.15	7.01	5.35	5.68
vii)	Interest Payments	0.0.	0.00	0.00	0.00	0.00
viii)	Other Revenue Expenditure	4.31	4.64	4.97	4.79	4.89

Table No. 12.24
**Share Of Individual Items In Revenue Expenditure On
Public Health And Convenience
(1999-00 To 2003-04)**

(In%)

S No.	Items Of Revenue Expenditure	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
1.	Municipal Corporations					
i)	Water Supply	41.12	40.81	13.60	13.23	42.90
ii)	Drainage	12.83	10.05	3.47	3.15	11.85
iii)	Disposal Of Waste	2.16	3.43	0.97	0.76	4.34
iv)	Cleaning Of Roads	13.16	13.36	3.32	3.41	13.44
v)	Hospital & Dispensaries	2.44	2.22	0.68	0.56	1.76
vi)	Parks & Gardens	3.64	4.59	1.44	0.93	3.06
2.	Municipal Councils					
i)	Water Supply	44.57	42.74	49.87	49.16	51.59
ii)	Drainage	12.88	11.37	11.61	14.86	16.10
iii)	Disposal Of Waste	3.06	5.58	9.65	4.82	4.76
iv)	Cleaning Of Roads	20.58	20.37	15.49	15.57	13.44
v)	Hospital & Dispensaries	0.85	0.73	0.50	0.56	0.40
vi)	Parks & Gardens	3.11	2.29	2.47	5.67	4.57
3.	Nagar Panchayats					
i)	Water Supply	38.31	38.73	47.18	47.06	45.61
ii)	Drainage	7.19	3.61	4.01	4.59	3.13
iii)	Disposal Of Waste	3.88	4.09	3.61	1.04	1.55
iv)	Cleaning Of Roads	32.13	30.61	25.33	19.31	9.14
v)	Hospital & Dispensaries	-	-	-	-	-
vi)	Parks & Gardens	1.49	3.53	4.65	10.46	5.82

Table No. 12.25
Percent Change Over The Previous Year In The Revenue Expenditure
(1999 -00 To 2003 -04)

SNo.	Items Of Revenue Expenditure	2000-01	2001-02	2002-03	2003-04	Avg-Annual Change
1	2	3	4	5	6	7
1.	Municipal Corporations					
i)	General Administration	2.88	1.53	29.43	-6.48	6.84%
ii)	Public Safety	41.20	-6.10	53.31	5.69	23.53
iii)	Public Health & Convenience	9.28	259.26	8.66	-64.39	53.20
iv)	Public Works	13.91	37.35	35.40	77.76	41.11
v)	Education	15.19	12.40	26.57	3.88	14.51
vi)	Development Works	-11.56	77.02	1198.51	-91.66	293.08
vii)	Interest Payments	-4.65	-16.20	45.84	18.91	10.97
viii)	Other Revenue Expenditure	-36.20	69.40	-0.46	428.52	115.32
ix)	Total Revenue Expenditure	7.77	83.82	25.37	-36.68	20.07
x)	Capital Expenditure	14.66	20.81	29.28	51.08	28.96
xi)	Total Expenditure	9.68	65.57	26.19	-17.79	20.94
2.	Municipal Councils					
i)	General Administration	33.05	15.42	0.06	5.83	13.59
ii)	Public Safety	11.15	102.15	-4.83	2.88	27.84
iii)	Public Health & Convenience	23.73	48.66	11.83	12.62	24.21
iv)	Public Works	-21.13	24.08	92.20	62.03	39.30
v)	Education	72.08	19.05	10.73	9.09	27.74
vi)	Development Works	-16.09	40.33	13.92	-19.98	14.54
vii)	Other Revenue Expenditure	271.65	79.20	-51.99	199.60	124.61
viii)	Total Revenue Expenditure	25.23	42.58	5.03	20.63	23.37
ix)	Capital Expenditure	42.54	67.59	66.43	9.81	46.59
x)	Total Expenditure	29.33	49.11	23.06	16.34	29.46
3.	Nagar Panchayats					
i)	General Administration	14.98	11.29	3.10	4.61	8.50
ii)	Public Safety	57.04	36.04	16.96	16.63	31.67
iii)	Public Health & Convenience	25.48	24.33	34.69	17.58	25.52
iv)	Public Works	38.18	85.33	35.04	-2.53	39.01
v)	Education	-2.87	33.38	-1.58	31.85	15.19
vi)	Development Works	19.39	26.63	-9.93	18.14	13.56
vii)	Other Revenue Expenditure	34.89	38.42	13.71	13.50	25.13
viii)	Total Revenue Expenditure	25.25	29.20	18.07	11.24	20.94
ix)	Capital Expenditure	250.97	45.81	44.40	25.58	91.69
x)	Total Expenditure	56.56	34.37	26.95	16.74	33.65

Table No. 12.26
Per Capita Expenditure Of Urban Local Bodies
(1999 -00 To 2003-04)

(In Rs.)

Year	Municipal Corporations			Municipal Councils			Nagar Panchayats		
	Per Capita Rev. Exp.	Per Capita Capital Exp.	Per Capita Total Exp.	Per Capita Rev. Exp.	Per Capita Capital Exp.	Per Capita Total Exp.	Per Capita Rev. Exp.	Per Capita Capital Exp.	Per Capita Total Exp.
1	2	3	4	5	6	7	8	9	10
1999-2000	317.92	121.88	439.80	226.85	70.45	297.30	225.00	36.23	261.23
2000-2001	330.02	134.62	464.64	270.85	96.80	370.66	271.67	122.58	394.25
2001-2002	585.45	156.95	742.41	378.90	156.59	533.49	338.81	172.53	511.34
2002-2003	708.32	195.82	904.14	382.12	251.57	633.68	386.11	240.47	626.59
2003-2004	432.83	285.50	718.34	444.94	266.64	711.58	414.59	291.49	706.07
%Increase in 2003-04 over 1999-2000	36.15	134.24	63.33	96.14	278.50	139.35	84.26	704.53	170.28

Table No. 12.27
Per Capita Expenditure On Different Municipal Services
(1999-00 To 2003-04)

(In Rs.)

Year	Gen. Adm.	Public Safety	Public Health & Convenience	Public Works	Education
1	2	3	4	5	6
1. Municipal Corporations					
1999-2000	168.59	24.24	98.05	13.38	3.81
2000-2001	167.07	32.97	103.21	14.48	4.22
2001-2002	163.70	29.88	357.84	19.46	4.58
2002-2003	204.49	44.21	375.26	25.42	5.60
2003-2004	184.56	45.09	128.98	43.61	5.61
% of Increase in 2003-2004 over 1999-2000	9.47%	46.02%	31.54%	226.03%	47.38%
2. Municipal Councils					
1999-2000	70.80	31.34	74.96	21.02	9.21
2000-2001	90.81	33.59	89.42	15.99	15.28
2001-2002	101.17	65.53	128.31	19.14	17.55
2002-2003	97.71	60.20	138.51	35.52	18.76
2003-2004	99.81	59.78	150.57	55.55	19.76
% of Increase in 2003-2004 over 1999-2000	40.97%	90.73%	100.85%	164.22%	114.53%
3. Nagar Panchayats					
1999-2000	77.57	25.10	64.97	20.83	9.96
2000-2001	85.98	37.99	78.59	27.75	9.32
2001-2002	92.37	49.89	94.32	49.64	12.00
2002-2003	91.92	56.33	122.63	64.71	11.40
2003-2004	92.82	63.41	139.18	60.88	14.51
% of Increase in 2003-2004 over 1999-2000	19.65%	152.65%	114.21%	192.26%	45.75%

Table No. 12.28
Over-All Financial Position Of ULBs In The State
(1999-00 To 2003-04)

(In Thousands Rs.)

Year	Revenue Receipts	Revenue Expenditure	Surplus/ Deficit	Capital Receipts	Capital Exp.	Surplus/ Deficit	Total Receipts	Total Expenditure	Surplus/ Deficit
1	2	3	4	5	6	7	8	9	10
1. Municipal Corporation									
1999-00	858808	823400	35408	169169	315679	-146510	1027977	1139079	-111102
2000-01	1120044	887344	232700	200494	361969	-161475	1320538	1249313	71225
2001-02	1236935	1631152	-394217	295220	437291	-142071	1532155	2068443	-536288
2002-03	1453760	2044917	-591157	367053	565320	-198267	1820813	2610237	-789424
2003-04	1863245	1294821	568424	505063	854077	-349014	2368308	2148898	219410
2. Municipal Councils									
1999-00	189994	137624	52370	25948	42738	-16790	215942	180362	35580
2000-01	230518	172343	58175	28028	60920	-32892	258546	233263	25283
2001-02	322523	245733	76790	46647	102095	-55448	369170	347828	21342
2002-03	362524	258100	104424	75070	169921	-94851	437594	428021	9573
2003-04	554214	311357	242857	52033	186588	-134555	606247	497945	108302
3. Nagar Panchayats									
1999-00	72958	55216	17742	3281	8891	-5610	76239	64107	12132
2000-01	120645	69159	51486	8268	31205	-22937	128913	100364	28549
2001-02	151632	89354	62278	10928	45501	-34573	162560	134855	27705
2002-03	186637	105498	81139	13977	65704	-51727	200614	171202	29413
2003-04	219258	117353	101905	20081	82508	-62427	239339	199861	39478

Appendix No. 12.1
Revenue Receipts Of Municipal Corporations
(1999-00 To 2003-04)

(In Thousands Rs.)

S No.	Items Of Receipts	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
A.	Total Own Revenue (I+II)	351899	369542	400558	445084	531647
I.	Total Own Tax Revenue (1+2)	241786	264660	293831	336094	370505
1.	Compulsory Taxes					
i)	Property Tax	134688	138108	147063	171294	182977
ii)	Consolidated Tax	27598	38134	41390	52043	54228
iii)	Water Rate	52090	59699	69749	60434	77832
	Total (1)	214376	235941	258202	283771	315037
2.	Optional Taxes					
i)	Latrine Tax	5	3	0	1	0
ii)	Drainage Tax	0	0	0	1	10
iii)	Export Tax	6220	6740	16506	35008	27464
iv)	Entry Tax	0	0	403	474	450
v)	Advertisement Tax	661	991	1028	1201	1373
vi)	Other Taxes	20524	20977	17692	15638	26171
	Total (2)	27410	28719	35629	52323	55468
II.	Non Tax Revenue					
i)	Land & Buildings	31982	28346	31054	36112	34968
ii)	Market Fees	15336	21865	17764	17663	19319
iii)	Licence Fees	15962	15219	23318	17236	24009
iv)	Interest On Loans	5000	3785	3950	4070	9074
v)	Revenue From Gardens	177	406	377	303	123
vi)	Building Construction Fees	11061	14344	12853	14452	20059
vii)	Compounding Fees	4	8	8	11	6
viii)	Sale Of Manure	416	735	814	916	788
ix)	Fines	2285	2049	2112	1035	1620
x.)	Other Revenue	27890	18125	14477	17192	51176
	Total (II)	110113	104882	106727	108990	161142
B.	Total Transfers (I+II)	506909	750502	836377	1008676	1331598
I.	Transfers From State Govt.					
i)	Special Grants	0	0	0	0	0
ii)	Compensation For Abolition Of Octroi	251372	313383	525454	485575	574590
iii)	In Lieu Of Passenger Tax	39482	39311	32407	36926	34509
iv)	Share In Additional Stamp Duty	24681	13806	17736	23064	29828
v)	Other	83396	268017	174199	236746	391267
	Total (I)	398931	634517	749796	782311	1030194
II.	Transfers From Central Govt.					
i)	Special Grants	7341	6972	11845	21856	23305
ii)	General Grants	2228	14895	7230	20110	20407
iii)	Grants For Basic Services	7089	21049	13037	13395	16073
iv)	On Recommendations Of Finance Commi-	7908	12960	18297	13778	20000
v)	Other Grants	83412	60109	36172	157226	221619
	Total (II)	107978	115985	86581	226365	301404
III.	Revenue Receipts (A+B)	858808	1120044	1236935	1453760	1863245
IV.	Capital Receipts	169169	200494	295220	367053	505063
	Total Receipts (III+IV)	1027977	1320538	1532155	1820813	2368308

Appendix No. 12.2
Revenue Receipts Of Municipal Councils
(1999-00 To 2003-04)

(In Thousands Rs.)

S No.	Items Of Receipts	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
A.	Total Own Revenue $\text{VI} + \text{II}\frac{1}{2}$	53912	69578	96428	102124	140896
I.	Total Own Tax Revenue (1+2)	23410	26014	38571	38087	33981
1.	Compulsory Taxes					
i)	Property Tax	5581	7324	18217	16207	14548
ii)	Consolidated Tax	5427	6256	8376	9276	6896
iii)	Water Rate	7483	8836	8722	9156	10060
	Total (1)	18491	22416	35315	34639	31504
2.	Optional Taxes					
i)	Latrine Tax	5	2	2	2	1
ii)	Drainage Tax	0	0	0	0	0
iii)	Export Tax	1946	2022	2022	2179	1195
iv)	Entry Tax	279	190	267	63	190
v)	Advertisement Tax	18	15	15	15	15
vi)	Pilgrims Tax	176	510	287	426	493
vii)	Other Taxes	2495	859	663	763	583
	Total (2)	4919	3598	3256	3448	2477
II.	Non Tax Revenue					
i)	Land & Buildings	3789	3304	4384	5705	4751
ii)	Market Fees	3124	4219	3562	4080	3495
iii)	Licence Fees	512	609	742	602	615
iv)	Interest On Loans	74	187	123	59	143
v)	Revenue From Gardens	0	0	0	44	139
vi)	Building Construction Fees	218	400	291	455	654
vii)	Compounding Fees	53	57	56	64	100
viii)	Sale Of Manure	6	5	5	7	11
ix)	Fines	71	91	89	74	69
x.)	Other Revenue	22655	34692	48605	52947	96938
	Total $\text{VI}\frac{1}{2}$	30502	43564	57857	64037	106915
B.	Total Transfers (I+II)	136082	160940	226095	260400	413318
I.	Transfers From State Govt.					
i)	Special Grants	14789	17033	29970	45916	84210
ii)	Compensation For Abolition Of Octroi	64992	62964	98958	101261	105440
iii)	In Lieu Of Passenger Tax	12868	10398	10240	13112	10394
iv)	Share In Additional Stamp Duty	2669	1753	2716	4774	4140
v)	Other	19071	38424	54181	56516	96081
	Total (I)	113889	130572	196065	221579	300265
II.	Transfers From Central Govt.					
i)	Special Grants	9026	1591	7587	9960	26431
ii)	General Grants	3623	8375	6183	5342	45354
iii)	Grants For Basic Services	4643	12591	7810	6894	27840
iv)	On Recommendations Of Finance Commi-	439	5445	5074	10310	2000
v)	Other Grants	4462	2366	3376	6315	11428
	Total (II)	22193	30368	30030	38821	113053
III.	Revenue Receipts (A+B)	189994	230518	322523	362524	554214
IV.	Capital Receipts	25948	28028	46647	75070	52033
	Total Receipts (III+IV)	215942	258546	369170	437594	606247

Appendix No. 12.3
Revenue Receipts Of Nagar Panchayats
(1999-00 To 2003-04)

(In Thousands Rs.)

S No.	Items Of Receipts	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
A.	Total Own Revenue III+II½	17918	28620	31534	29205	31983
I.	Total Own Tax Revenue (I+2)	7746	11579	17959	13445	16478
1.	Compulsory Taxes					
i)	Property Tax	1946	3084	5746	4501	4168
ii)	Consolidated Tax	1789	2428	2849	3069	3081
iii)	Water Rate	3262	3719	6297	4876	5116
	Total (1)	6997	9231	14892	12446	12365
2.	Optional Taxes					
i)	Entry Tax	0	283	356	348	414
ii)	Export Tax	461	1609	1580		2686
iii)	Advertisement Tax	13	165	88	353	311
iv)	Other Taxes	275	291	1043	298	702
	Total (2)	749	2348	3067	999	4113
II.	Non Tax Revenue					
i)	Land & Buildings	3106	7561	3696	4199	3410
ii)	Market Fees	3084	3464	3710	4254	3726
iii)	Licence Fees	69	65	79	83	68
iv)	Interest On Loans	3	108	227	61	0
v)	Revenue From Gardens	190	234	214	265	292
vi)	Building Construction Fees	157	223	163	156	243
vii)	Compounding Fees	1	3	2	5	6
viii)	Sale Of Manure	49	167	114	151	46
ix)	Fines	44	66	66	102	78
x.)	Other Revenue	3469	5150	5304	6484	7636
	Total III½	10172	17041	13575	15760	15505
B.	Total Transfers (I+II)	55040	92025	120098	155339	187275
I.	Transfers From State Govt.					
i)	Special Grants	3719	3376	6728	11489	15290
ii)	Compensation For Abolition Of Octroi	19568	25169	36484	38195	34402
iii)	In Lieu Of Passenger Tax	8000	6978	5883	7124	6510
iv)	Share In Additional Stamp Duty	1827	3447	6536	10408	11219
v)	Other	8751	24195	39060	47392	71406
	Total (I)	41866	63165	94691	114608	138827
II.	Transfers From Central Govt.					
i)	Special Grants	1665	5355	4858	11291	11659
ii)	General Grants	2110	3167	7036	5589	13053
iii)	Grants For Basic Services	4522	12414	7778	8894	11365
iv)	On Recommendations Of Finance Commi-	3023	3466	2988	8929	4232
v)	Plan Grant On Revenue Account	0	302	99	164	345
vi)	Other Grants	1855	4156	2648	5864	7794
	Total (II)	13174	28860	25408	40731	48448
III.	Revenue Receipts (A+B)	72958	120645	151632	186637	219258
IV.	Capital Receipts	3281	8268	10928	13977	20081
	Total Receipts (III+IV)	76239	128913	162560	198521	239339

Appendix No. 12.4
Revenue And Capital Expenditure
Of Municipal Corporations In Chhattisgarh State
(1999-00 To 2003-04)

(In Thousands Rs.)

S No.	Items Of Receipts/Expenditure	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
I.	Total Revenue	823400	887344	1631152	2044917	1294821
	Expenditure					
1	General Administration	436643	449214	456100	590350	552105
2	Public Safety	62779	88647	83243	127623	134883
3	Public Health And Convenience	253946	277512	996992	1083372	385831
4	Public Works	34647	39466	54206	73395	130469
5	Education	9861	11359	12767	16159	16786
6	Development Works	6525	5771	10216	132656	11068
7	Interest Payments	10313	9833	8240	12017	14289
8	Other Rev. Exp.	8686	5542	9388	9345	49390
II.	Capital Expenditure	315679	361969	437291	565320	854077
	Total Expenditure (I+II)	1139079	1249313	2068443	2610237	2148898
III.	Percentage Of Revenue Expenditure To Total Expenditure	72.29	71.03	78.86	78.34	60.26
IV.	Percent Of Capital Expenditure To Total Expenditure	27.71	28.97	21.14	21.66	39.74

Appendix No.12.5
Revenue And Capital Expenditure
Of Municipal Councils In The Chhattisgarh State
(1999-00 To 2003-04)

(In Thousands Rs.)

S No.	Items Of Receipts/Expenditure	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
I.	Total Revenue Expenditure	137624	172343	245733	258100	311357
1	General Administration	42955	57150	65963	66000	69846
2	Public Safety	19016	21136	42726	40664	41835
3	Public Health And Convenience	45479	56273	83658	93554	105364
4	Public Works	12755	10060	12482	23991	38873
5	Education	5587	9614	11445	12673	13825
6	Development Works	9000	7552	10598	12073	14485
7	Interest Payments	0	33	0	90	0
8	Other Rev. Exp.	2832	10525	18861	9055	27129
II.	Capital Expenditure	42738	60920	102095	169921	186588
	Total Expenditure (I+II)	180362	233263	347828	428021	497945
III.	Percentage Of Revenue Expenditure To Total Expenditure	76.30	73.88	70.65	60.30	62.53
IV.	Percent Of Capital Expenditure To Total Expenditure	23.70	26.12	29.35	39.70	37.47

Appendix No. 12.6
Revenue And Capital Expenditure
Of Nagar Panchayats In The Chhattisgarh State
(1999-00 To 2003-04)

(Thousands Rs.)

S No	Items Of Receipts/Expenditure	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7
I.	Total Revenue	55216	69159	89354	105498	117353
	Expenditure					
1	General Administration	19036	21888	24360	25116	26273
2	Public Safety	6159	9672	13158	15390	17949
3	Public Health And Convenience	15944	20007	24875	33505	39395
4	Public Works	5112	7064	13092	17680	17233
5	Education	2443	2373	3165	3115	4107
6	Development Works	4142	4945	6262	5640	6663
7	Interest Payments	1	1	0	1	0
8	Other Rev. Exp.	2379	3209	4442	5051	5733
II.	Capital Expenditure	8891	31205	45501	65704	82508
	Total Expenditure (I+II)	64107	100364	134855	171202	199861
III.	Percentage of Revenue Expenditure to Total Expenditure	86.13	68.91	66.26	61.62	58.72
IV.	Percent Of Capital Expenditure to Total Expenditure	13.87	31.09	33.74	38.38	41.28