







FOURTH STATE FINANCE COMMISSION (2025-30) JANUARY 2024

Government of Chhattisgarh

FOURTH STATE FINANCE COMMISSION

CHHATTISGARH

REPORT

(2025-30)

JANUARY 2024

Preface

“I would rather say that if there are seven lakh villages, then there are seven lakh governments, do believe it!" (January 1948, Mahatma Gandhi). In independent India, by providing constitutional status to Panchayati Raj institutions and urban local bodies through the 73rd and 74th constitutional amendments, decentralization of multidimensional powers of power-centers ensuring people's participation in it, Jan Bharat paved the way for the golden future of democracy in India. It has been established that “India will remain a true worshiper of democracy".

In the constitutional role of this democracy, the responsibility has also been assigned to the State Finance Commission. To discharge these responsibilities, the Fourth State Finance Commission was constituted to review the financial position of the local bodies for the year 2025-30 and give recommendations under the constitutional provisions in the state of Chhattisgarh.

Local bodies are an important link in democratic decentralization, whose main responsibility is to provide basic facilities to the common people. The approach of strengthening the economic condition of Panchayats and urban bodies and ensuring access to basic facilities to every citizen was given highest priority in this report.

For obtaining vivid figures regarding Finance, Panchayat and Urban Administration, various basic facilities available to citizen, the cost incurred in providing these facilities, the availability of current resources and to study, evaluate and forecast the financial and physical resources in future State Finance Commission have made diligent efforts.

There are a total of 11,838 three-tier Panchayati Raj institutions and 170 urban local bodies in the state. It was a difficult task to get quick, reliable and prompt information from the bodies. Keeping this fact in mind, a detailed questionnaire was prepared to get information from the local bodies and all the information was obtained online by getting a web portal SFC.e-Info and Mobile App developed by State Finance Commission. To get information online, the Commission appointed nodal officers at every level in all local bodies and provided training to them to provide information digitally in the prescribed questionnaire

As a result of the diligent efforts of the Commission, online information was received from 91.58% three-tier Panchayati Raj institutions and 72% urban bodies of the state. The information received was calculated in various forms through the software prepared by the Commission, and its in-depth analysis was done by the Commission itself and through consultation with experts as required.

To utilize the local research potential of the state, studies were sponsored from the researchers of the state universities. Internship programs were also started to acquaint the youth with the functioning of the State Finance Commissions and to encourage them to work in the field of local self-government.

This was done by the Commission in discussion and consultation with experts from various institutions of national importance such as National Institute of Rural Development and Panchayati Raj, Hyderabad; Indian Institute of Public Administration, New Delhi; National Institute of Public Finance and Planning, New Delhi; and Chhattisgarh branch of UNICEF. I express my gratitude to the respected officials associated with these institutions for the advice received from them.

The Commission conducted a study tour of local bodies of neighbouring states with similar geography and common heritage and tried to include the experience gained in this report as per the need of the state. I thank the governments of Orissa, Maharashtra and Madhya Pradesh for providing useful information during the visit of Chhattisgarh State Finance Commission.

Along with the primary data received by the Commission, secondary data and other desired information were also obtained from the concerned departments of the Government of Chhattisgarh through departmental memorandum and detailed discussions were held with the secretaries of the concerned departments on the information received and suggestions were received from them regarding the strengthening of local bodies. I express my gratitude to the officials of the concerned departments for providing timely information, meaningful discussions and consultation.

Tireless hard work and special skills were required for the Commission to prepare the report within the time limit. As a result of the innovative working style of the Secretary of the Commission, Mr. Satish Pandey, who has special and long experience in the field of financial administration, and the Joint Secretary, Dr. J.S. Virdi, it has become possible for the Commission to prepare a report. Research Officer Ms. Payal Gupta and Mr. Madhav Hardevi completed the assigned responsibilities with full dedication and Mr. M.N. Rajurkar, Mr. Ashok Kawde, Mr. Jainendra Vaishnav, Mr. Amit Pansari, Mr. Girish Sahu, Mr. Shubham Pansari and all the office staff also made invaluable contribution by discharging their responsibilities with dedication.

Till the last stage of presenting the report by the Commission, the State Finance Commission received formal and informal support from constitutional heads, institution heads, public representatives, administrative officers, economic analysts, researchers and the general public. I once again express my heartfelt thanks to them for their cooperation and participation.

With Gratitude's.

Serjius Minj
Chairman
Fourth State Finance Commission

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Chapter – 1

General Introduction

- Initiation and Evolvement of Panchayati Raj System After Independence.
- Constitutional Status to Panchayati Raj System.
- Steps of Establishment of Urban Bodies.
- Constitutional Status to Urban Bodies.
- Formation of The Fourth State Finance Commission.
- Functioning of State Finance Commission.
- Format of The Report of State Finance Commission.

1.1 Gram Panchayats - The ancient self-conscious, Indian political vision of self-governance, with accountability and public participation, gradually declined during the periods of dynastic rule. During the long period of British colonial slavery, it could only save itself symbolically, but its real value had been destroyed.

1.2 **"Everything in India attracts me. It has everything that a human being with the highest possible aspiration can want."** This sentence said by Mahatma Gandhi in 1929, not only inspired, but also forced the political governance system and social power layers to self-evaluate themselves, in India's contemporary situation aspiring for future achievements. It also set a goal for Independent India to achieve and establish those great human values and ideals of the freedom, for which millions of the poor people sacrificed themselves.

1.3 **"I shall work for an India in which, the poorest shall feel that it is their country in whose making they have an effective Voice"** - (Mahatma Gandhi 1931). Certainly, after India's Independence, there were big questions before achieving its ideals, for this, it was necessary to have real distribution of political powers, so that "**Poor People's Swaraj**" can be established in India and the "true democracy" could be run, from below by the people of each of the villages.

1.4 In order to get rightful participation of the people in Political and Economic power, it Was necessary to revive the rural Panchayati Raj System of village self-governance since ancient times and to make it truly empowered.

1.5 Chhattisgarh in its historical context is an excellent example of rural self-governance system. In historical references, most of the areas of the ancient Chhattisgarh existed in the form of small "**Aatavika Republics**". These Aatavika Republics were handed by the local chieftains, who ruled their areas through collective political participation of the rural community, however they also were under the tributary jurisdiction of the bigger dynasties. Chhattisgarh has been an area with a majority of tribal population. There has also been collectivism and individual active cooperation in the Cultural, Political, Judicial and Economic way of life of the tribal population. Certainly, the seeds of the current political ideology of village self-governance have also been sown from here.

Post-Independence Initiation and Evolvement of Panchayati Raj System

1.6 After independence, continuous efforts were made to provide a constitutional basis to the Panchayati Raj System. Panchayats and local self-government have also been mentioned In Article 40 and 246 of the constitution of India. Under the Directive principles of state policy, it is mentioned in Article 40, that - "the state shall take steps to organize village panchayats and endow them with such powers and

authority as may be necessary to enable them to function as units of self-government.

1.7 After independence, influenced by the "Etawah"1 Project, (1A scheme started in Etawah district for rural development by the Uttar Pradesh Government in 1948 under the leadership of Mr. Albert mayer of U.S.A.) two programs were started for development initiatives. First, the community Development Program was started from 2 October 1952. It included almost all the activities of rural development which were to be implemented with people's participation through the help of gram panchayats. Secondly, National Extension Service was started in 1953.

1.8 The community Development Program and the National Extension Service did not yield significant results. Apart from the other reasons, the main reason for failure of the programs was, the low interest of the local bodies, especially the Gram Panchayats, in implementing these programs. As a result, in 1957, A committee was formed by National Development council in the Chairmanship of Balwant Rai Mehta to look into the functioning of these programs. Establishment of three-tier Panchayati Raj Institutions was suggested by Mehta committee, namely, "Gram Panchayats" at village level, "Panchayat Samiti" at the Block level and "Zila Parishad" at the District level. By accepting the recommendation of Mehta Committee, Panchayati Raj was established in the country by the states, under which Rajasthan became the first state to establish Panchayati Raj on 2nd October 1959.

1.9 Since the Centre and the states are not bound to the Directive principles and local self governance is included in the state list, hence there was a lack of uniform structure of local bodies across the country and the level of implementation also varied. In many states, rural bodies did not have sufficient powers to carry out local development works. They were heavily dependent on center and state governments for financial aid. Many states did not consider it necessary to establish elected local bodies. In many states, local bodies were dissolved and local governance was handed over to government officials. In many states, Indirect elections were held in the local bodies, Even after various states adopted the Panchayati Raj System following the recommendation of Balwant Rai Mehta committee, the expected success in community development or rural development, could not be achieved.

1.10 Various committees were constituted by the government of India from time to time to get suggestions on measures to revive and strengthen the Panchayati Raj System in the country, out of which Ashok Mehta Committee 1977, G.V.K. Rao Committee 1985 and L.M. singhvi Committee 1986 are prominent.

1.11 A two-tier Panchayati Raj System was recommended by the Ashok Mehta committee constituted in 1977, in which, it was recommended to form Zila Parishad at district level and Mandal Panchayats by combining some villages at lower level. G.V.K. Rao Committee recommended, making "District" the basic unit of planning and holding regular elections. Committee also recommended to create the post of "District Development Commissioner" and to make him the chief executive officer of the District Council.

Box 1.1, Part IX, Article 243(A to O)

Gram Sabha - This law provisions for the Gram Sabha, as the foundation of the Panchayati Raj System. Gram Sabha includes, all the persons registered in the voter list of a village, included in the panchayat area at the village level. The Gram Sabha will have powers equivalent to that of the Legislative Assembly at the village level.

Three-tier System - Panchayats will be formed at village. intermediate and district levels in every state.

Election of Members and the Chairman - All seats in any Panchayat will be filled by persons elected by direct election. The president of the Gram Panchayat will be elected as per the provision made by the state Legislature and the president of the intermediate and District Panchayat will be elected by its Elected members among themselves.

Tenure of Panchayat bodies - The tenure of the panchayats at each level will be five years. In case of dissolution, elections will be compulsorily held within six months.

Rights and responsibilities of Panchayats - The state shall confer on the panchayats such powers and authorities, as may be necessary to enable them to function as institutes of self government. Implementation of the Work related to 29 subjects included in the 11^{th} schedule, personnel and finances by panchayats.

Powers of Panchayats to impose taxes - States will give power to a panchayat to impose taxes and fees.

Formation of State Finance Commission to review the financial situation - State Finance commission will be constituted by the state in every five years to review the financial status of panchayats.

1.12 After Balwant Rai Mehta committee's suggestion of establishing a three-tier Panchayati Raj System in 1957, the recommendations of L.M. Singhvi committee was the most significant. The committee recommended providing more financial resources to Panchayati Raj Institutions and providing them constitutional status to strengthen the Panchayats. This recommendation proved to be a milestone.

Constitutional Status to Panchayati Raj

1.13 The recommendation of L. M. Singhvi committee became the basis for the 73rd and 74th constitutional amendments. By the 73rd constitutional amendment 'Part IX' Panchayat and article 243 (A to O) was added to the constitution along with a new 11th schedule in the constitution. Thus, the three-tier Panchayati Raj System was given constitutional status by substituting article 243 (A to O) in the constitution. since local governance is a state subject hence the establishment of Panchayati Raj System in the states was made mandatory by the provisions of article 243 (A to O) of the Constitution. As a result of giving constitutional status to the Panchayati Raj. The states were bound to establish and to implement the three tier Panchayati Raj System. However, a lot remains to be done towards the actual implementation of the constitutional provisions establishing a three tier Panchayati Raj.

Steps of Establishment of Urban Bodies:

1.14 As a unit of local self governance, urban local bodies for cities similar to the Gram Panchayats are mentioned in some form or the other in literature and ancient texts. In Kautilya's Arthshashtro, the city was called 'Pur' and it's cheif was called "Nagrik"

1.15 Megasthenes, who came to India during the reign of Chandragupta Maura, has mentioned that, In big cities there used to be six institutions of five members each, and to each of these institutions important subjects of human activities were Assigned, such as - Birth and death registration, looking after the foreigners and Entertainment, etc. During the Mughal empire, in the medieval period, the kotwal, in addition to his responsibilities of magisterial, Police and financial matters, also looked after many works related to civic amenities.

1.16 In the above references, there is mention of the presence of cities and a system similar to the municipalities, but there is no mention of this system being in the hands of the local people. Thus, it can be said that the structure of urban local bodies along with their roles and responsibilities were not vested in the representative body of the citizens, but in officials appointed by the rulers.

1.17 The history of modern municipal bodies in India begins with the establishment of the first municipal corporation in the former Presidency city of Madras in 1668. This was followed by establishment of similar municipal corporations in 1726 in then Bombay and Calcutta city. In 1850, municipal reforms act was passed by the Indian government, introducing councilor system with limited administrative powers. In 1882, Lord Ripon, the then Viceroy of India, passed a resolution related to local self governance in which, municipal governance in India was given a more democratic

form than before, however, during the British colonial period municipal bodies were neither representative nor they had the real power. In 1935, by the Government of India Act, local self governance was brought under the ambit of the state or provincial government and the powers of local self government were expanded.

Constitutional Status to Urban Bodies:

1.18 After the independence, the need for the formation of Urban bodies for local self Governance in urban areas was felt, although Gram Panchayats are mentioned under Article 40 in the Directive Principles of state Policy but except for the implicit provision for local self governance in Entry 5 of state list, there was no specific reference to municipalities in the Constitution. In the Entry 5 of state list, the responsibility of the subjects of local self government has been given to the states.

Box 1.2 : Part IXA, The Municipalities, Article 243(P to ZG)

Formation - Three types of municipalities will be formed in every state - Nagar Panchayats from rural to urban areas, Nagar Palika Parishad for small Urban areas and Nagar Nigam for large urban areas.

Composition - All seats in the municipality will be Filled by the persons elected by direct election. Each municipal area will be divided into wards.

Formation of ward committees - ward committees will be formed in the municipalities with population of more than 3 lakhs.

Term - The term of the municipalities will be five years. municipal elections will have to be held within six months from the date of dissolution.

Powers and responsibilities - The state shall confer on the municipalities such powers and authority as may be necessary to enable them to function as institutions of self government and to carry out the 18 Subject's listed in the 12th schedule.

Power to impose taxes - The state shall provide the municipalities with the power to levy taxes, duties, tolls and fees. The state will assign funds from it's own tax, duty, toll and fee receipts to the municipalities as per requirement and will be able to give grants from the consolidated fund of the state.

State Finance Commission - SFC will be constituted in every five years to review the financial status of the Municipalities.

Formation of District Planning Committee - District Planning Committee will be formed to consolidate the plans prepared by Panchayats and municipalities at the district level.

1.19 The 74th Constitutional Amendment Act 1992 relating to Municipalities was enacted to provide a Common framework for urban local bodies and to strengthen the functioning of the bodies as effective democratic units of self-governance. A new "part 9 (A)" relating to municipalities was added to the constitution by the 74th Constitutional Amendment. Part 9(A), inter alia, Provides for three types of municipalities - Nagar Panchayats for the areas transitioning from rural to urban areas, Nagar Palika for small urban areas and Nagar Nigam for large urban areas.

Chhattisgarh State Enacted Panchayati Raj Act:

1.20 Chhattisgarh Panchayati Raj Act 1993, is in force in the State of Chhattisgarh for the implementation of the 73rd constitutional Amendment. it is applicable in the entire state from 01 November 2001 through the adaption of laws order 2001. The Panchayati Raj Act has been amended from time to time. The latest amendment is the "Chhattisgarh Panchayati Raj Act 2019" through which provisions related to PESA have been implemented in the state. It is effective in the state from 8th August 2022. Municipal Corporation Act 1956 and Municipality Act 1961 are in force in the State. For the implementation of the 74th Amendment Act 1992, the same acts already prevalent in the local bodies are in force in the state.

Formation of SFC

1.21 There is a provision in Article 243(I) of the constitution for the formation of a SFC within five years to review the finances of local bodies, which includes both Panchayati Raj Institution and Urban bodies and give suggestions for the economic strengthening of these bodies.

Formation of 4th SFC of Chhattisgarh

1.22 Persuant to section 3 of the CGSFC Act 1994, by Chhattisgarh Government Finance Department's Notification No. 37/14/Fin/Fcc/Four/2021, Nava Raipur, Atal Nagar, Dated 29 July 2021, the 4th SFC was constituted under the Chairmanship of Shri Serjius Minj, Former Additional Chief Secretary, C.G. Govt. and Former Chief Information Commissioner, Chhattisgarh, to submit the report by 31st July 2023 (Annexure 1.1). By Chhattisgarh Government Finance Department's Order no. 87/1037/Est./four Atal Nagar Dated 02/02/2022, Shri Satish Pandey, retired State Finance service officer, Government of Chhattisgarh was appointed to the post of Secretary of SFC (Annexure 1.2). Accordingly, Shir Serjius Minj took charge as the Chairman of the SFC on 31st July 2021 and Shri Satish Pandey took charge as the secretary of the SFC on 4th February 2022. By the order Dated 28/07/2023 of the

Govt. of C.G., finance Deptt., the tenure of the commission was extended till 31/10/2023 and by the order dated 15/01/24, the tenure of the commission was extended till 31/01/2024 (Annuexure 1.4,1.5)

Terms of Reference for SFC

1.23 While issuing the terms of reference of the 4th SFC as per Chhattisgarh Government, Finance Department's notification Dated 23rd March 2022, Notification Publication Dated 04th April 2022, it was expected that, in exercise of the power conferred by Article 243 (I) and 243 (Y), the 4th SFC will review the financial status of Panchayats and municipalities and make recommendations regarding the Annexture 1.3.

Functioning of SFC

1.24 The SFC has adopted a definite modus operandi and study methodology for study of various economic and development related parameters of the state, due to which valid and reliable results have been obtained for the goals, objectives and questions related to study. The methodology adopted by the SFC has been interrelated and inclusive to study various parameters.

1.25 The terms of reference issued by the government for the SFC mentioned that “The commission shall state on what basis it has arrived at his findings" Chhattisgarh Govt. finance Dept. notification dated 23. March, 2022, Gazette publication dated, 4 April 2022, point No. 3 therefore all the stakeholders who are to be affected by this report or the recommendations of SFC, should be aware of the methodology of SFC.

1.26 According to Article 243(I)(3) of the constitution, the SFC shall determine its own procedure for making recommendations. In other words, it can be said that SFC may determine its own method of functioning for discharge of its responsibilities. Each commission will determine its own methodology on accordance with its terms of references. Accordingly, the SFC has also determined its methodology.

1.27 To reach its findings, SFC first of all, determined its methodology. Following procedures/point have been included in the methodology -

- Overall review of the state's economy.
- Economic review of local bodies.
- Discussion with representatives of local bodies.
- Discussion with the concerned Government departments.
- Receiving memorandum from concerned Government departments.
- Making contacts with expert organizations and receiving suggestions from them.

- Organizing studies on topics related to SFC.
- Participation in the seminars and conclaves.
- Studying the methodology of other SFC's
- Dialogues with general public.
- Role of local bodies with reference to the parameters of global devolvement.

Review of State's Economic Condition

1.28 The Fourth State Finance Commission has made a detailed analysis of the economic situation of the state under the updated FRBM Act. starting from the economic condition of the state at the time of formation of the state, with reference to the budget papers of all the years, economic analysis and recommendations of the Central and State Finance commissions, their impacts on the financial position of the state, the need for development and the possibilities inherent in the economic scenario have been evaluated.

Economic Review of Local Bodies

1.29 Online information related to the physical facilities being provided by the local bodies and their financial status was obtained in a detailed questionnaire through software and mobile app and the information thus obtained was analyzed. For this, in-built arrangements were made in the software. This was an innovative effort of 4th SFC. Based on the data received, a detailed review of the physical facilities and economic condition of the local bodies was done.

Discussions with Representatives of Local Bodies

1.30 In order to obtain suggestions from the public representatives, administrative officials and employees of the local bodies, The 4th SFC organized meeting first at the divisional headquarters and then at the selected districts and Janpad Panchayat level. Detailed account of the meetings can be seen in Annexure-1.6. In the meetings, suggestions were obtained from Panchayati Raj Institutions by discussing with Jila Panchayat's and Janpad Panchayat's Presidents, Vice-presidents, members, Chief Executive officers of Janpad's and Jila Panchayat's. Sarpanch of Gram panchayat's and secretaries of Panchayat's. Similarly, suggestions were received from mayors, presidents of municipalities and nagar-panchayat's, councilors, commissioners of Nagar Nigam and chief municipal officer's in urban bodies.

Discussion with Government Departments

1.31 The commission tried to understand the situation by having in-depth discussions with the administrative departments related to local bodies and those departments which are responsible for providing assigned revenue to the local bodies.

Receiving Memorandum from Concerned Government Departments

1.32 Memorandums were received from the major departments related to the commission, to know the information required by the SFC, their suggestions, expectations or any special demands of the department to SFC. A letter was written to a total of seven departments - Finance, Panchayat and Rural, Development, Urban Administration and Development, Excise, Registration, Revenue and mineral and mining department to provide memorandum in the prescribed format. Memorandums were provided to the SFC by all concerned departments.

Contacting and Receiving Suggestions from Expert Organizations

1.33 To determine its methodology, edit processes involved in the methodology, and get suggestions on other subjects, the 4th SFC consulted and made contacts with national and international level expert organizations, like UNICEF National Institute of Public Finance and Policy, New Delhi and National Institute of Rural Development and Panchayati Raj Hyderabad. Discussions were held with these Institutions specially on the working methodology of the SFC, organization of seminars and consultations and points to be kept in mind while writing the report.

- UNICEF - Discussions were made on the, need and importance of including the indicators related to children in the Fund transfer formula adopted by the SFC.
- National Institute of Public Finance and Policy (NIPFP) - suggestions were sought from institute on report writing, organizing studies, organizing seminars and consultations, working methodology of the commission, study tours to other states and other subjects.
- National Institute of Rural Development and Panchayati Raj (NIRDPR) – discussions related to working methodology of State Finance Commission, report writing and major points to be noted by the commission were made with the institution.

Studies Sponsored by the SFC

1.34 For the economic review of local bodies, the 4th SFC sponsored studies on the subjects related to the scope of work of the commission. With the aim of promoting

local research capacity, Agreements (MOU) were signed with professors/ researchers posted in local educational institutions to conduct studies. Two studies on Gram Panchayats and one on urban bodies were sponsored by the SFC.

1. **Benchmarking of Gram Panchayats of Rajnandgaon and Bastar District on the service level.** (Miss Ragini, Lecturer, Commerce, Government. Digvijay College Rajnandgaon, Chhattisgarh.)
2. **"A study on Increasing own source of Revenue of Gram Panchayats of Chhattisgarh. Using Contingent Valuation Method"** (Dr. Vinod Kumar Joshi, Professor, Economics, Dr. Radhabai Naveen kanya Mahavidyalaya, Raipur, Chhattisgarh)
3. **"A study on the Finances of the Municipal Corporations and Peoples satisfaction of Chhattisgarh"** (Dr. Ravindra Bramhe, Professor and Head of the Department, Economics Study Centre. Pt. Ravishankar Shukla University, Raipur, Chhattisgarh)

Participation in Seminars Conclaves

1.35 During its tenure, the 4th SFC participated in seminars and conferences, organized by specialized institutions at the national level. Participation in seminars and conclave helped the commission to perform its responsibilities in a better way. On an invitation, chairman, 4th SFC participated and expressed his views in the seminar organized by National Institute of Public Finance and Policy, Delhi on April 24, 2022 on the topic "Need and importance of Including child-related indicators in the transfer formula by state Finance commissions". The conference sponsored by the ministry of Panchayati Raj, Government of India and organized by the National Institute of Rural Development and Panchayati Raj, Hyderabad, on 29-30 November 2022 on the topic "National Conference on state Finance commissions" were attended by the officers of the commission, under the leadership of Chairman, 4th State Finance Commission.

Study of the functioning of other states and state finance commissions

1.36 Each state has its own statute for the formation of the state finance commission, its management and implementation of the recommendations of the commission. Similarly, each state finance commission may have its own methodology to attain at recommendations. Therefore, the study of functioning of other state finance commission, and the method of implementation adopted by the states on the recommendations, could be beneficial for any state finance commission, to give

perspectives to its thoughts. That is why, the fourth state finance commission decided to conduct study tour of some states.

Madhya Pradesh

1.37 At first, a study tour of Madhya Pradesh was conducted by the fourth state finance commission. Under the study tour, the commission firstly received information about the process of action on the recommendations of the commission from the officials of the finance department, the nodal department of the state finance commission, there after information regarding functioning of commission received from former officials of fifth state finance commission. In the second phase, the commission visited the municipal corporation Indore and discussed in detail with the officials about the journey of achieving the first position in the country in the category of cleanliness for the past six years.

1.38 Indore municipal corporation officials provided in detail information to the commission about solid waste management and the income and the expenditure of the corporation. The story of Indore municipal corporation achieving the first position in the country in the field of cleanliness and maintaining the first position for six years is exemplary and inspirational for other urban bodies.

Odisha

1.39 The second visit was made by the commission to the state of Orrisa. Firstly, a detailed discussion was held about the process and methodology of preparing the report of the 5th SFC of the state of Orrisa, with the officials of the Finance, Panchayat, health, engineering and urban administration development department.

1.40 Dialogue was made with the officials of the Puri Nagar Palika Parishad on the availability of basic facilities and economic resources for the visitors and tourists coming to Puri.

Maharashtra

1.41 In Maharashtra, critical information about the functioning of Gondia Municipal Council and the Income and Expenditure of the council was Obtained by the officials of the commission.

Dialogue with General public

1.42 For the SFC to reach its recommendations, the information received from all the stakeholders plays an important role. The SFC contacts all the stakeholders through various mediums. To make contacts with General public, various mediums of social

media like Facebook, Twitter, WhatsApp and Cellphone etc. were used by the commission. Through these mediums, the commission publicized it's activities and made people aware of the functioning of the commission and suggestions were sought from them regarding local bodies.

Role of local bodies in the context of global development standards

1.43 The Sustainable Development Goals - 2030 is an ambitious program to be achieved by the global community. It was accepted by 193 countries including India and the 70th meeting of the United Nations General Assembly and Adopted by the government of India in January 2016.

1.44 Major Sustainable Development goals include elimination of poverty in all it's forms, end of hunger as well as improved nutrition and food security, public health, inclucive and quality education, gender equality and Woman empowerment, sanitation and availability of clean water etc. It is worth noting that the main aspect of global concern is that what should be the role of local governments and local stakeholders along with global organizations like the United Nations and governments of different countries in achieving the sustainable development Goals? This has been a major point of discussion in various global programs. Therefore, it is necessary to assess the role of local bodies and their level of participation in achieving the above Goals.

1.45 If we look at most of the goals of Sustainable development goals- 2030, most of these goals - end of poverty and hunger, Sanitation, hygiene and availability of clean water, food security, gender equality and women empowerment as well as public health, nutrion and food securities are the subjects which are directly related to the responsibilities and duties of local bodies. Therefore, it would not be an exaggeration to say that the success of the possibilities of achieving sustainable development goals depends on the efficiency, effectiveness and financial autonomy of local bodies. In the above context, the responsibility of the SFC, increases in the sense that, what should be the form and nature of the "suggestions for Increasing the efficiency of the local bodies and their financial and administrative capacity which will be relevant to the National and local policy making, along with the global vision in the context of achieving development goals-2030.

1.46 The Thirteenth Central Finance Commission has suggested to prepare the report in a prepared format/model made by the 13th Central Finance Commission on the basis

of the reports of the SFC's. The suggested format / model is very detailed and sufficient on the basis of which a slandered report of the SFC can be prepared. Therefore, the 4th SFC Chhattisgarh has prepared its report on the basis of the format/model of the report suggested by the 13t^{h} Central State Finance Commission, which is divided into a total of thirteen chapters.

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Chapter – 2

Issues and Approach

- Issues
- Approach

2.1 After analyzing the administrative reports, and research papers of the Central and State Government related to the local bodies and the reports of the Central and State Finance Commissions and discussing with all the concerned parties, it was decided by the State Finance Commission that in order to give recommendations and for economic review of the local bodies, what should be the approach of the Commission. Similarly, during the dialogue with the public representatives of local bodies, many issues were put before the commission, out of which relevant issues have been incorporated by the commission in its decision-making process. In this chapter the issues coming before the State Finance Commission and the approach of the commission have been discussed in detail.

Issues

2.2 Commission has adopted a detailed and target-based approach to give shape to its views in terms of reference prescribed for commission. Under this Economic review of local bodies and detailed and in-depth discussions with stakeholders have been done. The economic review of local bodies and issues put before commission during discussions is as follows –

Sources of own Income of local bodies

2.3 In pursuance with the provisions made in article 243 of Indian constitution, under Chhattisgarh Panchayati Raj Act 1993, Chhattisgarh Municipal Corporation Act 1956 and Chhattisgarh Municipality Act 1961. Local bodies are conferred with power for imposition of various types of taxes and collection of fees. But, this given right of taxation is not being used effectively by the local bodies and despite taxation, it is not recovered. Only 20% of the Gram Panchayats of the state are collecting the tax after levying it. The situation of urban bodies is also no different, this issue is big which needs to be worked on.

2.4 Due to lack of financial commitment and will power among the elected representatives of Gram Panchayats, Panchayats do not levy taxes or do not collect taxes after taxation. Another reason told for non-recovery of taxes is that if the Gram Panchayats adjacent to the taxing Gram Panchayat do not collect taxes then the people in taxing Gram Panchayats do not come forward to pay taxes/fees imposed or levied. It is suggested by Public representatives that after bringing equality in Taxes/fees if the orders for collection of taxes/fees are issued on State, District or Block level, then it will be convenient for Gram Panchayats to collect taxes/ fees for civic facilities provided by them.

2.5 In accordance with the constitutional provision, provisions have been made for levy of taxes and service charge by local bodies in the state. Some of the taxes and duties to be collected by local bodies are abolished or postponed by the state government. Due to this, resources of local bodies are continuously getting shrank. Therefore, there is a need for fresh thinking to increase the resources from the local bodies own sources and make them self-reliant in terms of resources.

2.6 If there is any tourist spot or religious center within the area of any local body then it has to make necessary arrangements to provide civic facilities to the people visiting those places, but such local bodies do not get any financial assistance or grants for this. During visit of State Finance Commission, the representatives of Ratanpur Nagar Palika Parishad drew attention to this issue that for the visitors of mahamaya Temple, situated in a municipal area, arrangements for drinking water, Roads lights sanitation etc. are made by Nagar Palika Parishad. The expenditure for all these arrangements are expenditure in addition to the routine expenditure of Parishad. The local body collects taxes and service charges for the civic amenities provided to the local citizens but the local body does not receive any financial assistance or additional funds for the civic amenities provided to the visitors/tourists Similarly, the public representatives of Sirpur Gram Panchayat told that thousands of tourists come here every year. Due to the arrival of these tourists Gram Panchayat cleans up the garbage spread around the "tourist places and in other areas of the Gram Panchayat. The public representatives of such local bodies demanded that alternative sources of income should be generated for bodies to compensate for the additional burden on the body's resources due to the arrival of visitors and tourists.

2.7 In dialogue programmes organized by State Finance Commission with Representatives of local bodies. in various Divisional and District headquarters major issue repeatedly raised by representative was that in spite of Najul lands falling under the Jurisdiction of urban local bodies, it is not easily available for them even for essential works. This affects the development works related with civic facilities. Some of the Representatives told that building of commercial complex or shops in important place can be good source of income for Nagar Panchayats and small municipalities, but in cases where such important commercial places falls under Najul Lands, It is not allowed for urban bodies. some of the public representatives even said that all the Nazul Land should be transferred to urban bodies, which will be helpful for them to enhance their source of income and to develop civic amenities for their citizens in case of need.

2.8 It was told by Representatives of urban local bodies situated in the area of SECL, in such urban bodies all the lands belong to SECL, Hence Urban bodies have to obtain lands from SECL for all their needs, which is full of administrative constraints. There is Therefore obtaining lands for building of commercial purpose complexes and shops is difficult for urban bodies. This is the Reason why the local bodies situated in SECL area are unable to carry out their mandatory works in a proper and timely manner.

Assigned Receipts

2.9 As per the provision of Panchayati Raj Act 1994, one percent of the land revenue cess collected on land revenue and the stamp duty levied on purchase and sale of lands, under Gram Panchayat is to be transferred to Panchayati Raj institutions in the form of assigned receipts. Similarly, there is a provision to transfer royalty received from miner minerals under the mineral Act, Excise cess in Excise Act and Rural development cess to Panchayati Raj Institutions. Out of these, stamp duty and royalty received from minor minerals are being transferred to Panchayati Raj Institutions, but Panchayat cess, Excise cess, and Rural Development cess etc, imposed for Panchayati Raj Institutions are not being transferred to them.

2.10 In order to provide alternative sources of income to urban local bodies government has made arrangements to transfer receipts from various taxes to ULB'S as assigned receipts which includes passenger tax, entry tax, tax on vehicles, F.L. license fees and stamp duty fees. out of above-mentioned Taxes / fees Provision related to transfer Amount from Passenger Tax, Tax on vehicles and F.L. license fees have been abolished by state government and Entry Tax has been subsumed in the Goods and service Tax. Only cess amount levied on stamp duty fees is transferred to the local bodies, After abolition of aforesaid Taxes/fees and the inclusion of Entry tax in GST, Local bodies are getting fixed amount by state government as a compensation in form of grants. Had these Taxes/ fees were not got abolished or subsumed in another Taxes then local bodies would have got increasing amount of Revenue with addition to continuous growth in economic activities. Proposing a fixed Amount has had an adverse impact on the Recourses of local bodies.

2.11 Due to Rationalization of Taxation system, number of Taxes whose Receipts are shared with local bodies are gradually decreasing. This has resulted in increasing dependency of local bodies on state and central government. If the taxes to be shared with local bodies are abolished then state government has to either consider upon arranging alternate sources of Income for local bodies to compensate them in right proportion for their financial loss.

Fund Transfer

2.12 Amount related to taxes or cess under the assigned receipts levied within the jurisdiction of local bodies is to be transferred to the local bodies, but the said amount is being distributed under provisions of Chhattisgarh Nagar Palika Nagar Vikas Nidhi Act, 2003 in exercise of the power given under Section 433 of Chhattisgarh Municipal Corporation Act 1956 and Section 355 of Chhattisgarh Municipalities Act 1961. This is anomalous, which needs to be seriously considered.

2.13 A certain percentage of the state's own net tax revenue is recommended to be transferred to local bodies by the state Finance commission. The recommended percentage amount is to be transferred to Panchayati Raj Institutions and Unban Bodies, On the basis of different formulas, suggested by state Finance commission for horizontal distribution among them. According to the memorandum presented to this commission by the Panchayat and Rural Development Department and the Urban Administration and Development Department, both the departments, instead of transferring this recommended amount on the basis of the formula suggested by the commission and accepted by the government, it is being sanctioned to local bodies in the form of departmental schemes.

Accountings

2.14 Out of the prescribed accounts and Records only cash book, Bank register, salary bill register, stock register and Payment certificates are maintained by Panchayati Raj Institutions. Accounts are neither maintained in prescribed formats nor kept up-to-dated. Due to failing in maintaining records as per law and instructions correct information related to different heads such as actual receipt and expenditures under different heads and fund used in prescribed heads is not available. Due to all these, reliabilities of Data produced by Panchayati Raj Institutions is not of standard level.

Audit

2.15 Local bodies are the local governments through which civic amenities are made available to rural and urban citizens. Along with discharging their constitutional responsibilities, these local bodies also implement many schemes of the central and state government. To discharge their constitutional responsibilities, these institutions, along with the power of taxation, also get amount through assigned receipts, grants from the central and state government on the recommendation of the central and State Finance Commission and funds for the implementation of central and state schemes. Thus, a huge amount of money is transacted by these

local bodies. The audit report of the local bodies shows that many objections are raised during Audit, but these objections are not resolved by the local bodies by submitting the compliance report in time. This has a negative impact on the functioning of local bodies.

Encroachment

2.16 Apart from the issues related to fiscal devolution one of the major issues is the issues of encroachment, which is directly related to economic conditions of local bodies. Local representatives whether they are from Panchayati Raj Institutions or from urban local bodies, expressed their concerns over problem of encroachment before commission. They told that due to encroachments in valuable lands situated in important places of local bodies, they are deprived of the commercial benefits of these properties. If encroachment issue is resolved they can increase their source of income through commercial utilization of these valuable spots. However, In theory there shouldn't be any encroachment within the Jurisdiction of local bodies and also certain provisions are available in different Acts/Laws of local bodies for removal of such encroachments still this is a major problem of local bodies which needs to be discussed seriously.

Approach

2.17 As per Census 2011, more than three-fourth of the total population of chhattisgarh lives in villages. Only 23.24% of state's population lives in the cities. But, there is a huge gap between availability of civic facilities in rural and urban areas, not only in chhattisgarh but all over in country also. Urban population gets better facilities of Drinking Water, Drainage water, Solid waste management, Roads, lights etc, while the reach of rural population to this facility is limited.

2.18 In the year 2003, "PURA" scheme was launched as a pilot project to provide urban facilities in rural areas. This was an ambitious 10-yearly Project with convergence of several projects in which villages clusters or villages are not only provided with basic civic facilities but also to be developed as Economic Zone. As of now the scheme is closed. Like the urban population, rural population is also deserving better civic facilities. While assessing the financial assistance given to local bodies there is a need to adopt a balanced approach to provide civic amenities to the rural population at par with the urban population.

Box 2.1

(Provision of Urban Amenities in Rural Area PURA)

A- Facilities provided under schemes of Rural Development department -

1- Water and sewerage

2- Construction and maintenance of village streets

3- Drainage

4- Solid waste management

5- Skill development

6- Development of Economical activities.

B- Facilities provided under schemes of departments, other than Rural development Dept.

7- Street lightings of village

8- Telecom

9- Electricity

C- Income generating People centric Projects -

1- Tourist Tourism in villages 2- Integrated Rural hub 3- Rural markets

4- Common agriculture facilities

5- Godown etc, Any other Rural economy related project

2.19 As per Article 243 (G) of Indian constitution, 29 subjects included in 11th schedule of constitution have been handed over to Panchayati Raj institutions. Similarly, as per article 243 (W) of constitution. 18 subjects induced in 12th schedule of constitution have been handed over to urban local bodies, with exception to one or two subjects included in 12th schedule most of the subjects have been actually handed over to urban local bodies. But in case of Panchayati Raj Institutions, situation is far different. In Principle, 29 subjects included in the 11^{th} schedule have been transferred to Panchayati Raj Institutions, but except for one or two departments, fund, function, and functionaries are not being actually transferred to Panchayati Raj Institutions by any of the Departments. Hence commission is in favor of keeping its

proceedings and recommendations focused on civic amenities provided by local bodies especially by Panchayati Raj Institutions in Present context.

2.20 Since Globalization Urbanization has expanded along with economic developments of country. Due to increasing pressure of population on cities as a result of rapid growth of Urbanization, emphasis has been made on enhancement of infrastructural development of cities. Along with this service benchmarks have also been set by the Ministry of Urban Development, Government of India for measurement and management of basic services being provided to the urban population. Fundamental services provided by local bodies are regularly evaluated by this benchmark values. Commission is of firm opinion that these service benchmarks should also be introduced for evaluation of minimum basic facilities provided by Panchayati Raj Institutions. In the manual issued by Ministry of Jal Shakti Department of Drinking Water and Sanitation, for the utilization of 15th Finance commission tied grants to local bodies, benchmarks related to drinking water supply and sanitation have been included. To provide facilities of Roads, sewerage, solid waste disposal and lighting besides providing facility of drinking water and sanitation is responsibility of Panchayati Raj Institutions. Hence, determination of service benchmarks for all basic services is of instant need. On the basis of benchmark values, services provided by Gram Panchayats can also be evaluated.

2.21 To estimate the grants given by the government to the local bodies, it is necessary to know what is the capital and maintenance cost of the basic services provided to the public by the local bodies. With determination of Panchayat Service Benchmarks, it will be helpful to assess Capital and Maintenance cost of essential services provided by Panchayati Raj institutions. on the basis of difference between estimated value of capital and maintenance cost and estimated value of own-source income resource gap can be obtained. On the basis of resource gap amount, possible grants can be estimated.

2.22 Will a view to dialogue with stakeholders of Panchayati Raj institutions especially with elected Representatives of Panchayati Raj bodies field visits done by State Finance Commission firstly on Divisional Headquarters and then on selected District Headquarters. During this dialogue, it came to the knowledge of commission that even elected Representatives of Panchayati Raj bodies are not aware of the fact that there is provision of a constitutional body in Indian constitution in the form of State Finance Commission for recommendations of distribution of funds to local bodies. They are even unaware of the fact that Funds/Grants received by them by state

government is based upon recommendations of State Finance Commission but they are aware of the fact that they get funds from central Government with recommendations of Central finance Commission. The basis of this un-awareness is that while transferring funds to local bodies by state government, it is not clearly mentioned that such funds or grants are being transferred to local bodies with the recommendations of state finance commission. There have been no training or capacity building programmes for the last three years. previously in Training/capacity building programmes organized for the public representatives of Panchayati Raj Institutions, topics related to State Finance Commission has not been Included. The public representatives of Panchayati Raj Institutions are unaware of the State Finance Commission and its functioning. Therefore, there is complete lack of information about what suggestions should be given to the State Finance Commissions and what issues are to put before them. These situations point the State Finance Commission to think in this direction and all the concerned parties and departments to improve their functioning

2.23 Another thing comes to the light after discussing with the Representatives of Panchayati Raj institutions is that when asked for suggestions to strengthen the Panchayati Raj system, they generally point out their day-to-day systemic administrative problems and demand their Solutions. Further, they are much concerned to demand more and more funds to meet the expectations of the population of their area. Although these problems or demands are not directly related to the commission as per its mandate, despite this, it was listened and duly recorded by the commission in order to meet its solutions in the form of systemic reforms after discussion with experts and all concerned parties and departments.

2.24 To Acknowledge the functions and problems of Panchayati Raj institutions Commission also visited some Gram Panchayats. The summery of convent Conversations with elected public representatives and panchayat secretaries is that rural people wanted to avail civic facilities like water-supply, sanitation, Roads, lights etc. but do not want to pay for them. According to Public representatives villagers believe that to provide aforesaid facilities is sole responsibility of the government and they should not be obliged to pay taxes/fees for this. The elected representatives also do not pressurize people to pay taxes/fees. Initiatives need to be taken to bring change in this attitude of the villagers. In the dialogue program organized with the Panchayat representatives of Bilaspur district, a Gram Panchayat Secretary suggested that the amount received by the villagers in the form of taxes and fees should be used for public utility work in their own area or ward, which can

be directly seen by the villagers. This will give confidence to the villagers that the taxes and fees paid by them are being utilized properly. The commission is of the opinion that there is a need to encourage panchayat public representatives to increase the own source income of Panchayati Raj Institutions. If we are successful in convincing the Panchayat representatives that doing good work, they can collect taxes or fees from the villagers, then it will have a positive impact on the own income of the Gram Panchayat.

2.25 As par Chhattisgarh Panchayati Raj Act 1993, in addition to tasks assigned to gram panchayats, they also have to perform such task which are assigned to them from time to time by state government Zila panchayat or janpad panchayats. All the functions assigned to gram panchayats as par Panchayati Raj Act is performed by Panchayat Secretary who is appointed by the Government. Panchayat secretaries seen struggling to cope with works assigned as per Act and works assigned by state Government from time to time. Some fundamental civic amenities like Water, Sanitation, Roads, light etc, are made available by Gram Panchayats in very limited quantities. Despite this, there is a need for improvement in accounting management of funds received, maintenance of records and execution of works at panchayat level. If minimum civic facilities equivalent to facilities in urban local bodies and as per rural needs are to be provided In Gram Panchayats, then the availability of human resources in Gram Panchayats will also have to be kept in mind to get change in perspectives of Rural People.

2.26 There are two types of pressure of population under increasing urbanization on cities. First Citizens of rural areas who permanently got transferred in cities due to various reasons such as better civic facilities Job, business, education for children health facilities etc. Secondly there are people who live in rural areas near cities and towns. but come to cities daily or frequently for certain works like Job, business education, health etc. Urban local bodies have to develop civic facilities for such people also. The expenditure on these facilities are both capital and maintenance in nature. while assessing the needs of urban local bodies and recommending transfer of funds, both type of pressure of population should also be kept on mind.

2.27 23.24% of state's population and 31.28% of the country's population reside in cities. Cities are called engines of development. These are vast centers of Commerce, trade and industrial activities. Despite this, urban local bodies are dependent mostly on assistance of states. The situation is more or less the same in chhattisgarh also. The economic review of urban local bodies will be done in relevant chapter but broadly,

the commission is of the opinion that urban local bodies need to increase income from their own sources like tax, non-tax and user charges. There are immense possibilities in this also. Bringing all the properties falling under the urban area within the ambit of taxation, accurate determination of property taxes on the properties falling under the ambit of taxation, taxation equal to the expenditure on water supply by installing meters and reducing the amount of the non-revenue water to the 20% limit, profitable management of solid waste, these are such areas where urban bodies have a lot of potential to increase their own income.

2.28 Generally, the monetary recommendations made by the State Finance Commission as a percentage of the own net tax revenue of state is accepted by the state either in its original form or with modifications, but funds are not transferred to local bodies as per accepted recommendations. In order to make sure that recommended amount could be obtained by local bodies it is necessary that state government should make provision of the accepted amount in the budgets of concerned departments ,thereafter amount be transferred to local bodies by concerned departments. At present, despite the recommendation of the SFC and consent given by the State Government, the prescribed amount is not being transferred to the local bodies. For this, two types of measures can be taken. First, the commission should recommend the local body wise amount along with the percentage of state's own net tax revenue. Secondly, after the release of the action taken report, the report of commission should be kept in the public domain. The formula of accepted percentage and accepted horizontal distribution adopted by the government may be different from the recommendations of State Finance Commission because it is not necessary that the recommendations of the commission be accepted by the government in its original form. There may also be difference between the estimates of state's own tax revenue made by the commission and the actual revenue received Due to the aforesaid reasons there will be a possibility of difference between the recommended and the actual transfer. Even if actual transfer vary local bodies will at least have an idea of the approximate amount they will receive or are likely to receive over the five years of the commission's award period.

2.29 Article 243, inserted in the constitution after the 73rd and 74th constitutional Amendments, provides Gram Panchayats and urban bodies with power similar to the legislative assembly as a unit of local self-government after the center and the state. State governments have provided powers to rural and urban bodies through their respective Panchayat and municipal Acts. The ultimate civic facilities to the common citizens in rural or urban areas are to be provided by Gram Panchayats and urban

local bodies only. Therefore, the amount given by the government to the local bodies should be given in such a way that right of self- governance granted by the constitution can be actually exercised by these bodies.

2.30 The reports of the State Finance Commission have been commented upon, by various Central Finance Commission, inter alia, on the quality of the reports. Considering specific nature of working procedure of State Finance Commission and to perform its task there is a need of expertise in subjects related to state finance, Panchayati Raj Urban local bodies, Research studies, report writing and thorough knowledge of functionality of State Finance Commission as well. Commission is of opinion that Professors and experts of local educational and research & technical institutions should be added with the activities of the State Finance Commission. Initiatives have been taken by commission to take services of experts in local level. Higher education and Technical Education Departments needs to work in this direction.

2.31 To publicize the activities related to State Finance Commission and to create pool of experts, it is necessary to encourage research activities in this field by institutions associated with higher education. Also subjects related to State Finance Commission and central finance commission should be included in the curriculum of undergraduates and Post graduates classes of Economics subject. This will definitely have positive impact in future.

2.32 After State Finance Commission submits its report to state government, the system for considering the recommendations, decision making, implementations of approved recommendations and monitoring of implementation should be institutionalized, this will positively affect the implementation of recommendations to be done in minimum time period. The transfer of finance to local bodies depends on the co-ordination and co-relation among departments of finance, urban administration and development, Panchayati Raj Revenue, commercial tax, mining and minerals etc. Efforts should be made in the direction of promoting co-ordination and coherence among these departments.

2.33 The amount given by the Central Government to local bodies on the recommendations of State Finance Commission is directly transferred to them by PFMS (Public Finance Management System) through state government. Detailed guidelines are issued to the local bodies to spend the amount provided to them as per the recommended arrangements. Amount is spent by the local bodies as per guidelines circulated. The positive aspect of this system is that local bodies

compulsorily receives the fixed amount to be given to them. Even for the transfer of amount to be given to local bodies on the recommendation of SFC, the commission envisages to adopt the procedure followed by the Central Government. The items of expenditure, process of approval, method of financial control can be determined after considering at the appropriate level.

2.34 It is well known fact that income form own sources of local bodies is less, whether it is Panchayati Raj Institutions or be it Urban Local Bodies. This is the reason why local bodies are more dependent on center and state financing. If funding will be from Centre and state then priorities and guidelines for spending the given amount will also be determined by center and state. For self-governance or self-determination, it is necessary that the local bodies own income increases. Appropriate efforts need to be made to increase the income of local bodies. These efforts can be incentive based, performance based and in the form of funding conditions.

Chapter – 3

Status of Implementation of The Recommendations of Previous Finance Commissions

- Action take on the Recommendations of financial devolution
- Action take on the other Recommendations

3.1 Chhattisgarh became a separate state on 01 November 2000, after separation from undivided Madhya Pradesh. After becoming Separate state, Recommendations of the first Finance Commission constituted by the government of Madhya Pradesh were applicable in Chhattisgarh from 01st November 2000. By 1st SFC of Madhya Pradesh, Recommendations were given for adjudication period from 01st April 1996 to 31th March 2001.

3.2 After state reorganization Four Finance Commission have been constituted. first two-member state Finance Commission in state constituted on 22nd August 2003 in Chairmanship of Mr. T.S. Sinhdev. The other member of commission was Mr. Paras Chopda. After Sometimes commission was re-constituted and one-member commission constituted in chairmanship of Mr. Virendra Pandey submitted its report on May 2007. By first Finance Commission recommendations were made for time period from 1st April 2005 to 30th march 2010.

3.3 Two-Member 2nd SFC constituted on 23rd July 2011 in Chairmanship of Mr. Ajay chandrakar. Mr. Ashok Parakh appointed as member of the Commission. Second Finance Commission was expected to submit its report till 31st July 2012 for five-year time period starting from 1st April 2011, but on the request of commission time limit for submission of recommendations extended till 31st march 2013. with change in adjudication period of commission from 2011-16 to 2012-17 the tenure of commission was also extended till 31st march 2013. After submitting its interim report on November 2012, the Second Finance Commission submitted its final report on 31st March 2013.

3.4 Two-member 3rd SFC constituted on 20th January 2016 in Chairmanship of Mr. Chandrashekhar Sahu. Mr. Naresh Chandra Gupta appointed as member of commission. The original tenure of commission was prescribed till 31st January 2017 for giving recommendations for period from 01st April 2017 to 31st March 2022, but after extension in tenure of Commission till 30th September 2018, Third State Finance Commission Submitted its report to the government on September 2018.

3.5 The recommendations of the Second State Finance Commission, which were effective from 1st April 2012 to 31st March 2017 were extended by the government till 31st March 2020 and the recommendations of the Commission were accepted for the period from 01st April 2020 to 31st March 2025.

Box 3.1			
Previous SFCs of Chhattisgarh			
Details of SFC's	**Formation Date**	**Report Submission Date**	**Award Period**
First	22-08-2003	May 2007	1st April 2005 to 31st March 2010 **Revised Award Period** 1st April 2005 to 31st March 2012
Second	23-07-2011	**Interim Report** November 2012 **Final Report** 31st March 2013	1st April 2012 to 31st March 2017 **Revised Award Period** 1st April 2012 to 31st March 2020
Third	20-01-2016	September 2018	1st April 2017 to 31st March 2022 **Revised Award Period** 1st April 2020 to 31st March 2025

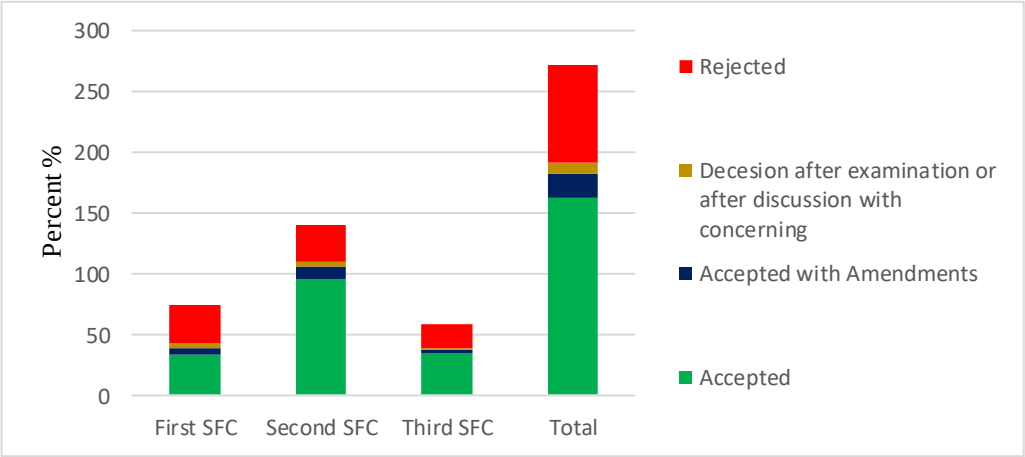
3.6 Total 91 recommendations were made by First Finance Commission out of which 74 recommendations related to rural and urban local bodies have been included in the Action Taken Report made by government. Of these, 30 recommendations were relate to rural local bodies and 44 to urban local bodies. 17 recommendations were created to State finances are not included in the action taken report. Out of 74 recommendations included in the action taken report, 33 recommendations were accepted and 32 recommendations were not accepted. It was decided to present 6 recommendations with modifications and 3 recommendations for decision after examination.

3.7 Total 140 recommendations were made by Second State Finance Commission including 55 recommendations for Panchayati Raj institutions and 85 for urban local bodies. Of these 95 recommendations were accepted and 11 recommendations were accepted after partial Modification. 4 Recommendations were to be decided after discussion with concerning departments. Rest 30 recommendations were not accepted. The Justification for not accepting this recommendation have been depicted in Action Taken Report.

Table 3.1

Action taken on the recommendations of previous commissions

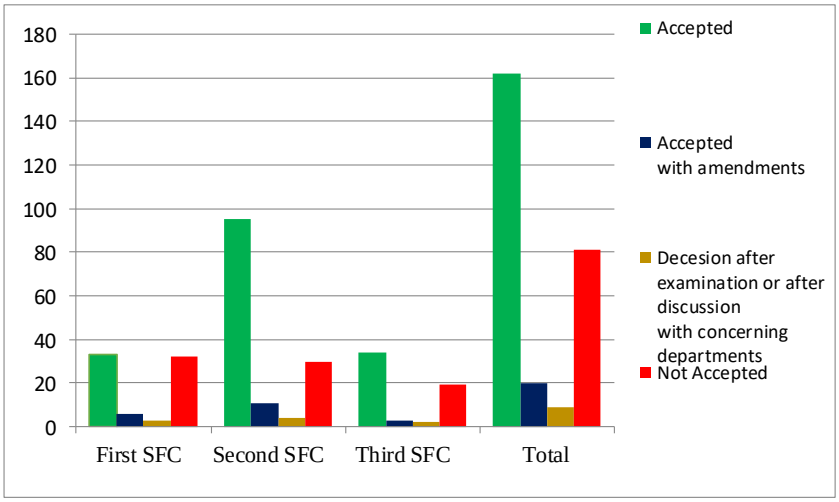
No.	Particular	First	Second	Third	Total
1	Accepted	33	95	34	162
2	Accepted with amendments	06	11	03	20
3	Decision after examination or after discussion with concerning departments	03	04	02	09
4	Not accepted	32	30	19	81
Total		**74**	**140**	**58**	**272**



3.8 Total 58 recommendations were made by Third State Finance Commission out of which 18 recommendations were related to Panchayati raj institutions and 40 recommendations were related to urban local bodies. Out of Total Recommendations, 34 recommendations were accepted and 3 recommendations were accepted with modification. 02 recommendations were to decide after examination and 19 recommendations were not accepted showing reason for non-acceptance.

3.9 Most of the Recommendations of the three State Finance Commissions have been accepted so for in chhattisgarh. Out of the total 272 recommendations made by the three commissions, 60 percent of the recommendations have been accepted by the government. 7 percent of recommendations have been accepted with partial modification. 3 percent of the recommendations were kept pending for decision after discussion with the concerned department and 30 percent of the recommendations have not been accepted by the Government. Maximum, 76% of the recommendations of the Second State Finance Commission have been accepted by the Government, in which 68% of the recommendations have been accepted in the original form and 8% with Partial modifications.

Percentage of accepted and rejected recommendation



3.10 While discussing the action taken on the recommendations of the previous state finance commissions the recommendations related to financial transfer made by previous recommendations, only the recommendations of the third Finance Commission three commissions have been studied, but under non-financial have been reviewed.

Action Taken on Recommendations of Devolution

First State Finance Commission

3.11 The first State Finance Commission, for its award period of 2005-06 to 2009-10, made recommendations for provision of 8.29% share of state's own Net Tax Revenue to local bodies. Based on the population of the year 2001. It was recommended to provide 6.63% of its own net tax revenue to Panchayati Raj Institutions and 1.66%. to urban local bodies. Acting upon recommendation of commission, devolution of 6%. share of it's own net tax revenue accepted by the state government. Based on this, the amount determined was distributed vertically among the Panchayati Raj Institutions and urban local bodies, according to the population of 2001 on the basis of their mutual ratio in the total population of the state. Thus, the state government provided 4.79% of the state's own net tax revenue to rural local bodies and 1.21% to urban local bodies.

Table 3.2

Action taken on the recommendations of previous commissions

(In % of State's own net tax revenue)

S. No.	Particular	First	Second	Third
1	Panchayati Raj Institutions	6.63	6.85	6.91
2	Urban Local Bodies	1.66	1.15	2.09
Local Bodies		**8.29**	**8.00**	**9.00**

3.12 In addition to the percentage of own net tax revenue, The First State Finance Commission also recommended an establishment grant of Rs. 71.81 crore and a per capita grant of Rs. 166.48 for rural local bodies for the years from 2005-06. The establishment grant was not accepted by the government and for the per capita grant, it was said that it would be placed before the Thirteenth Finance Commission for assistance. For the implementation of state and central Government schemes, the commission had recommended, providing agent grant of 3% of the scheme cost to local bodies. The State Government requested to 13th Finance Commission to provide 3 percent agent grant for centrally funded schemes.

Second State Finance Commission

3.13 The second State Financial Commission recommended for devolution of 8%. of the state's own net tax revenue to local bodies. According to the report, the 8 percent recommended amount for the award period is Rs. 5793.48 crore. Out of the above divisible pool, it was recommended to provide 6.85% of the state's own net tax revenue i.e. Rs. 4453.73 crore to Panchayati Raj Institutions and 1.15% i.e. Rs. 1399.75 crore to Urban Local Bodies. This recommendation of the commission for transfer of the above amounts was fully accepted by the State Government.

3.14 Another important financial recommendation made by the second State Finance Commission was that the entire amount given to Gram Panchayats should be provided unconditionally for lighting, tap water supply, rural sanitation and maintenance of Gram Panchayat properties, but the recommendation was not accepted by the state Government keeping the then prevailing system as it was.

Third State Finance Commission

3.15 Out of the total 58 recommendations of the Third State Finance Commission, 37 accepted recommendations (which also include the accepted recommendations with modifications) are related to a total of 5 Departments. Of these recommendations ,9 recommendations are related to Panchayat and Rural Development Department. 19 recommendations are related to Urban Administration and Development Department and 7 recommendations are related to Finance Department. One recommendation pertains to the Public Health and Engineering Department and one to the Revenue Department.

Table 3.3
Department wise details of the recommendations of the third SFC

S. No.	Department	Accepted	Accepted with modification	Decision after examination	Not accepted	Total
1	**Panchayat and Rural Development**	7	2	-	7	16
2	**Urban Administration and Development**	19	-	2	10	31
3	**Finance**	6	1	-	2	9
4	**Public Health and Engineering**	1	-	-	-	1
5	**Revenue**	1	-	-	-	1
Total		**34**	**3**	**2**	**19**	**58**

3.16 The Third State Finance Commission recommended devolution of 9 percent of the State's own net tax revenue to local bodies for the award period from 2017-18 to 2021-22, allocating 6.91% to Panchayati Raj Institutions and 2.09% to Urban Local Bodies. On this basis, in its recommendation, the Third state Finance Commission estimated a transfer of Rs. 11679.03 crore for the 5 year of the Award Period. From this divisible pool, the estimated amount to be transferred to rural local bodies and urban local bodies is Rs. 8966.92 crore and Rs. 2712.11 crore respectively. Year-wise details of the state Finance Commission are given in Table no. 3.4

Table 3.4

Recommended estimated amount by 3rd Finance Commission

(RS. In Crore)

Year	State's own net tax revenue	Divisible pool	Panchayati Raj Institution	Urban Local Body
2017-18	20,610.17	1,854.92	1,424.17	430.75
2018-19	22,906.40	2,061.58	1,582.84	478.74
2019-20	25,609.36	2,304.84	1,769.61	535.23
2020-21	28,631.26	2,576.81	1,978.42	598.39
2021-22	32,009.75	2,880.88	2,211.88	669.00
Total	**1,29,766.94**	**11,679.03**	**8,966.92**	**2,712.11**

3.17 The original award period of the Third State Finance Commission was for 5 years, starting from April 1st, 2017 till March 31st 2023. But as per the recommendation of the 13th Finance Commission that there should be parity between the reports of the State Finance Commissions and the award period of the Central Finance Commission and despite the submission of report of commission was made in September 2018, the action taken upon the report is on October 2019, causing the report of the third Finance Commission was adjourned for the period from 1st April 2020 to 21st March 2025, similar to the award period of the Fifteenth Finance Commission. Further the accepted recommendations of the Second State Finance Commission were extended for the financial years 2017-18, 2018-19 and 2019-20.

3.18 Among other monetary recommendations of the Third State Finance Commission, recommendation related to give a grant- in- aid of Rs. 20 lakhs to all 146 Janpad Panchayats was accepted, but recommendations of grant-in-aid of Rs. 5 lakh each year to the Panchayats of fifth scheduled areas for fulfilling the basic facilities, and special grant of Rs. 5 lakh to those gram panchayats and urban local bodies with two-third or more female elected representatives were not accepted by the government on the basis that the recommendation to increase the amount to be transferred to

local bodies from 8 percent to 9 percent has already been accepted, hence there is no need to give additional amount separately.

3.19 For district-wise allocation of funds to Panchayati Raj Institutions, Third Finance Commission came up with different criteria. In the recommended formula, 60% of weightage assigned to population in census 2011, 15% to geographical area, 10% to SC/ST population. Of 2011 and 10% of weightage assigned to deprivation index related to Socio-Economic and Caste Census of 2011. In place of recommended criteria, government decided to keep following the criteria recommended by the 2nd Finance Commission as Population (60%), Geographical area (20%), population of scheduled cast and scheduled tribe (10%) and the number of households living below the Poverty line (10%) for the award period of 3rd finance commission.

3.20 Among the different levels of three-tier Panchayati Raj-Gram Panchayats, Janpad Panchayats and Zila Panchayats, 3rd Finance Commission had recommended to divide 80% of the recommended amount to Gram Panchayats, 15% to Janpad Panchayats and 5% to Zila Panchayats respectively. Since, most of the works concerned with civic facilities are performed by the Gram Panchayats, hence, as per recommendations of 2nd finance commission, government decided to follow prevailing system of provision of 5% of recommended amount to Zila Panchayats, 10%. to Janpad Panchayats and 85%. to Gram Panchayats respectively.

3.21 Among Urban Local Bodies, Third Finance Commission recommended to divide the recommended amount on the basis of population (70%), geographical area (20%) and performance grant (10%), but government decided to follow the prevailing system of division of recommended amount on the basis of population (70%), geographical area (10%), slum population (10%) and revenue efforts (10%).

Eligible and Actually Transferred Amount During 2017-22

3.22 As, the recommendation of the Third State Finance Commission being accepted by the government for the time period from 2020 to 2025, the recommendations of the 2nd State Finance Commission were in force from 1stApril 2017 to31stMarch 2020,while recommendations of the 3rd Finance Commission were in force from 1st April 2020 to 31st March 2025.

3.23 The 2nd and 3rd State Finance Commissions have recommended for devolution of 8% and 9% of the State's Own Net Tax revenue to local bodies respectively. From the year 2017 to 2020, as per the recommendations of the 2nd SFC, 6.85% of the state's own net tax revenue is to be transferred to Panchayati Raj institutions and 1.15% to

urban local bodies. Similarly, from 2020-2022 state is to transfer 6.91% and 2.09% of its own net tax revenue to Panchayati Raj institutions and Urban Local Bodies respectively as recommended by the Third State Finance Commission.

3.24 To calculate the amount eligible for transfer on the recommendations of the State Finance Commission, first of all, state's own net tax revenue (Annexure 3.3) is obtained by subtracting the collection cost of taxes (Annexure 3.1) and amount directly transferred to local bodies as assigned receipts (Annexure 3.2) from state's own tax revenue. The state's own tax revenue was estimated at Rs 147462.41crore for the years from 2017-18 to 2021-22 by the Third SFC. Against this, the total actual receipt of own tax revenue during this period has been Rs. 113412.71 crore. The main reason for the state's own tax revenue being lower than anticipated is the lower growth rate of the state economy in 2019-20 and 2020-21 due to COVID.

3.25 As per the recommendation of the state Finance Commission, the eligible amount payable to local bodies from the state's own net tax revenue for the period 2017-18 to 2021-22 is Rs. 8880.63 crore, Out of this Rs. 7233.42 crore is the share of Panchayati Raj Institutions and Rs. 1647.21 crore is the share of urban bodies. Year-wise details of eligible amount payable to local bodies are given in Table No. 3.5.

Table 3.5

Amount eligible for transfer on the recommend of the SFC

(Rs in Crore)

Year	Panchayati Raj Institution	Urban Local Bodies	Total
2017-18	1,242.45	208.59	1,451.03
2018-19	1,376.56	231.10	1,607.67
2019-20	1,402.06	235.38	1,637.64
2020-21	1,468.42	444.14	1,912.56
2021-22	1,743.93	528.00	2,271.93
Total	**7,233.42**	**1647.21**	**8,880.63**

3.26 As per the recommendation of the State Finance Commission, during the period 2017-18 to 2021-22, there was a transfer of Rs.5986.55 crore to the local bodies from the state's own net tax revenue against the eligible payable amount of Rs. 8880.63 crore. Thus, 67 percent of the eligible amount was actually transferred to the local bodies. Among local bodies, Panchayati Raj Institutions have an entitlement of Rs. 7233 crore in the last 5 years. Out of this, actual transfer of Rs. 4031.44 crore has been made to these institutions. On contrary, the actual transfer to urban local bodies was Rs. 1955.11crore against 1647.21 crore during the same period. year-wise details of transferred amount are given in table No. 3.6

Table 3.6
Actual transferred amount to local bodies on the recommendation of SFC

(Rs. In Crore)

Year	Panchayati Raj Institution	Urban Local Bodies	Total
2017-18	945.72	441.55	1387.27
2018-19	839.07	299.76	1138.83
2019-20	748.47	320.73	1069.20
2020-21	617.93	441.62	1059.54
2021-22	880.26	451.45	1331.71
Total	**4031.44**	**1955.11**	**5986.55**

3.27 Between 2017-18 to 2019-20 in 3 years, 6.12% of state's own net tax revenue was actually transferred to the local bodies against 8% of recommended devolution of 2nd State Finance Commission. Similarly from 2019-20 to 2021-22 in two years, against 9% of recommended devolution of 3rd State Finance Commission, Only 5.10% of state's own net tax revenue was actually transferred to the local bodies. If we look at the average of the last five years, 5.74% of the own net tax revenue of the state has been transferred to the local bodies. The year-wise amount transferred from the state's own net tax revenue in the last 5 years can be seen in the table 3.7.

Table 3.7
Percentage of Actually transferred amount to the local bodies

(In Percentage Of State's own net tax revenue)

Year	Recommended Percentage	Actual Percentage of Devolution
2017-18	8	7.65
2018-19	8	5.67
2019-20	8	5.22
2020-21	9	4.99
2021-22	9	5.19

Action Taken on Other recommendations Of Third SFC

3.28 After the presentation of the report by the third state Finance Commission on September 2018, the Action Taken Report (ATR) was presented by the Finance Department on October 2019. Three years after the submission of the action report even as of December 2022. The current status of the action taken by the departments on the accepted recommendations does not appear to be satisfactory. Even in the context of accepted recommendations, words like "Proposal will be presented" or "Will be considered" have been used in the action taken by the departments. when the recommendations have been accepted or not been accepted

by the finance department on the basis of the opinion received by the concerning department, then the departments should have no option other than taking positive action on the Accepted Recommendations. Details of the action taken by the concerned departments on the accepted recommendations of the Third State Finance Commission are given in Annexure 3.4.

3.29 The Action taken Reports on the reports of the 1st, 2nd and Third Finance Commissions were submitted in 26, 4 and 13 months respectively. keeping in view, the time taken in the submission of action taken reports and lack of satisfactory actions on accepted recommendations, there should be proper system to ensure the timely action on accepted recommendations and to monitor the implementation of such recommendations.

3.30 Formation of a cell under the Finance Department was recommended by the 1st and 2nd finance commissions for this purpose. The second Finance Commission has recommended that the committee in the chairmanship of chief secretary which monitors the utilization of the funds allocated by the 13th Finance Commission, should also perform the monitoring of the amount to be transferred to the local bodies by SFC.

3.31 As per the recommendations of previous commission, State Finance Commission cell has been formed under the finance department in the state. There is a need to expand the responsibilities of the formed cell. **The Commission recommends that, to ensure timely action on the reports and recommendations of the State Finance Commission, an action taken report should be prepared by posting a competent level officer in the State Finance Commission Cell, constituted under the Finance Department and according to the Action Taken Report, the work of regular monitoring of the Action Taken by the concerned Departments on the accepted recommendations should be included in the responsibilities of the cell.**

3.32 For the economic review of local bodies by the State Finance Commission, information has been obtained through online portal and mobile app. In view of the large number of Gram Panchayats and non- availability of computer hardware with Gram Panchayat secretaries, a web portal and mobile app were designed to get informations related to Gram Panchayats. Due to comparatively less numbers of District Panchayats, Block Panchayats and Urban Local Bodies and availability of computers, only web portal was created to get information. Information received through the web portal, real time report is received in Pre-determined format. portal and Data are separately secured in the Data centre of CHIPS.

3.33 Through this portal, financial and physical review of the funds being provided by the central and state Finance Commission can be done without or with partial modifications. As well as, the data required for economic review of local bodies, can be obtained annually through this portal and on the formation of the upcoming state finance commission, these data will easily be available for the commission. If, the succeeding SFC wants to get additional information, then it can be obtained also through portal with partial modification. Hence, the **State Finance Commission recommends that, the Finance Department should maintain the website of the State Finance Commission in its present form in a suitable manner till the formation of the next State Finance Commission, so that the information related to Chhattisgarh State Finance Commission be easily available for other SFCs and general researchers. This task should be assigned to the State Finance Commission Cell constituted under Finance Department.**

3.34 It is very important to monitor the implementation of action statement presented by the government on the recommendations of the state finance commission. State Finance Commission recommends that, (Recommendation 3.3) to monitor the action taken by the concerned department on the recommendation of state finance commission, a committee comprises of the secretaries of the Finance department. Panchayat and rural development department urban administration and development, revenue, minerals and mining and Commercial tax department should be formed in the Chairmanship of chief secretary. Provide secretarial office facilities to the state Finance Commission cell constituted under the Finance department.

3.35 Several recommendations of the Third State Finance Commission have been accepted on the basis of the opinion of the concerned departments in the Action Taken Report, but regarding the implementation of the ATR, 4th State Finance Commission have been informed by concerned departments with following remarks – “it will be proposed by the department". “Further Action has not been taken" or “will be considered" or “is currently being taken into consideration”. Report paragraph no. 11.8, 11.21, 12.21 can be seen in Annexure 3.4. There is no other option other than taking action by the concerned departments on the Action Taken Report presented in the Legislative Assembly. Hence, **The commission recommends that, the ‘Local Body and Panchayati Raj Accounts Committee’ of the Legislative Assembly should, among other things, also monitor the implementation of the Action Taken Report presented on the recommendation of the State Finance Commission.**

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Chapter – 4

Study of State Finance

- **Gross Domestic Product**
- **Fiscal Consolidation and Debt Management as per F.R.B.M. Act.**
- **Revenue Receipts of State**
- **State's Own Tax Revenue**
- **State's Own Non-Tax Revenue**
- **Trends of Expenditure**
- **Forecast of State's Revenue Receipts**

Gross State Domestic Product (GSDP)

4.1 Gross state Domestic product (GSDP) is the most crucial parameter to evaluate the progress of the state's economy, to explain the changes in the economic growth trends of the state and structural changes in the economy.

4.2 In the year 2017-18 to 2022-23 [A], the annual compound growth rate of the GSDP (at current prices) has been 10.11%. During 2011-12 to 2016-17, the annual compound growth rate of the GSDP (at current prices) was 10.7%. In Fact, since pre-Covid time, even since 2014-15, signs of decline in the aggregate demand were visible in the national economy. After recording a high growth rate of 12.30% and 16.52% in 2012-13 and 2013-14 respectively, the State's economy decreased to only 6.91%. and 1.83%. in 2014-15 and 2015-16 respectively.

4.3 The compound annual growth rate (CAGR) of the GSDP during 2011-12 to 2016-17 in five-year period is 10.7% while CAGR from 2016-17 to 2021-22 for five-year period is estimated to 9.11%. The main reason for decline in the growth rate is the negative impact of the Covid pandemic on economy.

4.4 The state's economy has been deeply affected by the structural changes and challenges in the national economy. The Covid pandemic and the stringent lockdown imposed in the national level led to the unprecedented migration of workers from urban to rural areas. As a result of this migration, surplus labor in the agriculture sector increased, unemployment in the rural areas also increased and wages rates declined. The strict lockdown had a negative impact in the production sector. Especially as a result of decline in profits of micro, small and medium enterprises, workers were laid off and salaries were reduced which resulted in the huge increase in the urban unemployment. Covid proved to be an inexplicable crisis for individual's life as well as fatal for the economy.

4.5 During Covid pandemic, the annual growth rate of the GSDP (at current prices) from 2019-20 to 2020-21 was 5.36% and 0.90% only. On constant prices, the annual growth rate of the GSDP was 2.76% only in 2019-20 and in 2020-21 it has been negative (-1.80%).

4.6 However, extensive vaccination, social security programmes like free ration supply to poor and Covid affected people, employment for workers, wage assistance, insurance coverage for health workers are such preventive measures through which, efforts were made to create a favorable and positive economic environment.

4.7 In the year 2011-12 the GSDP (at current prices) of the state was Rs. 158073.82 crore which in 10 years estimated to be Rs. 406415.8 crore in 2021-22, 2.57 times of the GSDP in 2011-12. It can be expected that state's economy will achieve high growth rate in forthcoming years too.

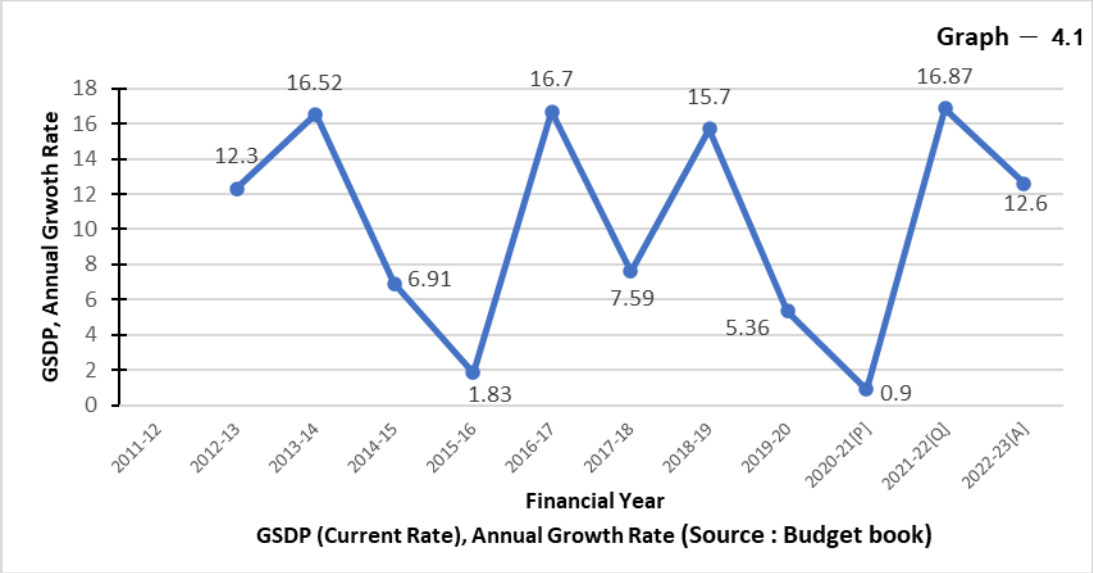
Table 4.1
Gross State Domestic Product (GSDP)

(Amount in Crore Rs.)

Financial Year	GSDP (At Current Prices)	GSDP (At Constant Price, 2011-12)
2017-18	282737.4	220135.7
2018-19	327106.7	244579.2
2019-20	344648.1	251324.7
2020-21(P)	347752.5	246803.6
2021-22(Q)	406415.8	267680.9
2022-23(A)	457608.3	289082.4

(P)-Provisional**, (Q)**-Quick**, (A)**-Advance Estimate

Source - Economic Survey, 2022-23



Fiscal consolidation and debt sustainability as per FRBM ACT

4.8 For higher level of transparency and prudent economic management in the management of budgetary resources along with economic and fiscal policies, the central Government promulgated the Fiscal Responsibility and Budget Management Act (FRBMA 2003) on 5 July 2004. This act gives responsibility to the Central Government to ensure inter-generational participation in fiscal management and long-term macro-economic stability, Prudent debt management

with continued fiscal sustainability, removal of fiscal constraints through effective implementation of monetary policies, keeping central Government's borrowing, debt and deficit within a certain limit, creating a high level of transparency in fiscal operations and to conduct fiscal policies in the medium term framework are the objectives of this act.

4.9 Chhattisgarh Fiscal Responsibility and Budget management Act-2005 came into force in the state from September 2, 2005. By this act the state government has been made responsible for prudent fiscal management, achieving financial stability by eliminating revenue deficit, reducing fiscal deficit, debt management as per fiscal sustainability, transparency in fiscal processes and ensuring conduct of fiscal policies in accordance with the medium-term framework.

4.10 4.10 In the Chhattisgarh FRBM Act 2005, target was set to eliminate the revenue deficit by march 31,2009 and to limit the fiscal deficit to 3 percent of the state GDP. For this, annual targets were set in the FRBM (Amendment) Act-2006. The targets of the Act were achieved within the time period.

4.11 4.11 In Chhattisgarh F.R.B.M. (Amendment) Act 2011, it Was laid off by the state government to achieve the target of zero revenue deficit in each financial year from 2011-12 to 2014-15 and to keep the fiscal deficit within the limit of 3% for the said period. Further, it was set to keep the total debt responsibility in the percentage of GSDP limited between 22% in 2010-11 to 23.90% in 2014-15. As per the objectives of the Act, there has been the condition of revenue surplus in the other years except for 2013-14 and 2014-15 and the fiscal deficit was lower than 3% in other years except for the year 2014-15.

4.12 It is enacted by the government of chhattisgarh by chhattisgarh F.R.B.M (Amendment) Act 2016 that the state government will specify the fiscal rules suggested by the Union Finance Commission for fiscal responsibility and budget management acts of states. Accordingly, fiscal parameters recommended by the 14Th Central Finance Commission are the key targets for state's fiscal consolidation.

4.13 The 14th Finance Commission for the period of 2015-16 to 2019-20 had determined the annual target for fiscal deficit for states to be 3% of GSDP. However, states could obtain concessions subject to the following conditions: -

1) If there is no revenue deficit in the year in which borrowing limits are to be fixed and in the immediately preceding year.

2) After the above condition is fulfilled, 0.25% flexibility on the ceiling of 3% was allowed if Debt GSDP ratio is less than or equivalent to 25% of GSDP in preceding year.

3) Other 0.25% flexibility was allowed on the fulfillment of the condition that interest payment in the preceding year should be less than or equal to 10% of the revenue receipts.

4.14 As per the fiscal parameters determined by the 14Th Finance Commission, there was position of revenue surplus in the state in 2015-16, 2016-17, 2017-18 and 2018-19. Although, After the financial year 2016-17, there been decline in revenue surplus and in 2018-19, revenue surplus in the percentage of GSDP decreased to 0.21%. After the implementation of GST. There has been regressive impact on the revenue surplus position of the state, simultaneously fiscal management affected due to the Covid pandemic. There was revenue deficit in 2019-20 which was 2.79% of the GSDP. However, in 2020-21, revenue deficit declined to 1.97% of GSDP and in 2021-22 and 2022-23 (R.E.), position of revenue surplus regained.

Table 4.2

Details of fiscal indicators of the State

(Amount in Crore Rs.)

Financial Year	Budget/Expenditure	Fiscal Deficit	Revenue Surplus/ Deficit	Primary Deficit
2017-18	66600.54	-6810.31	3417.33	-3511.98
2018-19	73565.14	-8302.07	683.75	-4649.52
2019-20	82099.86	-17969.55	-9608.61	-12999.21
2020-21	79107.54	-15822.38	-6856.66	-10189.27
2021-22	85838.04	-6093.10	4642.02	49.14
2022-23 (RE)	112708.04	-14499.78	2661.16	-7237.73

Source – Chhattisgarh Government's Budgets of Respective Years**, (+)** Surplus**, (-)** Deficit**, (RE)** Revised Estimate**.**

4.15 As per the parameters determined by the 14Th Finance Commission, fiscal deficit has been less than 3% of the GSDP during 2015-19, but in 2019-20, it reached to the level of 5.21% and after gradual decline. Again, estimated to be 3.17% in 2022-23 (R.E.). During 2015 to 2020, interest payment in the percentage of the total revenue receipts is less than 10% of prescribed level determined by the 14Th Finance

Commission. During 2015-20, total public liability in the percentage of the GSDP is also less than 25% of prescribed limit.

Table 4.3

Performance of the fiscal indicators against the FRBM

(Amount in Crore Rs.)

Financial Year	FRBM Targets		Actual Performance		
	Fiscal Deficit	Revenue Deficit	Fiscal Deficit	Revenue Deficit	Primary Deficit
2017-18	-3.0	0.0	-2.41	1.21	-1.24
2018-19	-3.0	0.0	-2.54	0.21	-1.42
2019-20	-5.0	0.0	-5.21	-2.79	-3.77
2020-21	-5.0	+0.1	-4.55	-1.97	-2.93
2021-22	-4.0	+0.5	-1.5	+1.14	0.01
2022-23 (RE)	-3.5	+0.8	-3.17	0.58	-1.58

Source :

I. Chhattisgarh Government's Budget Papers of Respective Years.
II. FRBM Targets For 2019-20 & 2020-21, As Per CG FRBMA Amendment 2020.
III. FRBM Targets For 2017-18 & 2018-19, As Per Report Of 14TH CFC.
IV. FRBM Targets For 2021-22 & 2022-23, AS Per Report Of 15Th CFC.

Graph – 4.2

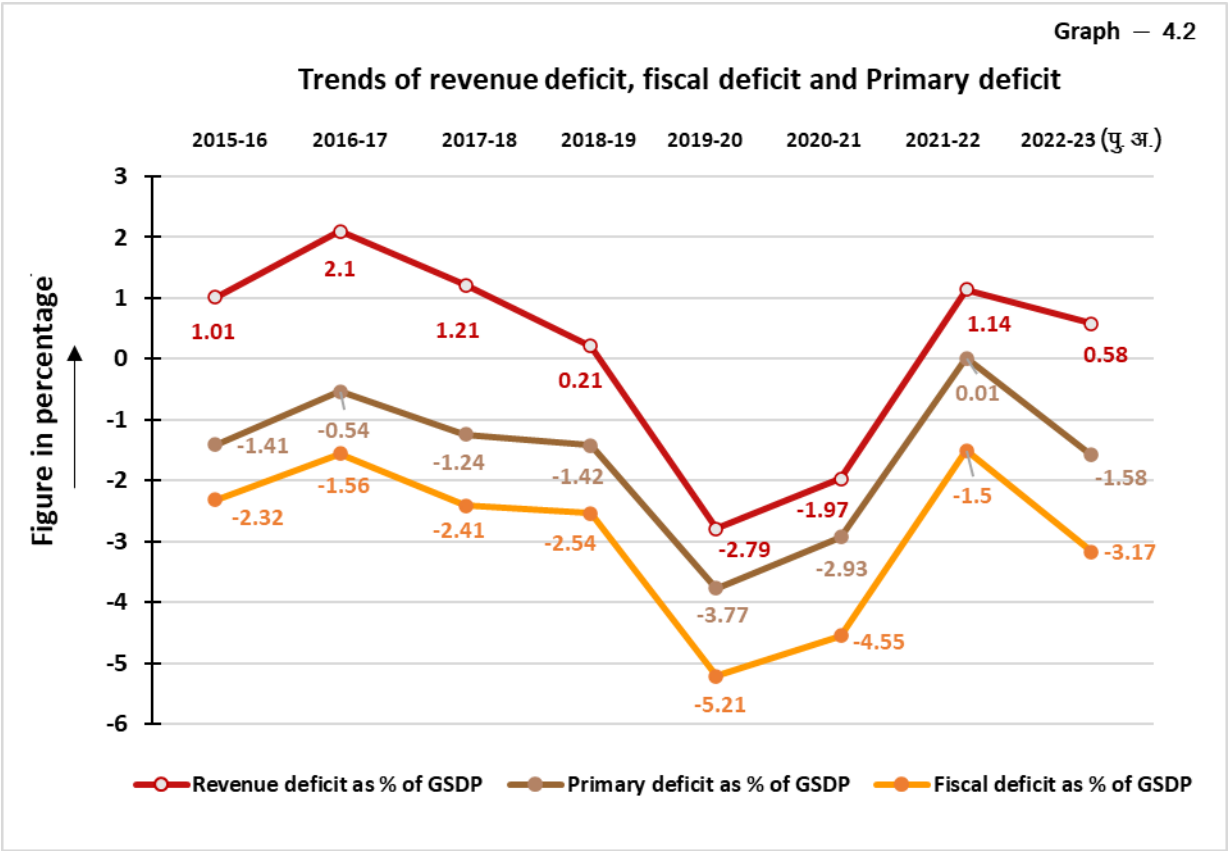


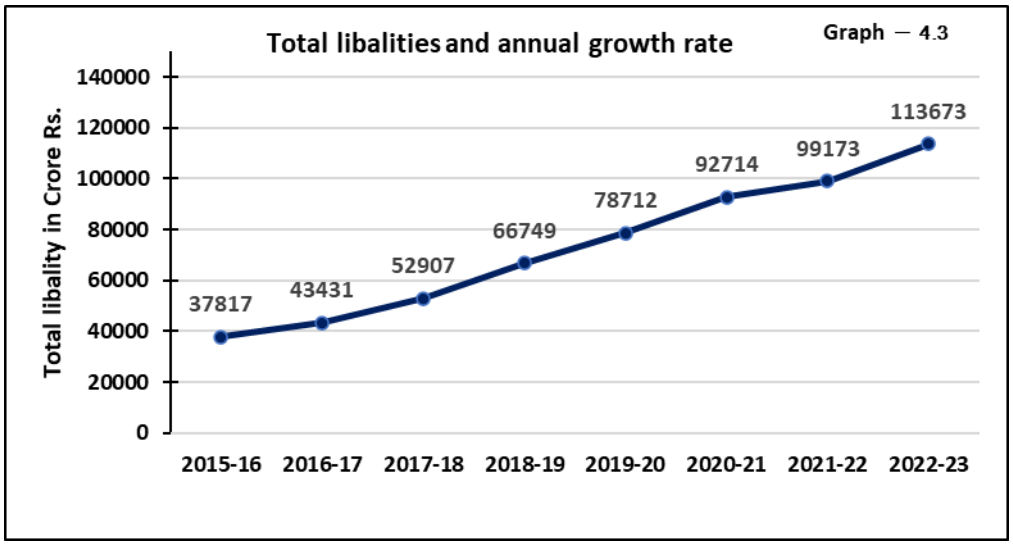
Table 4.4
The Debt liabilities of State

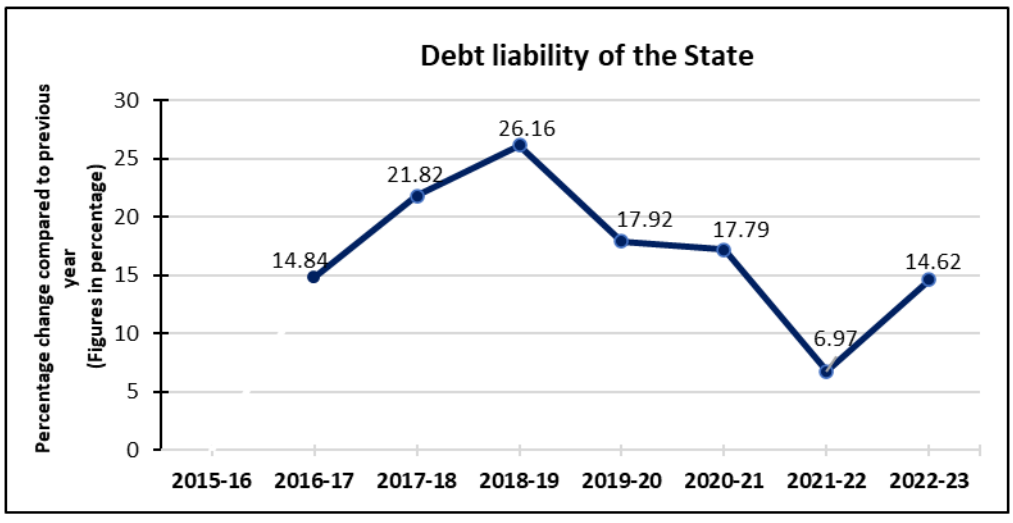
(Amount in Crore Rs.)

Financial Year	Total Liability	Growth In Comparison To Last Years	% Target Of Total Liability To GSDP	Actual % Of Total Liability To GSDP
2017-18	52907-08	21.82	17.05	18.71
2018-19	66749.51	26.16	18.40	20.41
2019-20	78712.46	17.92	19.58	22.84
2020-21	92714.23	17.79	28.10	26.66
2021-22	99172.89	6.97	28.80	24.40
2022-23	113672.67	14.62	30.20	24.84

Note: The Calculation of Liability for the Year 2022-23 has been calculated by adding the Amount of Fiscal Deficit for The Year 2022-23 (RE) To the Liability for The Year 2021-22.

Source: **1.** For Total Liability, Budget Papers of Respective Years. **2.** For GSDP, Economic Survey, 2022-23. **3.** Percentage Target of Total Liability to GSDP For The Years 2017-18 To 2018-19, As Per Recommendation Of The 14Th CFC, Percentage Target For 2020-21 To 2022-23 As Per The Recommendation Of 15Th CFC.





4.16 There was a huge increase in the demand of state own resources due to the reason of the global pandemic of Covid-19 and consequent economic contraction. It has been as necessary as challenging to fulfill these demands as well as to achieve fiscal targets and inclusive development through the growth- inclined and result oriented approach. In today's economic scenario, it has been difficult challenge to fulfill the development needs and to achieve the constitutional model of welfare state. These models and objectives are difficult to achieve within the rigid and inflexible fiscal limits, therefore, in 2021, state has determined by amending its FRBM Act that " for the financial year of 2019-20 and 2020-21, fiscal deficit will not be more than 5% of the GSDP". Thus, the fiscal consolidation has been flexible enough to meet the development needs.

4.17 From the favorable growth rate of the GSDP of the state, possibility of high revenue receipt and from the analysis of limited debt liability, it can be expected that the state will be fully able and competent enough to fulfill its financial needs within the fiscal limits recommends by the 15Th Central Finance Commission for the upcoming years.

Revenue Receipts of the State (TRR)

4.18 The Revenue receipt of the state in 2011-12 was Rs. 25867.38 crore. which after increasing by approx. 2.1 times, turned into Rs. 53685.25 crore till 2016-17. In this period, the annual compound growth rate of revenue receipt (CAGR) has been 15.72%.

4.19 Between the financial years from 2017-18 to 2022-23 (R.E.) in five-year period, the annual compound growth rate (CAGR) of revenue receipts are estimated to 10.42%. In the year 2017-18, the revenue receipts were Rs. 59647.08 crore, which in 2022-23 (R.E.) is estimated to Rs. 97908.26 crore. The two main reasons for the decline in the growth rate of revenue receipts are the economic laxity spread at the national level during Covid and decreased tax revenue after the implementation of GST.

4.20 In 2019-20 and 2020-21, there has been a huge negative impact on economic activities due to Covid and nation-wide lockdown. The annual growth rates of revenue receipts were (-) 1.88% and (-) 1.08 in 2019-20 and 2020-21 respectively. Revenue receipt after continuous decline in two years compared to revenue receipts in 2018-19 estimated to Rs. 63176.18 crore in 2020-21.

4.21 After the implementation of Goods and Service Tax since 2017-18, there has been adverse effect on the tax income capacity of the state. In 2011-12, tax revenue of the

state (TR) was Rs. 17032.7 crore which in 2016-17 (before the implementation of GST) with the annual compound growth rate of 17.25% increased Rs. 37754.37 crore. Although one of the reasons for this high growth rate was the increased share of the state in central taxes since 2015-16 as per the recommendations of the 14Th Finance Commission. However, After the implementation of GST, between 2017-18 (40649.49 crore) to 2022-23 (65158.26 crore, R.E.) in the 5 year period, the annual compound growth rate (CAGR) of the tax revenue of the state is estimated to only 9.9%.

4.22 Since 2017-18 After the implementation of GST, Chhattisgarh state has suffered a loss in tax revenue. GST is a consumption-based tax whereas in chhattisgarh, there is widespread poverty and low consumption level. The abolition of taxes like CST and Entry tax which were the major tax heads of the state, has led to the loss in tax income of state. The CAGR of the state's own tax revenue (OTR) over the 5-year period from 2011-12 (10712.25 cr) to 2016-17 (18945.12 Cr) was 12.1%, which after the implementation of GST, from 2017-18 (19894.68 Cr) to 2022-23 (32800 Cr.) is estimated at only 10.5%. The expected increase in the tax income of the state after the implementation of GST could not be achieved. Many tax heads were subsumed into GST which negatively impacted state's own tax revenue potential, whereas after the inclusion of those taxes in GST, the tax income of state decreased comparatively.

4.23 As per the recommendations of the 14th finance commission, by increasing the tax share of states to be shared by the central government with states from 32% to 42% and increase in the tax revenue receipt of chhattisgarh among the mutual shares of states from 2.47% to 3.08%, there has been increase in the revenue receipt of the state for the award period (2015-20) of 14Th Finance Commission.

4.24 In 2011-12, the own revenue of the state (SORR) was 57.1% of the total revenue receipts (TRR) which increased to 60.67% till 2013-14, between 2011 to 2015, the own revenue receipts of the state was more than 50% of the total revenue receipts, but, between 2015 to 2023 except for the financial year 2021-22 the tax share and grants received by the center in the other years have been more than 50% of the revenue receipts.

4.25 As a result of sharing of taxes by the Central Government with the states in Pursuance of the recommendation of the 14Th Finance commission, except for the Covid affected years 2019-20 and 2020-21, the annual growth rate of state's share in central taxes during the year 2015-16 to 2021-22, has been higher than the annual growth rate in its own tax revenue.

4.26 The share of Tax revenue (T.R.) in the revenue receipts, which was 65.85% in 2011-12 increased to 71.18% in 2015-16. In 2016-17, tax revenue was 70.32% of revenue receipts and non-tax revenue was 29.67% of the revenue receipts. In the previous years, In the revenue receipts, growth rate of the non-tax revenue especially the state's own-non-tax revenue has been higher. In 2022-23 (R.E.), tax revenue is 66.55% and non-tax revenue is estimated to 33.45% of the total revenue.

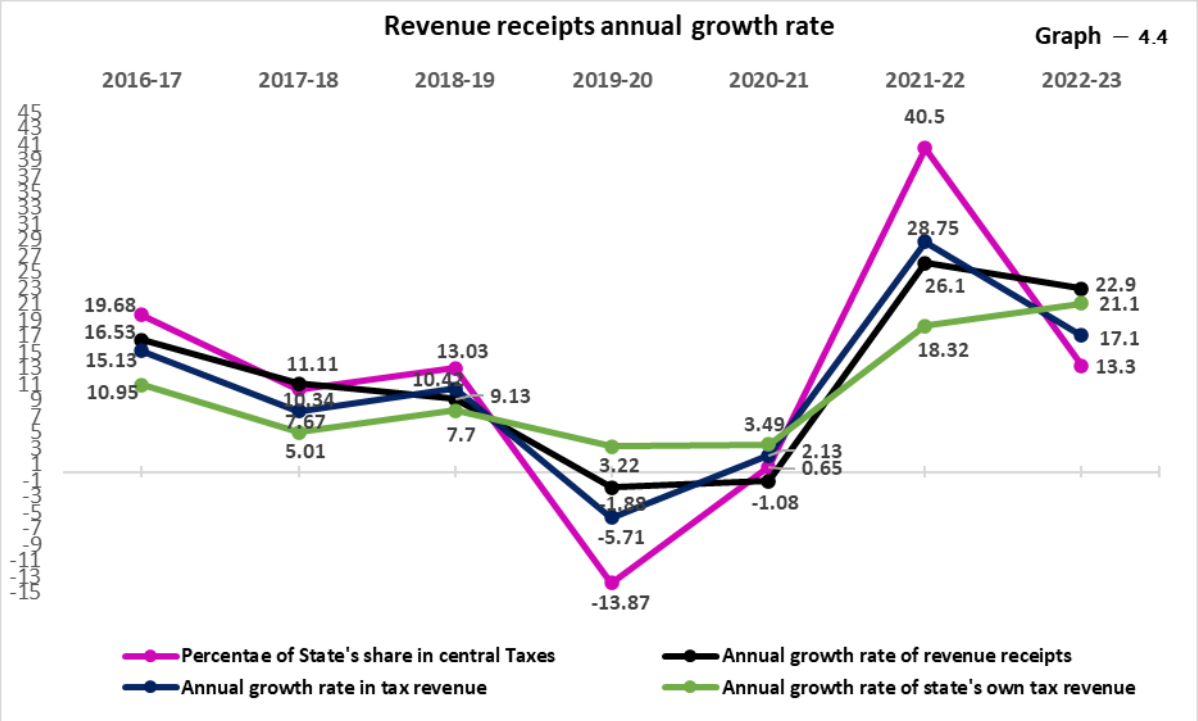
4.27 The 15Th Finance Commission from the net proceeds of taxes (divisible pool) has reduced the total share of the states from 42% to 41%. Although, In the divisible pool, there is a increase in the share of chhattisgarh state from 3.08% to 3.407%, However it is uncertain whether there will be a sharp increase in the state's share in tax income from central taxes.

Table 4.5
Details of total receipts of the State

(Amount in Crore Rs.)

Financial Year	State's Own Tax Revenue	State's Own Non-Tax Revenue	State's Share In Central Taxes	Subsidiary Grant	Capital Receipts	Total Receipts (Sum)
2017-18	19894.68	6340.42	20754.81	12657.17	7251.90	66898.98
2018-19	21427.25	7703.02	23458.69	12505.96	8148.42	73243.34
2019-20	22117.85	7933.77	20205.84	13611.24	16810.53	80679.23
2020-21	22889.19	7136.95	20337.54	12812.49	15904.67	79080.84
2021-22	27083.73	13851.21	28570.79	10146.30	6697.20	86349.23
2022-23(RE)	32800.00	16000.00	32358.26	16750.00	14800.00	112708.26

Source – Budget Papers of Respective Years.



State's Own Revenue Receipts (SORR)

4.28 In the own revenue receipts of the state, approx three fourth of the receipts are received from the own tax revenue of the state and the rest is received from the own non-tax revenue of the state.

4.29 The own revenue receipt of the state was Rs. 14770.73 crore in 2011-12 which with annual compound growth rate of 10.75% increased to Rs. 24614.46 crore in the year 2016-17.

4.30 The state's own revenue receipts were Rs.26235.10 crore in the year 2017-18 which is estimated at Rs. 48800 crores in the year 2022-23 (R.E.) with an annual compound growth rate of 13.21%.

4.31 With regard to the state's own revenue, the actual revenue receipts have been lower than the forecast of the 14Th Central Finance Commission (2015-20) and the Third State Finance Commission (2017-22). In fact, in the Covid affected years i. e. 2019-20 and 2020-21, the annual growth rates of the state's own tax revenue have been 3.22%. and 3.497% respectively, in these years, the annual growth rate of state's non-tax revenue was 2.99% in 2019-20 and negative (-10.04%) in 2020-21. However, In the national scenario of economic slack between 2017-18 to 2022-23, the growth rate of the state's own revenue receipts has been satisfactory.

Own Tax Revenue of State (OTR)

4.32 Under the revenue heads, state's own tax revenue (OTR) in 2011-12 was 62.89% and the share of receipts from central taxes was 37.11%. Till 2014-15, share of state's own tax revenue in total tax revenue was similar to this proportion. But from 2015-16 as per recommendations of 14Th Finance Commission, due to increase in the state's share in central taxes from 32% to 42%, states received higher tax revenue from central taxes. Thus, the share of state's own tax revenue has been reduced to approx 50% of the total tax revenue.

4.33 Between 2017-18 to 2022-23 (R.E.), CAGR of tax revenue receipts (T.R.) is 9.9%. In this period, CAGR of state's own tax revenue is 10.52% and CAGR of revenue received from the state's share of central taxes is estimated to 9.3%.

4.34 Except for 2019-20 and 2020-21, the buoyancy in tax revenue received from the central government is more than 1. This buoyancy is more than the buoyancy in

state's own tax revenue except for 2020-21, 2021-22 and 2022-23 (R.E.) in the other years the buoyancy of state's own tax revenue is less than 1.

4.35 With the expansion of economic activities, the possibility of tax revenue collection will be higher in the coming financial years. In 2011-12, total tax revenue was 10.77% of the GSDP which was increased to 14.4% in 2016-17. In 2019-20 and 2020-21 also, it was 12.3% and 12.5% respectively which is again estimated to 14.2% in 2022-23 (R.E.). It is likely to be continue increasing in the coming financial years also. 15Th finance Commission has made an estimate for tax-GDP percentage, which is 13.4% for 2021-22 which will increase to 15.2% in 2025-26.

4.36 In 2017-18. the own tax revenue of the state was Rs. 19894.68 crore which with CAGR of 10.52% is estimated to 32800 crores in 2022-23 (R.E.). In this time period, the estimated annual compound growth rate (CAGR) of the various tax heads of the state government are respectively as- State Goods and Service Tax (21.9%), Land Revenue (17.5%). Tax on Electricity (12.2%), Stamp and Registry (11.9%), State Excise Tax (9.7%), Tax on Vehicles (8.2%) and Tax on sale, trade etc. (0.6%)

Table 4.6
Own Tax Revenue Receipts of the State

(Amount in Crore Rs.)

Heads	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23(RE)
Land Revenue	446.41	487.57	551.50	937.71	949.94	1000.00
Stamp & Registration	1197.47	1108.46	1634.62	1584.94	1945.36	2100.00
State Excise Duty	4054.00	4489.02	4952.36	4635.80	5106.61	6450.00
Tax on Sale, Trade etc.	6449.60	4087.72	3931.37	4236.04	5341.10	6643.49
Tax on Vehicles	1180.01	1204.85	1274.85	1148.07	1372.51	1750.00
Tax & Fees on Electricity	1688.95	1790.27	1837.00	2341.41	2836.05	3000.00
State Goods & Service Tax	4386.56	8203.41	7894.82	7925.01	9483.48	11795.96
Other	491.67	55-95	41-32	80-22	48-68	60-55
Total	19894.68	21427.25	22117.85	22889.20	27083.73	32800.00

Source – Chhattisgarh Government's Budgets of Respective Years.

4.37 The largest share in the tax revenue of the state government is from the tax income received from State Goods and Service Tax. In the state's own tax revenue, the share

of State Goods and Services Tax is more than one third. In budget 2022-23 (R.E.), the share of various tax income heads in state's own tax revenue is as follows: -

State Goods and Service Tax (35.96%), Tax on Sale/Trade etc. (20.25%), State Excise Tax (19.7%). Tax and Fees on Electricity (9.15%), Stamp and Registration (6.4%), Tax on Vehicles (5.3%), Land Revenue (3.05%).

Own non-tax Revenue of the State

4.38 Between 2011-12 to 2016-17 for the 5-year period. CAGR of state's non-tax revenue was 6.9% whereas in 2017-18 to 2022-23 (R.E.), CAGR is estimated to 20.34%.

4.39 The share of non-tax revenue from economic services in the non-tax revenue of the state is approximately 95%. In the economic services, the non-tax revenue received from Non-Ferrous Metal Mining and Metallurgy Industries was Rs. 4911.4 crore in 2017-18 which is estimated to Rs 13500 Cr. in 2022-23 (R.E.). In this period. CAGR of non-tax revenue received from Non-Ferrous Metal Mining and Metallurgy Industries is estimated to 22.4%.

4.40 The non-tax revenue received from the Irrigation Sector, one of the major heads included in economic services was Rs. 588.88 Cr. in 2017-18 which is estimated to Rs. 1100 Cr. in 2022-23 (R.E.) with CAGR of 13.3%. Non-tax revenue received from forestry and wild life area is estimated to Rs. 500 crores in 2022-23 (R.E.) from 291.17 Cr in 2017-18 with CAGR of 11.4%.

4.41 Own non-tax revenue of the state in the percentage of GSDP is estimated to 3.50% in 2022-23 (R.E.) from 2.24% in 2017-18.

Table 4.7
Own Non-Tax Revenue of the State

(Amount in Crore Rs.)

SR. No.	Financial Year	Interest Receipt, Dividends & Profits	Forestry & Wild Life	Irrigation	Non-Ferrous Mettal & Metallurgy Ind.	Other	Total
1	**2017-18**	185.24	291.17	588.88	4911.44	363.69	6340.42
2	**2018-19**	191.04	236.73	697.19	6110.24	467.82	7703.02
3	**2019-20**	234.80	249.37	730.29	6195.73	523.58	7933.77
4	**2020-21**	92.07	277.08	683.79	5538.49	545.52	7136.95
5	**2021-22**	141.60	346.90	564.07	12305.38	493.26	13851.21
6	**2022-23 (RE)**	225.13	500.00	1100.00	13500.00	674.87	16000.00

Source – Chhattisgarh Government's Budgets of Respective Years.

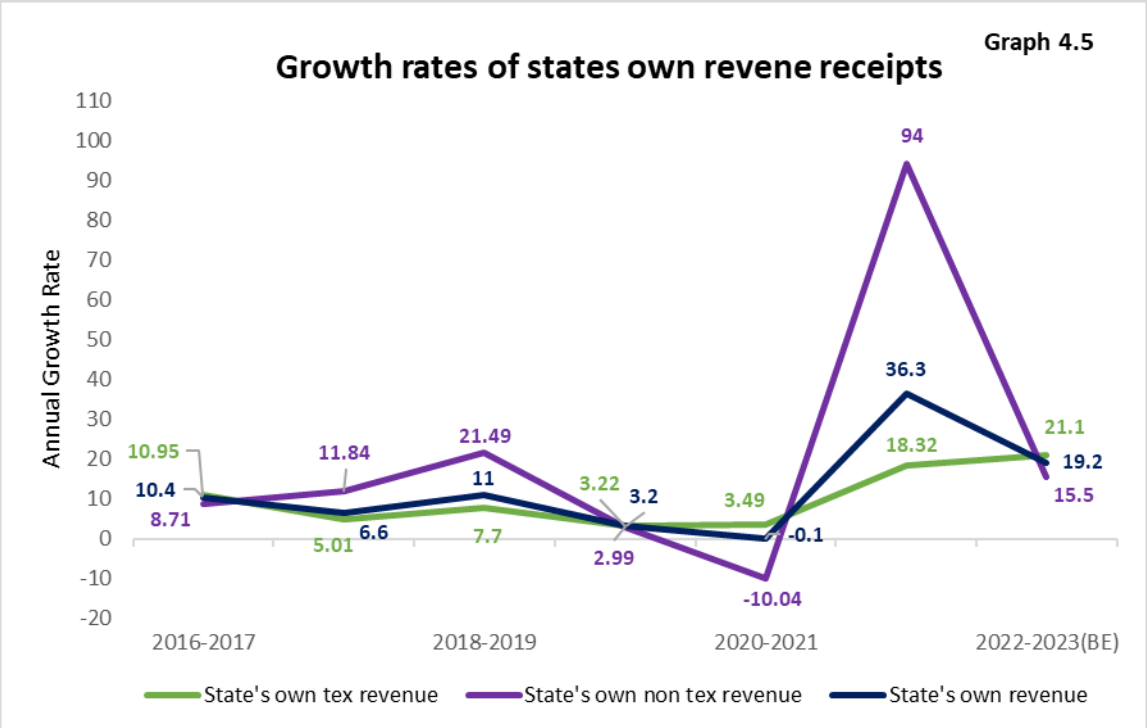
Table 4.8
State's own Tax Revenue and Non-Tax revenue in the percentage of GSDP

(In % of GSDP)

Financial Year	Own Tax Revenue	Own Non - Tax Revenue	State's Own Revenue Receipts
2017-18	7.04	2.24	9.28
2018-19	6.55	2.35	8.90
2019-20	6.42	2.30	8.72
2020-21	6.58	2.05	8.63
2021-22	6.66	3.41	10.07
2022-23(RE)	7.17	3.50	10.67

Source – 1. Chhattisgarh Government's Budgets of Respective Years. **2.** GSDP Figures, Economic Survey 2022-23.

Graph 4.5



Trends of various heads of expenditure

4.42 In 2011-12, total expenditure was Rs. 27957.2 cr. Which increased to 57968.26 cr. In 2016-17. Annual Compound Growth Rate (CAGR) in this period was 15.7% which is more than the CAGR of 10.75% of state's own revenue receipts.

4.43 In 2017-18, total expenditure was Rs. 66600.54 cr. Which is estimated to Rs. 112708.04 cr. In 2022-23 (R.E.). Annual Compound Growth Rate (CAGR) of the total expenditure in this period is estimated to 11.1% which is less than the CAGR (13.21%) of state's own revenue receipts.

4.44 There has also been a significant increase in total expenditure in the percentage of GSDP. In 2011-12, total expenditure was 17.7% of GSDP which increased to 22.1% in 2016-17 and 24.63% in 2022-23 (R.E.). In table no. 4.9 expenditure indices related to total expenditure, revenue expenditure and capital expenditure has been displayed.

Table 4.9
Expenditure and Expenditure Related Indices

Heads	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (RE)
Revenue Expenditure (In Crore Rs.)	56229.7	64411.2	73477.3	70032.8	75010.0	95247.1
Capital Expenditure (In Crore Rs.)	10000.9	8903.4	8566.4	9024.2	10504.2	17079.4
Total Expenditure (In Crore Rs.)	66600.5	73565.1	82099.8	79107.5	85838.0	112708.0
Total Expenditure, In % of GSDP, TE/GSDP(%)	23.5	22.5	23.8	22.7	21.1	24.6
Revenue Expenditure, In % of GSDP, RE/GSDP(%)	19.9	19.7	21.3	20.1	18.4	20.8
Capital Expenditure in % of GSDP, CE/GSDP(%)	3.5	2.7	2.5	2.6	2.6	3.7
Revenue Expenditure, in % of Total Expenditure, RE/TE (%)	84.4	87.5	89.5	88.5	87.4	84.5
Capital Expenditure, in % of Total Expenditure, CE/TE (%)	15.0	12.1	10.4	11.4	12.2	15.1
Own Receipts, in % of Revenue Expenditure, SORR/RE (%)	46.6	45.2	40.9	42.9	54.6	51.2
Own Tax Revenue, In % of Revenue Expenditure, OTR/RE (%)	35.4	33.3	30.1	32.7	36.1	34.4
Revenue Expenditure, in % of Revenue Receipts, RE/TRR (%)	94.3	98.9	115.0	110.8	94.2	97.3

Source – Budget Papers of Respective Years.

4.45 Revenue expenditure in total expenditure was 80.9% in 2011-12, which continuously increased to reach the highest level of 89.5% in 2019-20 and 88.5% in 2020-21.

4.46 in 2016-17, capital expenditure was 16.3% of total expenditure but due to the Covid pandemic and increase in economic assistance, it decreased to 10.4% and 11.4% in 2019-20 and 2020-21 respectively, it is estimated to increase again to be 15.1%, in 2022-23(R.E.). [Table4.9]

4.47 In 2019-20 and 2020-21, revenue deficit occurred due to higher revenue expenditure than revenue receipts.

4.48 The state was able to meet 65.3 percent of total expenditure from its own revenue in 2011-12, but this capacity of the state has decreased. In 2016-17, 51.1% of

revenue expenditure was met from own revenue, whereas after the implementation of GST this percentage came down to only 46.6%. During the Covid pandemic, in 2019-20 and 2020-21, only 40.9% and 42.9% of the revenue expenditure could be met from its own revenue respectively. But the growth rate of state's own revenue receipt is promising. The CAGR of own revenue receipts between 2017-18 to 2022-23 is 13.21% while the CAGR of revenue expenditure during the same period is 11.11%. In 2021-22, the state could meet 54.6% of revenue expenditure from its own revenue which was 51.2% in 2022-23 (R.E.). The situation of revenue surplus is hopeful in the coming financial years also. [Table 4.9].

4.49 The state's Capital Expenditure increased from Rs.4056.4 crore in 2011-12 to Rs. 9470.51% crore in 2016-17 with a CAGR of 18.5%. Capital Expenditure increased from Rs.1000.9 crore in 2017-18 to Rs.17079.4 crore in 2022-23 (R.E.) with a CAGR of 11.3% between 2017-18 to 2022-23 (R.E.).

4.50 The highest Revenue Expenditure in percentage of total Revenue Expenditure is occurred in Social Service Sector followed by Revenue Expenditure on Economic Services and General Services Respectively. But the expenditure in the Social Service Sector has decreased from 43.3% to 38.7%, in the period from 2017-18 to 2022-23 (R.E.). The Compound Annual Growth Rate in Revenue Expenditure during 2017-18 to 2022-23 (R.E.) is 11.1%. The CAGR of Revenue Expenditure under various heads during the period is 13.43% for social services 13.31% for economic service and 8-65%. For social service sectors respectively. Grants-in-Aid and contribution to local bodies have also decreased. (Table 4.10)

Table 4.10
Structure of Revenue Expenditure

(Amt. In Crore Rs.)

Heads	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
General Services	12870.41	15280.29	19095.34	19586.18	21375.4	24173.3
Social Services	24371.59	23454.94	26652.57	25066.17	27963.7	36907.0
Economic Services	17623.09	24780.79	26609.08	24255.18	24558.1	33024.2
Grants -in – Aid to Local Bodies	1364.66	895.16	1120.32	1125.31	1112.8	1142.6
Total Revenue Expenditure	56229.75	64411.17	73477.31	70032.84	75010.0	95247.1
Structure (In % of Total Revenue Expenditure)						
General Services	22.9	23.7	26.0	28.0	28.5	25.4
Social Services	43.3	36.4	36.3	35.8	37.3	38.7
Economic Services	31.3	38.5	36.2	34.6	32.7	34.7
Grants – in – Aid to Local Bodies	2.4	1.4	1.5	1.6	1.5	1.2

Source – Budget Papers of Respective Years.

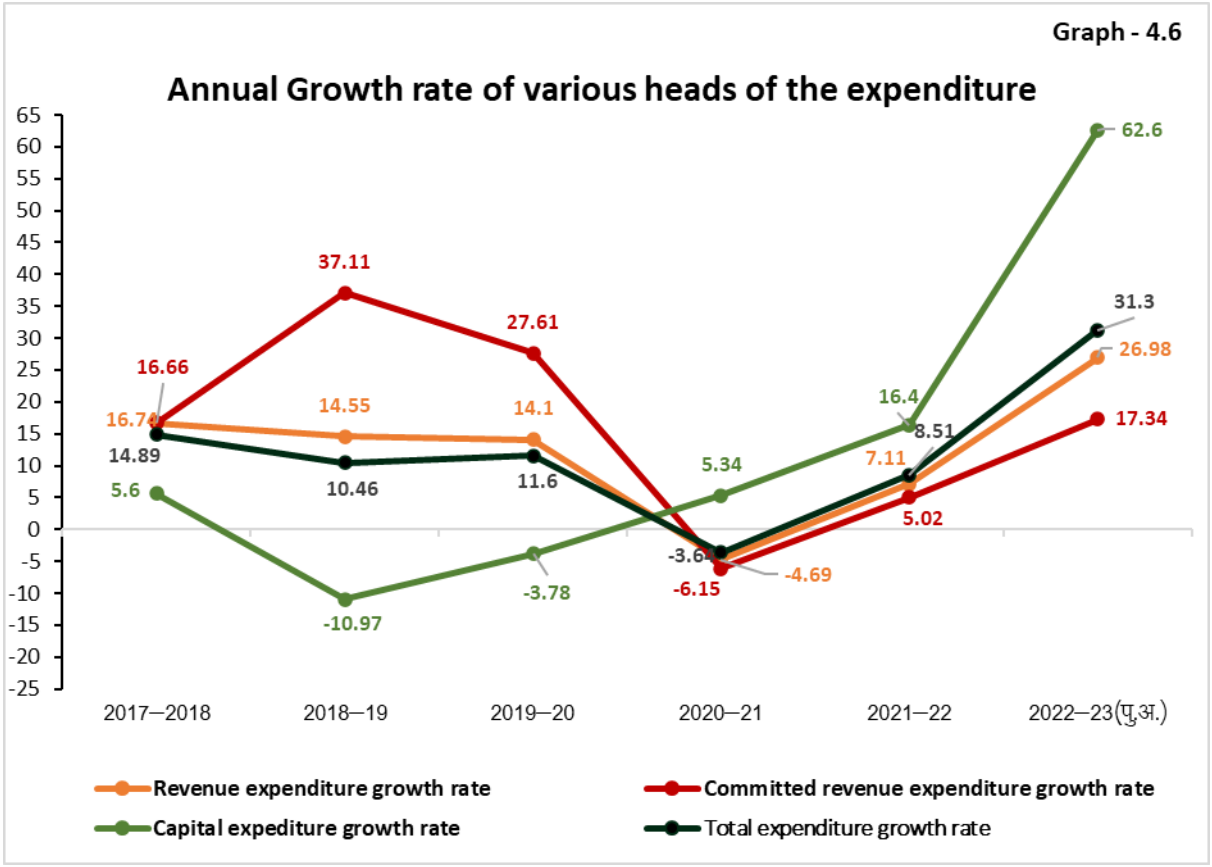
4.51 In 2017-18, Committed Expenditure (CRE) was 45.1% of total revenue expenditure which is estimated to 53.9% in 2022-23 (R.E.). Salaries and Allowances and Wages, Pension, Subsidy and Interest Payments are the components of Committed Expenditure. In 2017-18, state was competent enough to meet its Revenue Expenditure from its own revenue receipt. But due to decline in the capacity of own tax revenue collection, the state could not meet its Revenue Expenditure from its own revenue receipts. Annual Compound Growth Rate (CAGR) of Committed Expenditure between 2017-18 to 2022-23 is in the high level of 15.14%. which will remain a serious challenge in the coming financial years also. (Table 4.11)

Table 4.11
Committed Revenue Expenditure

(Amt. In Crore Rs.)

Heads	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (RE)	CAGR 2017-23
(1)Salaries, Allowances & Wages	13183.8	17426.8	21350.7	21629.5	23619.8	28670.7	16.81
(2)Pension	3897.5	5403.1	6611.11	7114.9	7450.3	6711.7	11.48
(3)Economic Assistance (Subsidy)	5004.9	8323.0	11483.2	7307.9	6565.3	8726.0	11.76
(4)Interest Payment	3298.3	3652.5	4970.3	5633.1	6144.2	7262.0	17.10
Committed Revenue Expenditure (CRE)[1+2+3+4]	25384.6	34805.5	44415.4	41685.5	43779.6	51370.4	15.14
Committed Expenditure, In % of Total Revenue Expenditure (CRE/RE)%	45.1	54.0	60.4	59.5	58.4	53.9	-
Committed Expenditure, In % of State's Own Revenue Receipts (CRE/SORR) %	96.7	119.5	147.8	138.8	106.9	105.3	-

Source – Budget Papers of Respective Years.



Fourth State Finance Commission's Forecast of State Gross Domestic Product and State's Own Tax and Non-Tax Revenue for Coming Financial Years.

4.52 As per report of the 15Th Finance Commission, there are still a lot of uncertainties about the impact of the Covid pandemic which has affected all the countries of the world in terms of human lives, productive capacity and economic activity. It is still a question mark how long it will continue and how the recovery will be done.

4.53 As per report of 15Th Finance Commission, uncertainties will continue in 2020-21 and 2021-22 and there will be expansion of economic activities in 2022-23. Accordingly, the 15th Finance Commission has predicted a year-wise different growth rate instead of the permanent nominal growth rate for forecasting the GSDP of Chhattisgarh state.

4.54 As a result of the evaluation of the agriculture, industry and service sectors of the state of chhattisgarh and assessment of the overall financial condition of the state it is clear that there are possibilities of satisfactory and rapid growth rate in the sectors related to state's own tax revenue and non-tax revenue resources. Though the covid pandemic has also had an extremely adverse impact on the state's economy, but

there is a possibility of rapid expansion in economic activities in the coming financial years.

4.55 The own tax and non-tax revenue sectors of the state have not only positive potential but also are competent enough. The human resource sector in the state is increasingly progressive and there are many new possibilities developing. In accordance with the above economic parameters, the 4Th state finance commission for its award period of 2025-30, has made its year-wise separate forecast instead of adopting the methodology of permanent growth rate.

Table 4.12

4TH State Finance Commission's Forecast of GSDP and Tax Revenue

(Amt. In Crore Rs.)

Heads	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
State Gross Domestic Product (GSDP)	470951	513336	564670	621137	686356	761855	845659
Annual Growth Rate	-	9%	10%	10%	10.5%	11%	11%
State's Own Tax Revenue (OTR)	32496	35420	39527	43480	48731	54854	60887
In Percentage of GSDP (%)	6.9	6.9	7.0	7.0	7.1	7.2	7.2
State's Own Non Tax Revenue	11774	12833	14117	15528	17845	20570	22833
In Percentage of GSDP (%)	2.5	2.5	2.5	2.5	2.6	2.7	2.7
State's Own Revenue	44270	48253	53644	59008	66576	75424	83720
In Percentage of GSDP (%)	9.4	9.4	9.5	9.5	9.7	9.9	9.9

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Chapter – 5

Transfer of Funds-Functions and Functionaries to Local Bodies

- **Constitutional Provision**
- **Provisions made in the Acts of Chhattisgarh Panchayati Raj and Urban Bodies**
- **Present Situation**

5.1 History of the Panchayats in the country dates back to the ancient era and the historical background of the municipals starts from the 18th century. In late 50's three tier Panchayati raj system was established in the country for the purpose of community development. Similarly, the states made separate lows for urban bodies and made arrangements for their administration, but there was lack of uniformity and continuity in the duties performed by the local bodies. This is the reason that through the 73rd and 74th constitutional amendment made in the Indian constitution. Constitutional rights and duties were prescribed for Panchayats and municipalities by giving them legal character. Since local governance is the subject of state list hence there are considerable variations in rights, duties and functioning of rural and urban bodies of the local self-government in all the state. In the present chapter, analysis of the fact will be done that what is the status of the devolution of funds, functions and functionaries to local bodies by the state government.

Constitutional Provision

5.2 The three tier Panchayati raj was constitutionally established in the country by the constitutional Amendment (73rd constitutional amendment) Act 1992. As per the provisions of part 9 added to the constitution by constitutional amendment, provision was made for the formation of Panchayats at village. intermediate and district levels in the country. Similarly, by 74th constitutional amendment a three-tier governance system has been established in urban bodies also under urban local bodies, municipal corporation municipality and Nagar Panchayats are formed on the basis of the population.

5.3 As per article 243(g) and 243 (w) the state legislature can grant such powers and authorities to the panchayats and municipalities which are essential for enabling them to function as the institution of self-government. According to the article, state not only can make provisions enabling the panchayats and municipalities to prepare plans for economic development and social Justice but also for devolution of the powers and responsibilities which are concerned with the implementation of the subjects listed in 11th and 12th schedule respectively.

Provisions of Chhattisgarh Panchayati Raj Act 1993

5.4 Section 49, 50 and 51 of Chhattisgarh Panchayati Raj Act 1993 include the functions and duties to be performed by Gram Panchayats, Janpad Panchayats and Zila Panchayats respectively. Along with this. As per section 53 of the Act, Panchayats are authorized to prepare and implement plans for economic development and social

justice on the subjects included in the 11th schedule of the Constitution of India. The subjects included in the 11th schedule is placed in schedule-4 of the Chhattisgarh Panchayati Raj Act 1993.

Box 5.1: Eleventh Schedule
(For Panchayati Raj Institutions)

Major Works

- Drinking Water
- Reads, culverts, bridges, ghats, waterways and other means of communication
- Rural electrification including power distribution.
- Health and sanitation, including hospitals, primary health centers and dispensaries.
- Maintenance of community assets.

Welfare works

- Rural housing
- Non-conventional energy sources
- Poverty alleviation program
- Education including primary and secondary schools
- Technical and vocational education
- Adult and non-formal education
- Libraries cultural activities
- Family welfare
- Woman and child development
- Social welfare, which includes the welfare of the mentally handicapped along with the physically handicapped
- Welfare of weaker a sections, especially scheduled castes and scheduled Tribes
- Public distribution system, welfare works.

Agriculture and allied sectors

- Agriculture, including agricultural extension
- Land reforms, implementation of land reforms, land consolidation and soil conservation.
- Mines irrigation, Water management and watershed development
- Animal husbandry, dairy and poultry
- Fisheries
- Social forestay and agroforestry.
- Minor forest products
- Fuel and fodder
- Markets and fairs

Industry

- Small scale industries including food processing industries
- Khadi, Village and cottage industries.

5.5 According to section 49 (29) of the chhattisgarh Panchayati raj Act 1993. In addition to the tasks assigned to Gram Panchayats by state government or Janpad panchayats or Zila Panchayats. additional tasks can also be assigned to gram Panchayats. If any task by state government Zila Panchayat and Janpad panchayat is assigned to gram Panchayats then in such condition Gram panchayat will Act as an agency of state government. Zila Panchayat and janpad Panchayat and the necessary funds and other assistance will be arranged by the state government Zila Panchayat and Janpad Panchayat as the case may be.

Responsibilities of Panchayati Raj Institutions

Gram Panchayat

5.6 It is the duty of the Gram Panchayats to ensure proper utilization of funds for all schemes, Programs and projects made for rural socio-economic development and to implement them on the basis of principles of priority which create equitable distribution among the stakeholders. Gram Panchayats should achieve the goal of maximum public participation in community welfare programs by increasing the rational outlook of the common people. Ensure the use, management and conservation of natural resource sources like land, water, forests etc. within legal limits, under its regulatory duties, Gram panchayat manages and control the proper utilization of funds under various schemes. The Gram panchayat, through its annual budget, annual statement of accounts, annual administrative report, proposed development programs audit reports and the annual conference of the Gram Sabha, Provides dynamism and transparency to its regulatory and protective role. Identification of stakeholders under poverty alleviation programs. operation of fair price shops and provision of free food grains under the public distribution system creation and maintenance of basic facilities, management of economic activities and control of employed persons regulation for the use and construction of small reservoirs, control of resource-sources and expenditure for local schemes and implementation of other legal duties conferred by the state government are included in the regulatory duties of Gram Panchayats.

Janpad Panchayat

5.7 As an intermediate unit of local self - Government, Janpad Panchayat coordinates and guides the Gram Panchayats falling within its block area and also discharges, inspects and executes those legal responsibilities which are assigned to it by the Zila Panchayat and the state Government. Janpad Panchayat implements various

schemes for economic development, social Justice and assistance to the affected people during emergency, either with its own panchayat funds or by handing over the execution responsibilities to the Gram Panchayats. For social Justice, economic development and infrastructural development, the Janpad Panchayat prepares and consolidates annual plans within its area and presents its planning vision to the Zila Panchayat. The responsibilities of Janpad Panchayats have been clarified in Section so (1-A) and Section 51 of the Panchayati Raj Act.

Zila Panchayat

5.8 As the largest unit of the local self-government, the Zila Panchayat makes plans for social justice and economic development for the entire district, and also inspects, guides and coordinates the activities of the Janpad/Gram Panchayats. It executes the legal responsibilities given by the central and state government in relation to any scheme/project within pre-determined parameters and assured funds. either on its own or through Gram/Janpad Panchayats. Zila Panchayat also gives advice to the state government for works related to economic development social forestry, environmental protection, assistance to the disabled and destitute, woman and child development family welfare and upliftment of weaker sections. under section 52 of Panchayat Raj Act tasks assigned to Zila Panchayats have been clarified.

Devolution of the subjects included in the Eleventh Schedule

5.9 Under the responsibilities of Panchayati Raj Institutions provision has been made in section 63, 64, 74 and 77 of the Panchayati Raj Act 1993 to provide financial resources to these bodies as per the intentions underlying in the constitution to discharge the responsibilities of Gram Panchayats. Janpad Panchayats and Zila Panchayats The financial arrangements provided are as follows –

- Right to levy taxes and duties in one's Jurisdiction.
- Assignment of taxes, tolls and fees collected by the state to panchayats.
- Devolution of funds and grants to Panchayats on the recommendation of the State Finance Commission.
- Grants to panchayats on the recommendation of the Central Finance Commission.

5.10 With above financial resumes, works related to providing civic facilities mentioned in section 49, 50 and 52 of Chhattisgarh Panchayati Raj Act 1993 and small development projects can be done by Panchayati Raj institutions in their Jurisdiction.

5.11 According to Article 243 (g) of the constitution, on 29 subjects included in the Eleventh schedule (Box 5.1, Eleventh schedule), which have been placed in schedule Four by mentioning them in section 53 of Chhattisgarh Panchayati Raj Act 1993, the right to prepare schemes for economic development and social Justice has also been given to Gram Panchayats. The work of implementing schemes on these subjects by Panchayati Raj Institutions is possible only when the 20 departments related to 29 Subjects (BOX 5.2) decide which tasks can be assigned to the Panchayati Raj Institutions and which body i.e. Zila, Janpad or Gram Panchayat, first of all its activity mapping should be done. After this, according to the activity mapping arrangements will have to be made to transfer the work, funds and personnel to the Panchayati Raj Institutions body- wise. with devolution of funds work and personnel, Panchayati Raj Institutions can prepare plans for economic development and social Justice on 29 subjects.

Box 5.2 Related departments of 29 Subjects

No.	Department Name	Subjects mentioned in the 11th Schedule of the Constitution
1	Department of Agricultural Development and Biotechnology (including Livestock Department and Fisheries)	1. Agriculture and agricultural extension, 2. Animal husbandry dairy industry and poultry farming 3. Fishing Industry
2	Revenue and Disaster Management Department	4. Land development, implementation of land reforms, consolidation and land
3	Department of Water Resources	5. Minor irrigation, water management and development of watershed area.
4	Forest and Climate Change Department	6. Social forestry and farm form forestry
5	Forest and Climate Change Department	7. Minor Forest Produce
6	Industry Department	8. Small scale industries, including account processing industries
7	Department of Village Industries	9. Khadi, village industries and cottage industries
8	Panchayat and Rural Development Department	10. Rural housing, 11- Poverty alleviation program, 12. Library, 13- Markets and fairs, 14. Community beliefs maintenance
9	Public Health and Engineering Department	15. Drinking water
10	Forest Department	16. Fuel and fodder
11	Public Works Department and Water Resources Department	17. Roads, culverts, bridges, ferries, waterways and other means of communication
12	Department of Energy	18. Rural electrification, finance distribution included 19. Non-Conventional Energy Sources
13	School Education Department	20. Education, Primary and Secondary Finance 21. Adult and non-formal education
14	Technical Education and Employment Department	22. Technical Training and Vocational Education
15	Department of Culture and Archeology	23. Cultural activities
16	Health and Family welfare Department	24. Health and sanitation, including hospitals, primary health centers and dispensaries. 25. Family welfare
17	Women and Child Development Department	26. Women and Child Development
18	Social Welfare Department	27. Social welfare, which also includes the welfare of handicapped and mentally retarded persons
19	Scheduled Caste/Tribe, Backward Class and Minority welfare Department	28. Welfare of the weaker sections and in particular the Scheduled Castes and Tribes
20	Accounts and Civil Supplies and Consumer welfare Department	29. Public Distribution System

Situation at Present

5.12 Action has been taken for the devolution of the works related to 29 subjects included in the Eleventh schedule of the constitution to Panchayati Raj institutions in the state. First of all, activating mapping[1] has been done under the Action taken process. As per the Activity chart, 27 subjects related to 18 departments have been devolved/ transferred to Panchayati Raj institutions. Two subjects, fuel and Fodder and Technical Training and vocational education haven't been devolved yet.

5.13 The activity mapping shown in Table 5.1 shows that during the time of undivided Madhya Pradesh, Four- notifications/orders regarding transfer of 27 out of 29 subrects or the Eleventh shedule have been issued between 1994 and 1998. it has been mentioned in paragarh 4.25 of the report of the third State Finance Commission that in the year 2006 and 2007, orders and releases related to delineation and transfer of activities of Panchayati Raj Institutions in the state have been issued by 15 departments.

5.14 Letters have been written to the panchayat and Rural Development Department in respect of making availability of the orders/notifications issued during the time period of undivided Madhya Pradesh between 1994 to 1998 regarding Activity mapping of 29 subjects. Correspondence have also been made with the said department if any initiative has been taken on the level of Panchayat and rural development department or concerning departments in relation to Activity mapping on its implementation, but the information could not be received yet.

5.15 Of the 29 subjects to be devolved to Panchayati Raj Institutions in Table 5.1, By obtaining information regarding devolution of funds, functions and personnels related to 27 subjects, the State Finance Commission made an effort to know what is the status of devolution of funds, functions and personnels in the state? The information received shows that some action has been taken in this direction by the departments under the department of Agricultural Development and Biotechnology i.e. Agriculture Livestock and Fisheries Departments. Some action has also been taken by social welfare Department in this regard. But this can't be called devolution of funds. functions and personnels. The information provided shows that generally the departments have entrusted the work related to identification of beneficiaries under the schemes to the Panchayats. No action has been taken by the remaining 16

[1] Report of third state finance commission of cg para 4.18 page no 53

departments out of 18 departments regarding devolution of funds, functions and personnels.

Table 5.1
Activity Mapping of 29 Subject

No.	Subjects mentioned in the 11th Schedule of the Constitution	Department Name	action			Date of issue (date of notification/ order)
			Z.P	J.P	G.P	
1	2	3	4	5	6	7
1	agriculture, including agricultural extension	Department of Agricultural Development and Biotechnology	✓	✓	✓	Notification of Chief Secretary dated 8.8.94 and 3.8.98
2	Land development, implementation of land reforms, consolidation and land	Revenue and Disaster Management Department	×	×	✓	as above
3	Minor irrigation, Water Management and Water development of separator zone	Department of Water Resources	✓	✓	✓	as above
4	Animal husbandry, dairy industry and poultry farming	Agriculture Department (Livestock Development Department)	✓	✓	✓	as above
5	Fishing Industry	Department of Agriculture (Fisheries)	✓	✓	✓	as above
6	Social forestry and farm forestry.	Forests and Climate Change	✓	✓	✓	as above
7	Minor forest produces	Forest and Climates change Department	×	×	✓	as above
8	Small scale industries, including fertilizer processing industries	Department of Commerce and Industry	×	×	✓	as above
9	Khadi, village industries and cottage industries	Department of Village Industries	✓	✓	✓	Dated 8.8.94 and 3.8.98
10	Country cottage	Panchayat and Rural Development Department	✓	✓	✓	Dated 8.8.94
11	Drinking water	Public Health and Engineering Department	✓	✓	✓	Dated 8.8.94 and 3.8.98
12	Fuel and fodder	Forest Department	×	×	×	-
13	Roads, culverts, bridges, ferries, waterways and other means of communication	Public Works Department and Water Resources Department	×	✓	✓	Dated 25.1.94
14	Rural electrification, which involves distribution of electricity	Department of Energy	×	×	✓	Dated 3.8.98
15	Non-conventional energy sources	Energy Department (CREDA)	✓	✓	✓	Dated 88.94 and 3.8.98
16	poverty alleviation program	Panchayat and Rural Development Department	✓	✓	✓	Dated 25.1.94 and 3.8.98
17	Education, including primary and secondary schools	School Education Department	✓	✓	✓	Dated 8.8.94 and 3.8.98
18	Technical Training and Vocational Education	Technical Education and Employment Department	×	×	×	-
19	Adult and non-formal education	School Education Department	✓	✓	✓	Dated 25.1.94
20	Library	Panchayat and Rural Development Department	✓	✓	✓	Dated 25.1.94 and 30.10.96
21	Cultural activities	Department of Culture and Archeology	✓	✓	✓	Dated 8.8.94 and 3.8.98
22	markets and fairs	Panchayat and Rural Department	✓	✓	✓	Dated 25.1.94 and 3.8.98
23	Health and sanitation, which also includes hospitals, primary health centers and dispensaries	Health and Family welfare Department	✓	✓	✓	Dated 25.1.94, 8.8.94 and 3.8.98
24	Family Welfare	Health and Family welfare Department	✓	✓	✓	Dated 8.8.94 and 3.8.98
25	Women and Child development	Women and Child Development Department	✓	✓	✓	Dated 25.1.94, 8.8.94 and 3.8.98
26	Social welfare, including welfare of handicapped and mentally retarded persons	Social welfare Department	✓	✓	✓	Dated 8.8.94, 28.10.96 and 3.8.98
27	Welfare of the weaker sections and in particular the Scheduled castes and tribes	Scheduled Casts/Tribe, backward class and minority welfare Department	✓	✓	✓	Dated 25.1.94 and 8.8.94
28	public distribution system	Food and Civil supplies and consumer welfare Department	×	×	✓	Dated 3.8.98
29	Maintenance of community assets	Panchayat and Rural development Department	×	×	✓	Dated 25.1.94

Source: 3rd Finance Commission Report

5.16 For Actual devolution of the related subjects it is necessary that there should be mapping of the works to be devalued to Panchayati Raj institutions by the departments concerned with the 29 subjects. This is necessary also because there may be expansion in the routine works of the concerned departments with the subjects included in the 11th schedule. As all the functions will not be devolved to the Panchayati Raj institutions, therefore by Activity mapping, first of all it should be ensured that which functions of the department will be devaluated to PRI's. After ascertaining the works to be devolved a decision will also have to be taken about the

personnel related to these works and devolution of funds/amount required to carry out the works.

5.17 The initiatives /Actions taken by the Department of Agriculture (Along with Livestock and Fisheries) are as follows –

Table No. 5.2: Devolution of funds function and personnel

Department	Description	Proceeding
Agriculture Department	Fund	No Devolution of Funds to PRI's
	Function	G.P. - Assistance in various selection of beneficiaries and operation of various schemes[1] run by the agriculture department. J.P. - Panchayat wise division and Co-ordination of targets set for development blocks under various schemes. D.P. - Determination of targets as per requirement under various schemes. development block wise division of targets, approval and co-ordination of the list of beneficiaries.
	Personnel	The employees while being under the control of the department will remain under the general control of the Zila Panchayat.
Agriculture Department (Livestock Development)	Fund	No devolution of funds to PRI's
	Function	G.P. – operation of departmental schemes[2] and control and administration of Gram Panchayat level veterinary institutions. J.P. - Administration and Co-ordination of veterinary institutions established under the development block along with operation of departmental schemes. D.P. - Administration and Co-ordination of medical institutions of the district (except district/divisional veterinary hospital) along with operation of departmental schemes.
	Personnel	Gram Panchayat, Janpad Panchayat and district level staff will be affiliated to Gram Panchayat, Janpad Panchayat, and Zila Panchayat respectively.
Agriculture Department (Fisheries)	Fund	No devolution of funds to PRI's
	Function	G.P.– Rights for allotment of pisciculture lease for ponds/ reservoir with average water area of 0 to 10 hectares. J.P.– Rights for allotment of pisciculture lease for ponds/ reservoir with average water area of 10 to 100 hectares. D.P.– Rights for allotment of pisciculture lease of Ponds/reservoir with average water are of 100 to 200 hectares.
	Personnel	No devolution of any kind of personnel
Social welfare Department	Fund	No devolution of funds to PRI's
	Function	G.P. – Nil J.P.– Right to make approvals in social assistance programme. D.P – Execution of all pension schemes and national Family assistance schemes operated under the social Assistance Programme.
	Personnel	No devolution of any kind of personnel

1. Centrally promoted and central regional schemes including krishak smagra vikas yojna, kishan samriddhi yojna, crop demonstration schemes, organic farming mission shakambhari yojna ets. 2. All schemes run by the department.

5.18 Therefore, the commission recommends that in order to devolve the works related to 29 subjects included in the 11th schedule of the constitution to the Panchayati

Raj Institutions. It is necessary that, first of all a detailed department-wise mapping of activities should be done including funds, functions and functionaries.

5.19 As per the activity mapping done earlier, out of the departments related to 27 out of 29 subjects which have been devolved to Panchayati Raj Institutions, only one or two departments have taken action for devolution of functions and personnel's. Funds are not being transferred to Panchayati Raj Institutions by any department. The Commission has been informed about the devolution of some functions by the Agriculture, Animal Husbandry and Fisheries Department. In the information sent, devolution of personnel by the Agriculture and Animal Husbandry Department has also been mentioned. It appears from the field experience that the employees performing the tasks which have been devolved to the Panchayati Raj Institutions by these departments are being considered as devolved. In reality, the control of these personnel has not been handed over to the Zila, Janpad or Gram Panchayats. such devolution does not appear to be in accordance with the basic spirit of the constitution of devolution of funds, functions and functionaries to Panchayati Raj Institutions. It is not necessary that all the functions related to 29 subjects and the related funds and personnel be devolved by the departments to the Panchayati Raj institutions. **Therefore, instead the Commission recommends that as per the recommendation (Paragraph 5.18) after identifying the funds, function and functionaries to be devolved to the Panchayati Raj Institutions in the activity mapping the process should be started with the devolution of minimum funds, functions and functionaries out of them. The works to be devolved should be clearly defined and if it is not possible to give complete control of the funds along with the personnel's related to the works, through lawful order/notification then initially partial control should be handed over to the Panchayats.**

Provisions of Chhattisgarh municipality and municipal corporation Act

5.20 Even before the 74th constitutional Amendment, there was a provision for establishment of Urban local bodies on municipalities in the states to provide civic amenities to the citizens like water supply, sewerage, sanitation, street lighting, health education and entertainment etc. Since local governance is a State subject, hence municipal bodies are established in states under the laws of the state. In Chhattisgarh also, municipal corporation are established under **'Chhattisgarh municipal corporation Act 1956'** and Nagar Palikas and Nagar Panchayats are established under **'Chhattisgarh municipality Act 1961'**. In these Acts, works related to civic amenities and public welfare in urban bodies have been included.

5.21 Article 243(w), inserted in the constitution by the 74th constitutional Amendment mentions that states will be able to give local bodies the right to make plans for economic development and social justice on 18 subjects included in the twelfth schedule of the constitution.

Present Situation

5.22 Mandatory and discretionary functions of Municipal Corporation are mentioned in Section 66 and 67 of 'Chhattisgarh Municipal Corporation Act 1956' Similarly under Section 123 and 124 of 'Chhattisgarh Municipalities Act 1961' mandatory and discretionary functions of Nagar Palikas and Nagar Panchayats are mentioned. The above mandatory and discretionary functions of urban bodies also include those related to 18 Subjects included in the twelfth schedule of the constitution. The works related to these 18 Subjects are being carried out by the urban bodies in Chhattisgarh even before the 74th Constitutional Amendment.

Box 5.2: Twelfth schedule

1. Urban planning which also includes city planning
2. Regulation of land use and construction of buildings.
3. Economic and social development planning.
4. Roads and bridges
5. Water supply for domestic, industrial and commercial purpose.
6. Public health, sanitation, cleanliness and garbage management.
7. Fire Services
8. Urban forestry, conservation of environment and enhancement of ecological dimensions
9. Protection of the interests of the weaken sections of the society, inducing disable and mentally retarded persons.
10. Slum improvement and upliftment.
11. Urban poverty alleviation.
12. Making arrangements for urban amenities and facilities such as– gardens, grounds, Parks and sports-grounds.
13. Enhancement of cultural, educational and aesthetic dimensions.
14. Burials and cemeteries, crematoriums and electric crematoriums.
15. Kanji House, Prevention of cruelty to animals.
16. Birth and death statistics, which also includes birth and death registration.
17. Public amenities, including street lights, Parking lots, bus stops and Public facilities.
18. Regulation of slaughterhouses and tanneries.

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Chapter - 6

Expansion of Decentralized Administration by Panchayat and Urban Bodies in Chhattisgarh

- **Panchayati Raj Institution**
- **Urban Local Bodies**

Panchayati Raj Institutions

6.1 To ensure economic development and social Justice through a public participatory, decentralized public administrative system, three-tier Panchayati Raj System has been established in the state by enacting chhattisgarh Panchayati Raj Act 1993 (Enforced by the adaption of laws order 2001) on accordance with the 73th Amendment Act 1992. In this, Gram Panchayats are constituted at the village level, Janpad panchayats at the block level and Zila Panchayats at district level. These three tier panchayats having independent rights in their legal Jurisdiction develops the decentralized and public inclusive framework by mutual co-operation. After enforcement of Panchayati Raj system, amendments have been made to overcome the difficulties that have arisen over the time and to make Panchayati Raj Institutions more empowered. At present, Chhattisgarh Panchayati Raj Act 1993 as amended is applicable in the State.

6.2 At present, 28 District Panchayats, 146 Janpad Panchayats and 11,664 Gram Panchayats are constituted in the state. As per Census 2011, 76.76% of the total population of the state or 1,96,09,563 of the population, is under the three-tier Panchayati Raj System (Annexure 6.1,6.2)

6.3 According to the population of the state in census 2011, at present the population in Panchayati Raj Institutions of the state is as follows –

Table 6.1
Average Population per Institution

Panchayati Raj Institution	Average Population (As per census 2011)
Zila Panchayat	7,00,341
Janpad Panchayat	1,34,312
Gram Panchayat	1,681

6.4 The State Government created the new district Gaurela – pendra - marwahi on 10th February 2020, hence the total number of District Panchayats became 28. After the formation of 5 new districts – Sarangarh - Bilaigarh, Mohla – Manpur - Ambagarh Chauki, Khairagarh – Chhuikhadan - Gandai, Manendragarh – Chirmiri - Bharatpur and sakti proposed by the State Government, the number of districts has Increased to 33.

6.5 The SFC has induced 28 districts Panchayats including Gaurela - Pendra - Marwahi District Panchayat in its study.

6.6 Among the district Panchayats in the state, Janjgir-Champa District Panchayat has the highest population of 13,94,646 while Narayanpur District Panchayats has the lowest population of only 1,16,962.

Table 6.2
Number of Zila Panchayat

S.N	Population	Number of Zila Panchayat
1	**Less than 5 lac**	6
2	**5 lac to 10 lac**	17
3	**More than 10 lac**	5
Total Zila Panchayat		**28**

6.7 On the basis of census 2011, Per zila Panchayat average population in the 28 zila Panchayats is 7,00,341. The population in 13 zila Panchayats of the state is between 6 to 8 lakhs, which is comparatively close to the average population per district Panchayat of 7 lakh. Proposed 5 new districts (Except the proposed district Manendragarh - Chirmiri - Bharatpur and original Korea district) will be formed by the devision and re-organization of the districts having population of more than 12 lakhs. hence the average population per zila Panchayat will further reduce and the mutual difference between the population of zila Panchayats will also reduce. (Table 6.1, Anx.6.2)

6.8 After the formation of chhattisgarh state as a new state in 2001, there were 16 zila panchayats and the average population per zila Panchayat was 10,40,500 (Table 6.1, Annexure 6.2)

6.9 According to the report of the First SFC, as per Census 2001, the average populations per Janpad Panchayat was 114027.

6.10 The number of Janpad Panchayats in the state is 146, and as per census 2011, the average population per Janpad Panchayat is 134312 (table 6.1).

6.11 Population-wise number of Janpad Panchayats in the state as follows-

Table 6.3
Population in Janpad Panchayat

S.N.	Population	Number of Janpad Panchayat
1	**Less than 50 Thousand**	5
2	**50 to 1 Lac**	41
3	**1 to 1.5 Lac**	38
4	**1.5 to 2 Lac**	44
5	**2 to 2.5 Lac**	13
6	**More than 2.5 Lac**	5
Total Janpad Panchayat		**146**

6.12 The number of total Gram Panchayats in the state is 11,664 and according to the census of 2011, average population per Gram Panchayat is 1,681. In the report period (2002-07) of the First Finance commission of chhattisgarh, the number of Gram Panchayats in the state was 9,820 and According to the census of 2001, the average population per Gram Panchayat was 1,695.

6.13 At present- Rajnandgaon district has the maximum number of 814 Gram Panchayats while Narayanpur district has the least, only 104 Gram Panchayats. In 5 districts of the state namely Rajnandgaon (814), Raigarh (774), Janjgir-Champa (657), Baloda Bazar (644) and Mahasamund (551) the humber of Gram Panchayats is more than 500. 5 New Districts are proposed to be created by the division and reorganization of the first four districts mentioned above hence the number of Gram panchayats in the above districts will also reduce.(Anx.6.1)

6.14 The number of Gram Panchayats in 12 districts of the state is between 400 to 500 and in 6 districts, it is between 300 to 400. The number of Gram Panchayats in the state is lowest in Bijapur (170), Gaurela-Pendra-marwahi(166), Sukma (153), Dantewada (143) and Narayanpur (104) respectively. Bilaspur division has the highest number of 2,862 Gram Panchayats in the state. After that, the number of Gram Panchayats in decreasing order is Durg division (2448), Raipur- division (2309), Sarguja division (2195) and Bastar division (1840) respectively (Annexure 6.1)

6.15 On state level, average population per gram panchayat as per census 2011 is 1,681 but at the district level, there is variation in the average population per Gram Panchayat. The average population per Gram Panchayat in Janjgir Champa district is the highest at 2,123 while the average population per Gram Panchayat in Narayanpur district Is the lowest at 1,124. In 10 districts of the state namely Janjgir Champa, Raipur, Bilaspur. Durg, Balodabazar, Gaurela-Pendra- Marwahi , Dhamtari, Jashpur, Korba and Mungeli, the average population per gram panchayat is more than the state level of 1,681 whereas in other 18 districts, It is less than this .

6.16 Sheduled Janpad /Gram Panchayat are established entirely under the PESA ACT in 14 districts of the state while other 6 districts are partially scheduled area districts. Durg, Kawardha, Bemetara, Raipur, Mahasamund, Balodabazar, Mungeli and Janjgir-Champa are the districts Where Gram Panchayats under PESA are not established.

6.17 Gram Panchayats are established entirely under the PESA Act in all the districts of Bastar Division and all the districts of Sarguja Division. Whereas in two districts, Korba and Gaurela-Pendra-Marwahi of Bilaspur Division, Gram Panchayats are constituted under PESA Act.

6.18 Gram Panchayats/Janpad Panchayats have been formed under PESA Act in partial areas in Raigarh, Bilaspur, Dhamtari, Gariyaband, Balod, and Rajnandgaon Districts (Annexure 6.3)

Entire Scheduled District	Partially Scheduled District
• Narayanpur, Sukma, Dantewada, Bijapur, Kondagaon, Bastar, Kanker, • Korea, Surajpur, Balrampur, Sarguja, Jaspur • Gaurela-Pendra-Marwahi, Korba	• Balod, Dhamtari, Bilaspur, Gariyaband, Rajnandgaon, Raigarh

6.19 Out of 146 Janpad Panchayats in the state 85 Janpad Panchayats are constituted under the PESA ACT while almost half of the total Gram Panchayats, that is 5,632 in the state are scheduled Gram Panchayats under PESA ACT (Annexure 6.3)

Urban Local Bodies

6.20 The greatest and most admirable use of knowledge is in planning cities and human communities and making their life beautiful. Development of urban self - governance is the most effective and progressive means to achieve various standards of urban development, by providing constitutional recognition to the urban local bodies through 74th constitutional Amendment Act 1992 such powers, functions and responsibilities have been assigned to them that the empowerment and effectiveness of self-governance is increased.

6.21 As per provisions made in article 243(Q) of the constitution, there are municipal corporations (Nagar Nigam) for urban areas with high population, Nagar Palika parishad for areas with medium urban population and for areas transitional from rural to urban with comparatively less population, nagar Panchayats have been established in the state of Chhattisgarh.

6.22 After the formation of Chhattisgarh as a new state by separating form Madhya Pradesh, Chhattisgarh State Government adopted "Chhattisgarh Municipal Corporation Act 1956" and "Chhattisgarh Municipality ACT 1961" in the state through "Adaption of laws order 2001". Progressive amendments have been made from time to time in the above acts for devolution of powers and responsibilities to the urban local bodies as per the recommendations of the constitution so that the urban bodies can be autonomous and become participants in quality urban administration.

6.23 According to census 2011, 23.24% of the state's population lives in urban areas, which is approximately 59.4 lakh. As per Census 2011, the decadal growth rate of urban population in the state between 2001-2011 has been 41.83%. hence the urban population in state will Increase rapidly in the coming decades also. According to the "Report of the technical group for the projection of the population" of the central Health and Family welfare department July 2022, the total population of the state till 2025 will be 30867000, out of which 27.76% (8568000) of the population is estimated as urban population.

6.24 According to the constitutional provisions at present 14 Municipal Corporations, 44 Municipalities and 112 Nagar Panchayats, a total of 170 urban bodies are constituted in the state. In the state, there is a provision to form Nagar Panchayat in urban transitional areas with population between 5000 to 20,000, Nagar Palika in urban areas with population between 20,001 to 100000 and Nagar Nigam in urban areas with population more than 1 Lakh. Due to the rapid increase in urbanization in the state, which will continue in the coming decade, the number of urban bodies will definitely increase. The number of urban budies in the state was 75 in 2001, which has increased to 170 at present.

6.25 According to Census 2011, the total urban population of the state (59,39,270) resides in 170 Urban body areas. 63.44% of the total Urban population lives in Municipal Corporation areas, 19.57% in 44 Municipality areas and 16.99% Population lives in 112 Nagar Panchayat areas. (Table 6.4)

Table 6.4
Population of Urban Bodies as Per Census 2011

Urban Bodies	Number of Urban Bodies	Urban Population as per Census 2011	Percentage Share in Total Urban Population
Nagar Nijam	14	3768301	63-44%
Nagar Palika	44	1162120	19-57%
Nagar Panchayat	112	1008849	16-99%
Total	**170**	**5939270**	**100%**

6.26 Out of 33 districts of the state, municipal corporations are established only in 10 districts, maximum 04 Municipal Corporations (Nagar Nigam) are established in Drug District and 2 Municipal Corporation area are established in Raipur District. One Municipal Corporation area each is established in Dhamtari. Rajnandgaon, Bastar,

Bilaspur, Korba, Raigarh, Sarguja and Manendragarh - Chirmiri- Bharatpur districts. (Annexure 6.4, 6.5)

6.27 Out of 33 districts of the state, there are 5 districts namely Dhamtari, Bastar Sarguja, mohla - manpur - Chowki and Gaurela-pendra-marwahi where no municipality area has been established. (Anx.6.4)

6.28 Out of 33 districts of the state ,2 districts namely Narayanpur and Korea are such districts where no Nagar Panchayat area has been constituted. whereas 01 municipality areas in Narayanpur district and 02 municipality, areas in Korea districts have been constituted (annexure 6.4)

6.29 As per census 2011, 30.37% of the total population living in 14 municipal corporation areas resides only in Raipur and Birgaon Nagar Nigams. The population living in municipal corporation Durg, Bhilai, Risali and Bhilai-Charoda is 26.30% of the total population living in 14 municipal corporation areas . The urban population is highest in Raipur and Durg districts, 50.67% of the population of 14 municipal corporation areas of the state resides in these two districts only. (Annexure6.5)

6.30 Among the 14 Municipal corporation areas of the state, the population of Raipur Municipal corporation area is more than 10 lakhs, while the population of Bhilai and Bilaspur Municipal corporation area is more than 5 lakhs. Among the 14 Municipal corporations area of the state, the population of 4 Municipal corporation area Bhilai-Charoda (98808), Birgaon (96294), Dhamtari (89860), and Chimiri (85317) is less than 1 lakh (Annexure6.5)

6.31 There are 44 Municipal council areas constituted in the state, out of which highest 4 Municipal council areas are constituted in Durg district, while 3 Municipal councils each are constituted in Mahasamund, Dantewada and Janjgir Districts. (Annexure6.6)

6.32 The population of 20 Municipal council in the state is between 20,000 to 30,000. The number of Municipalities is highest among this population group. Bhatapara (57512) and Mahasamund (54413) are the only 2 Municipal councisl whose population is more than 50 thousand. .(Annexure 6.6)

6.33 The population of Balrampur Municipal council is the lowest according to the census 2011, which is only 4456. Out of 44 Municipalities, the population of 12 Municipalities is less 20,000. (Annexure 6.6)

6.34 17% of state's urban population resides in 112 Nagar Panchayat areas of this state. As per census 2011, highest 31 Nagar Panchayats are constituted between the

population of 7000 to 9000. There is a total of 57 Nagar Panchayats in the population category of 5000 to 9000. Almost half of the total number of Nagar Panchayats are formed in the cities of this population category. (Annexure 6.7)

Table 6.5

Number of Nagar Panchayats As per Census 2011

Population Group	3000 to 5000	5001 to 7000	7001 to 9000	9001 to 11000	11001 to 13000	13001 to 15000	15001 to 17000	17001 to 19000
Number of Nagar Panchayat	11	26	31	18	05	12	05	04

…

Chapter 07

Availability of Basic Facilities in Panchayat Areas

- **Accepted sample size**
- **Clean toilets**
- **Implementation of Tap water scheme**
- **Jal Jeevan mission**
- **Condition of Roads**
- **Drainage**
- **Solid waste management**
- **lighting arrangements**
- **Integrated child development**
- **Mitanin Health workers**
- **Availability of Education**

7.1 **Independence must begin at the bottom; thus, every village will be a republic or panchayat having full powers. This means that every village has to be self - sustained and capable of managing its own affairs.**

"Mahatma Gandhi"

7.2 Now that, India has crossed golden jublee of its independence, then the entire political power system and every citizen of country need to introspect, whether the ideas of Gandhian Gram swaraj and aspirations of socio-political-economic liberation of crores of people in Independent India has been achieved yet ? what is the condition and direction of the chariot on which, Gram swaraj was to be established in this country? and what kind of creative revolution have Panchayati Raj Institutions brought about in the rural life?

7.3 How meaningful our Panchayati Raj system proved to be in becoming the carrier of Gandhi's ideal of Gram swarj as well as the modern concept of sustainable development by giving priority to local self-reliance and economic policy of conservation of nature and egalitarian harmonious resource consumption.

7.4 Are rural health, education employment and the basic needs of human life being fulfilled by Gram Panchayats? Is the socio-political–economic participation of every human being being achieved at a higher level through Panchayats? And if there are difficulties in achieving these ideals, what legal and community efforts are needed to overcome these challenges.

7.5 Undoubtedly the ideal of Gram swaraj is leading itself towards making a creative revolution feasible in the rural life through connecting itself with progressive modernity In this chapter, with reference to some fundamental necessities we are going to analyze the facilities provided by the Panchayati Raj System and its achievements.

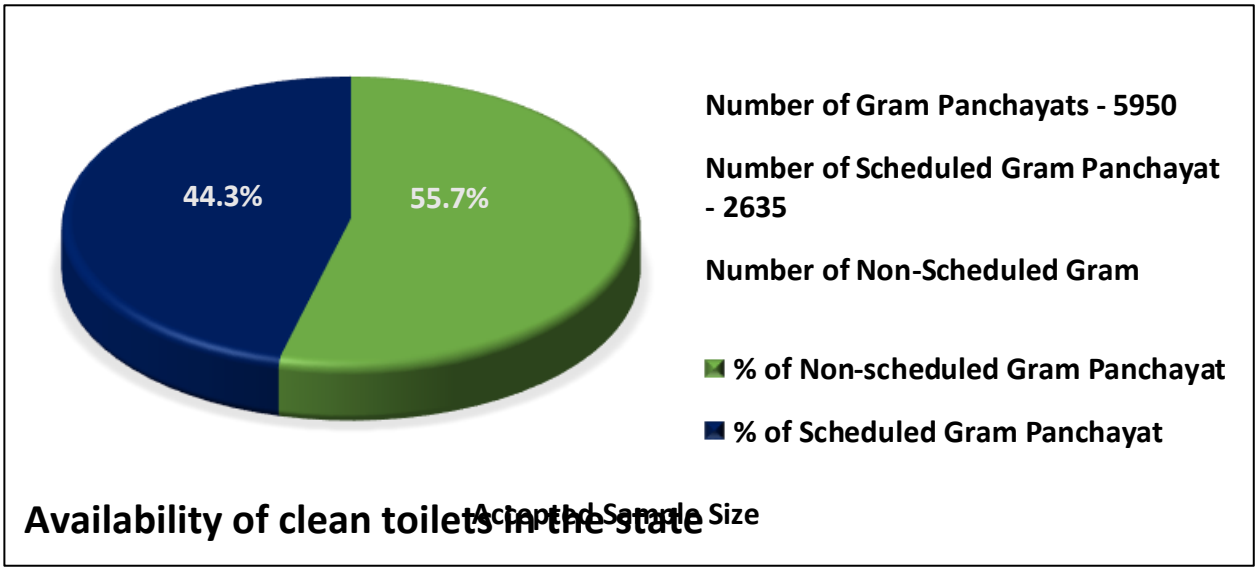
Accepted sample size by Fourth State Finance commission

7.6 The Fourth State Finance Commission had sought online information form 11,664 Gram Panchayats of the state through, questionnaire. The accuracy of the data received was checked and out of these, the information of 5,950 Gram Panchayats was accepted for the study as the sample size that is 51% of the total number of Gram Panchayats in the state. There are more than 30%. Gram panchayats from each of the 28 districts are included in the sample size. (Annexure 7.1)

7.7 The sample size approved by the commission for the study is substantially larger. This has been approved keeping in mind the various regional characteristics of the state, development related problems resource needs and accuracy of data. The

parameters obtained from the study of these data are reliable to express the actual situation of development and financial conditions of Gram Panchayats in the State.

- There are a total of 6,032 non-scheduled Gram Panchayats in the state, out of which 3,315 Gram Panchayats are included in the sample size of 5,950, whereas the total number of scheduled Gram Panchayats is 5,632, out of which 2,635 Gram Panchayats are included in sample size of 5,950 included in the Thus the total sample size includes 55.7%. non-scheduled Gram Panchayats and 44.3% scheduled Gram Panchayats.
- For the study of non-scheduled area 3,315 Gram Panchayats have been included in the sample size, which is 54.95% of the total number of non-scheduled Gram Panchayats in the state. (Annexure 7.1)
- For the study of Scheduled Area 2,635 Gram Panchayats have been included in the sample size which is 46.78% of the total number of scheduled Gram Panchayat in the state. (Annexure 7.1)



Availability of clean toilets in the state

7.8 Availability of clean toilet is the primary parameter for determining the quality of life-standards of a human being. Easy access of clean toilet is an essential and fundamental requirement for health safety, environmental protection and women safely. The central and state governments, through various schemes, are giving top priority to the availability of clean toilet for every citizen and family, efforts made by the local bodies in this direction have proved to be very effective. The expansion of the availability of clean toilets can be achieved by fulfilling of two parameters firstly, availability of private toilet in every household/ family secondly availability of convenient clean and safe accessible toilets at public places.

7.9 As per survey-study of the Fourth State Finance Commission the analysis of Point no. 7.9 to 7.16 has been done on the basis of data compiled by the commission attached as (Annexure 7.2). on an average, private toilets are available in 85% of the houses in the rural Panchayats areas of the state and public toilets have been constructed in 78.22% of the Gram Panchayats. There are disparities in the availability of toilets at the regional level however this disparity gap is not very wide and can be removed by setting priority and time bound targets by the Gram Panchayats.

7.10 The percentage of houses with availability of toilets in rural scheduled panchayat area is 88.8%, whereas in non-scheduled panchayat areas the percentage of houses with availability of private toilet is reduced to 82.6%.

7.11 Gram Panchayats of scheduled areas have also made significant efforts for the availability of public toilets as compared to the Gram Panchayats of non-scheduled areas Public toilets are available in 79% of the Gram Panchayats of scheduled areas, whereas in the Gram Panchayats of non-scheduled areas public toilets are available in 77.6% of gram panchayats.

7.12 In Gram Panchayats of scheduled areas, about 98% in Dhamtari, Jashpur and Rajnandgaon district, more than 90% in Balod, Bastar, Kanker, Kondagaon, Surajpur and Gariyaband and Korba district, and between 85% to 90% houses in the other districts have availability of private toilets. The percentage of houses having availability of private toilets is less in Bijapur (41%), Sukma (55.5%) Dantewada (65.4%) and Narayanpur District (72.5 %).

Private Toilets

- In Gram Panchayat Areas, 85.7% of houses have availability of private toilets.
- In non- scheduled areas, 82.6% and in scheduled areas 88.8% of houses have availability of private toilets.
- At the state level, more than 95% of houses in Jashpur, Durg, Rajnandgaon, Mahasamund and Balod district have availability of private toilets.

7.13 In Gram panchayats of non-scheduled areas, 95% and more households in gram panchayats of Durg, Rajnandgaon, Mahasamund, Balod and Raipur district have availability of private toilets while in Dhamtari, Gariyaband, Bemetara district the percentage of availability of private toilets is more than 90%. In the gram panchayats of Kawardha, Baloda Bazar, Bilaspur, Raigarh, Mungeli, district houses having availability of private toilets are more than 80%. But in Janjgir-Champa district percentage of houses with toilets are is only 51%.

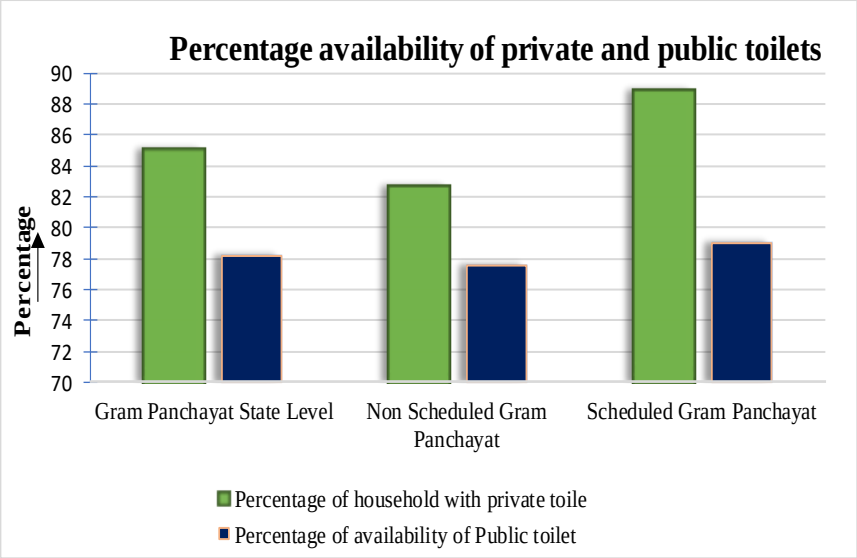
7.14 Gram Panchayats of scheduled areas have also done commendable works in providing public toilets. In Dantewada district, about 96% of gram panchayats have availability of public toilets, while it is 90% for Dhamtari and Jashpur distict. More than 80% of Gram Panchayats in Sarguja, Balod, Gariyaband, Gaurela-Pendra-Marwahi, Surajpur, Kanker, Sukma. Rajnandgaon district have availability of public toilets. But percentage of villages having availability of public toilets in the Gram Panchayats of Bijapur (52.2%), Balrampur (58.4%), Kondagon (65.6%) and Korea (68.6%) is comparatively less.

7.15 Gram Panchayats of non-scheduled areas will also have to make effective efforts for the availability of public toilets. Public toilets are available in about 98% of villages of Dhamtari, Durg and Gariaband district whereas for Janjgir-champa and Raigarh District, it is only 65% and 60% respectively.

Public Toilets

- In Gram panchayat areas 78%, of Panchayats have availability of public toilets.
- 77.6% Panchayats in non-scheduled areas and 79% panchayats in scheduled areas have availability of public toilets.
- At the State level, availability of public toilets in gram panchayats of Durg and Dhamtari District is more than 98%.

7.16 While studying the rural panchayat area by classifying it into scheduled area and non-scheduled area, a special fact emerges that the gram panchayats of scheduled areas have done better work in terms of availability of toilets as compared to the gram panchayats of non-scheduled areas.



Execution of Tap water scheme

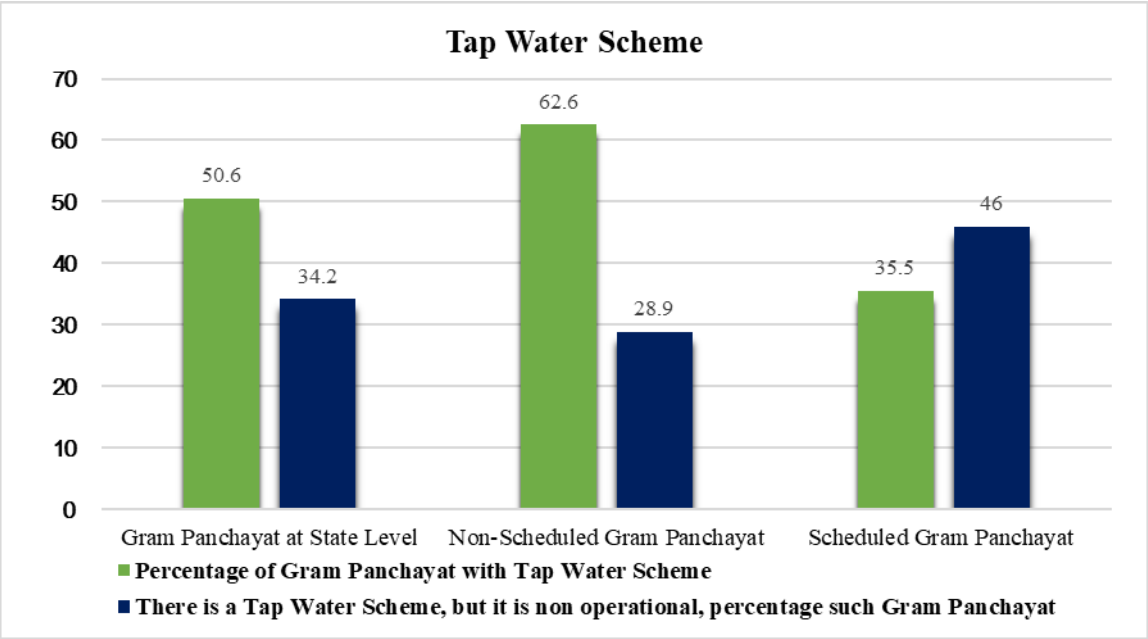
7.17 Tap water scheme is being implemented by Gram Panchayats for supply of clean drinking water. Although tap water supply is being given top priority among the services provided by Gram Panchayats, the level of water supply through tap water scheme in the state is unsatisfactory.

7.18 According to the survey study of Fourth State Finance commission there are only 50.6%. Gram Panchayats with tap water scheme at the state level, out of which one third (34.2%) are Gram Panchayats where there is a tap water scheme, but it is closed due to various reasons. In such Gram Panchayats where there is a tap water scheme but it is not operational, it is due to non-payment of electricity bills on time in about 39.6% Gram Panchayats, due to non-availability of funds for maintenance in 36.7%. Gram Panchayats and in 41.5% Gram Panchayats, due to other reasons or more than one reason, the tap water scheme is not being implemented smoothly. (Annexure 7.3)

7.19 In the gram panchayats of non- scheduled areas. tap water scheme is more or less in better condition. In these areas, 62.6% of gram panchayats are implementing tap water connection scheme however in the remaining gram panchayats. this scheme is not being implemented regularly due to various shortcomings like time non-payment of electricity bills on time, unavailability of funds for improvement purpose. (Annexure 7.3)

7.20 Among the Gram Panchayats of non-scheduled areas, the percentage of implementation of tap water scheme is high in the gram panchayats of Dhamtari (94.3%), Rajnandgaon (86.4%) and Gariyaband district (84.2%) whereas in the gram panchayats of Mahasamund, Raipur, Durg and Balod districts more than two-third of the gram panchayats have tap water scheme But in Balodabazar Mungeli, Bilaspur and Kabirdham districts tap water scheme is being implemented in less than half of the gram panchayats. (Annexure 7.3)

7.21 Regular and smooth implementation of the tap water scheme remains a difficult problem. while there is a tap water scheme in the Gram Panchayat of non-scheduled areas, one fourth of them are not running the scheme regularly. Only Dhamtari district is in a better situation where only 11.5% Gram Panchayats are facing the problem of regular implementation of the scheme. (Annexure 7.3)



7.22 The tap water scheme in the scheduled area is in a dismal state. Among the Gram Panchayats of scheduled areas, on an average only 35.5%. Gran Panchayats have tap water scheme. But the problem is even more serious that even among the Gram Panchayats which have tap water scheme, about 46% of the Gram Panchayats are not able to operate the scheme regularly. Among the gram Panchayats of scheduled area, about 43%. Gram Panchayats, due to “inability to make regular payment of electricity bills” and about 40.7% Gram Panchayats. due to “non-availability of funds for maintenance work” are not able to operate the above scheme. Also, 47.4% Gram Panchayats of scheduled area are not able to run the scheme regularly ‘due to more than one reason.’ (Annexure 7.3)

7.23 Among the gram panchayats of scheduled areas, the percentage of Gram Panchayats having tap water scheme in the gram panchayats of Rajnandgaon (80.2%), Bastar (71.2%), Dhamtari(67.8%), Gariyaband (54.8%) and Raigarh district (51.1%) is more or less satisfactory but in the gram panchayats of Dantewada, Bijapur, Narayanpur, sukma, kondagaon, Korea, Sarguju and Balrampur district the facility of tap water scheme is available in less than one fourth of the Gram Panchayats. (Annexure 7.3)

'Jal Jeevan Mission'

7.24 "Jal Jeevan mission" program is being implemented by the Department of Drinking water and sanitation, ministry of Jalshakti, Government of India from 01/04/2019. The objective of this mission is to provide "tap water to every rural household" by the year 2024. The target for the state of Chhattisgarh is to provide "tap water to every rural household" by September 2023.

7.25 Financial resources for drinking water supply schemes in rural panchayat areas in the state are being arranged by the state government and the central government. It is the responsibility of "Public Health Engineering Department" to formulate and implement schemes to provide clean drinking water as per requirement in rural panchayat areas. At present the Public Health Engineering Department is working to supply drinking water in rural areas as per the goals of "Jal Jeevan Mission".

7.26 In this program all the components of the already implemented National Rural Drinking Water Program (NRDWP) have been included. (Source-Annual Administrative Report 2022-23 Public Health Engineering Department Chhattisgarh).

7.27 Under "The Jal Jeevan Mission" scheme a target has been set to provide clean drinking water of prescribed quality in the prescribed quantity of 55 liters per person per day through a functional domestic tap connection to every rural household on a long-term basis at economical tariff rates. (Annexure 7.5)

7.28 To supply water to every rural household. through a functional household tap connection by creating water supply infrastructure including development of water source within the village under any one of the following categories under Jal Jeevan mission

1- Through retrofitting of schemes running under the erstwhile National Drinking water Program. (NRDWP)

2- Through retrofitting of completed rural water supply projects by making them in line with the objectives of Jal Jeevan mission.

3- Through "Ekal Gram yojna" in villages having ground water/surface sources of prescribed quality.

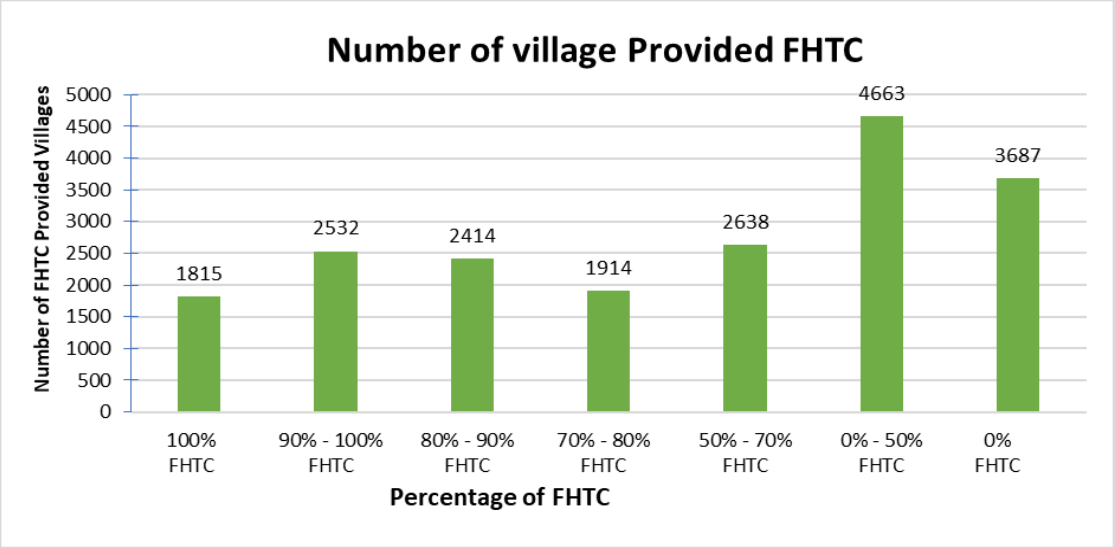
4- Through “Ekal Gram yojna" in villages requiring treatment but having sufficient groundwater.

5- Through "Collective water supply scheme" with water grid/regional water supply scheme.

6- Small solar energy based through piped water in isolated/tribal/hilly/small villages/habitation.

7.29 The information received from the review meeting organized between the State Finance Commission and the Public health Engineering Department has been analyzed from points 7.30 to 7.45 which has been attached in Annexure 7.5.

7.30 The total number of inhabited villages in the state is 19663 out of which 100% families in 1815 villages have been provided with functional domestic tap connections (FHTC). The physical progress in the remaining villages is as follows –



7.31 The highest number of 100% FHTC provided Villages is in Dhamtari (205 villages), Raipur (191 villages), Mahasmund (118 villages), Bemetara (102 villages) and Raigarh (102 villages), Rajnandgaon district (101 villages) whereas it is least in Manendragarh-Chirmiri-Bharatpur (4 villages), Korea (5 villages), Balrampur (6villages), Gaurela-Pendra-Marwahi (8 villages), Surguja (8 villages) and Sukma districts (12 villages).

7.32 As of 24-8-2023, out of total 4992575 rural houses in the state, 28,72,725 houses have been connected to piped water supply (PWS). The percentage of houses connected with PWS is highest in Dhamtari (85.7%), Raipur (75.7%), Durg (75.2%), Rajnandgaon (72.6%), Mungeli (70.9%) and Janjgir-Champa district (69.5%). (Annexure 7.5)

7.33 There are 11 districts in the state where the number of houses connected to piped water supply is less than 50%. The lowest percentage of houses connected to piped water supply is in Sarangarh-Bilaigarh (38.5%), Jashpur (41.8%) and Korba (42.6%) districts respectively. (Annexure 7.5)

7.34 In the forest/hilly/scarcely populated villages of the state, where the implementation cost of tap water scheme is high, solar based water supply scheme is being implemented under Jal Jeevan mission. The implementing agency for installation of solar pumps in the solar based water supply scheme is the state Renewable Development Authority (CREDA) Under the solar based water supply scheme, as of December 2022, a total of 1,91,377 rural families have been benefitted by functional households tap connections by installing 4695 Solar Pumps. (Source - Annual Administrative Report 2022-23, Public Health Engineering Dept C.G.)

7.35 A state level water testing laboratory accredited by N.A.B.L. is working in Raipur, where arsenic, fluoride, lead and other heavy metals present in water can be tested. Also, of 28 district level water testing laboratories in the state. 25 laboratories are N-A-B-L. accredited and out of 24 sub-divisional level water testing laboratories 11 are accredited with N.A.B.L.

[In order to provide free domestic tap connections to the families below poverty line through tap water schemes in the rural areas, total 73584 B.P.L. families have been provided with domestic tap connections under "Minimata Amritdhara Yojna"]

7.36 Under Jal Jeevan mission, drinking water quality is being tested by providing field test kits for water quality testing in panchayats and training 5 women from each village who are called "Jal Bahini" for water quality monitoring.

Gram Panchayats and "Jal Bahini" through community organized programmes like "Mor Gaon Mor Paani" "Jal Gunvatta Pakhwnda" "Clean water safety campaign" etc. working towards creating public awareness for water storage-conservation as well as water quality and sanitation monitoring.

Conditions of roads in rural bodies of the state

7.37 After the formation of state, first priority was given to the development of rural infrastructure. Development of rural roads is an essential and Indispensable condition for rural development. Development of rural roads is an indicator of progressive growth in all dimensions of socio-economic development. For agricultural development and expansion, diffusion of benefits of changing patterns of industrial structure to rural areas, mobility of human labor and availability and utilization of quality human resources, development of roads is the motivating factor.

7.38 According to the survey study of Fourth State Finance Commission there are 42.8% paved roads and 57.2% unpaved roads in the Gram Panchayat areas of all 28 districts of the state. The average length of roads in the Gram Panchayats of the state is 12.3 km, out of which 5.2 km. are paved roads and 7.1% Km. are unpaved roads.

7.39 The percentage of availability of paved roads in Gram Panchayats of non-scheduled area is higher than that of Gram Panchayats of scheduled areas. In Gram Panchayats of non-scheduled areas, 46.3% roads are paved and 53.7% roads are unpaved, whereas in Gram Panchayats of scheduled areas 39.7% roads are paved while 60.3% roads are unpaved.

7.40 Among the Gram Panchayats of non-scheduled areas, Dhamtari, Mahasamund and Raigarh districts have more than 60% paved roads. While Bemetara, Gariyaband, Balod, Raipur, Durg districts have more than 50% paved roads. Gram Panchayats of Rajnandgaon (32.1%), Mungeli (35%), Janjgir-Champa (38.4%), Kabirdham (38.6%) districts have the lowest percentage of paved roads.

7.41 The percentage of paved roads in the Gram Panchayats of the scheduled area is less than 50%. The percentage of paved roads is lowest in the Gram Panchayats of Sukma (9.25%), Kondagaon (12.82%), Gaurela-Pendra-Marwahi districts (19.4%).

Condition of roads in Panchayat areas

- In Gram Panchayat areas there are 42.8% paved roads and 57.2%. unpaved roads.
- The average length of roads in Gram Panchayat is 12.3 km, out of which 5.2 km. of roads are Paved and 7.1 km. of roads are unpaved.
- In the Gram Panchayats of non-scheduled areas, there are 46.3% paved roads and 53.7% unpaved roads.
- In the Gram Panchayats of scheduled area 39.7% of roads are paved while 60.3% of roads are unpaved.

Water Evacuation

7.42 Arrangements for permanent drainage have been made in about 58% of the Gram Panchayats in the state. Permanent drainage has been constructed in about 67% of the Gram Panchayats of non-scheduled area and about 46.2% of the Gram Panchayats in the scheduled area of the state.

7.43 In all the districts of non-scheduled areas, more than 50% of the villages have paved drains. The percentage of Gram Panchayats having paved drains is highest in Dhamtari (85.6%) and Durg District (82.9%) whereas the percentage of villages having paved drains is less in Bemetara (59.3%), Mungeli (58.9%), Mahasamund (57%) and Balodabazar district (51.01%) In other districts more than two-third of the villages have paved drains. (Annexure 7.6)

7.44 In the sheduled area, Bijapur (6.5%), Sukma (16.7%), Kondagaon (19.6%), Narayanpur (20.9%) and Korea (27.2%) districts have the lowest percentage of villages having paved drains. In Bastar, Jashpur Rajnandgaon and Balod districts more than two-third of villages have paved drains. In Korba and Raigarh districts more than half of the villages have paved drains. (Annexure 7.6)

Solid waste management

7.45 The system of solid waste management at the rural level is not completely managed by the Gram Panchayats, rather waste prevention depends on the personal efforts

and informal methods of villagers. There are only 26%. of the Gram Panchayats in the state where its Gram Panchayats have made arrangements for solid waste prevention and collection of wastes and garbage from every house. (Annexure 7.6)

7.46 Chhattisgarh is an agricultural state in rural settlements, pits are made in the house for disposal of domestic waste, these Wastes are also used as fertilizer in the fields, hence it is necessary for the Gram Panchayats to carry out door to door collection of those solid wastes, which cannot be recycled naturally and which are harmful to the environment.

7.47 Among the Gram Panchayats in the non-scheduled area of the state, only 28% of the Gram Panchayats have arrangements for taking away garbage from homes. The percentage of such villages is highest in the Durg district. In other districts except Dhamtari, Bilaspur and Raipur districts, it is very low. (Annexure 7.6)

7.48 In the Gram Panchayats of scheduled area, the institutional arrangements made by Gram Panchayats for solid waste disposal are in an underdeveloped state. The percentage of Gram Panchayats collecting garbage from door to door is the lowest in the Gram Panchayats of Bijapur (4.3%), Kondagaon (9.8%), Sarguja (12.37%), Sukma (14.6%) districts. Except Balod, Raigarh and Kanker, in other districts, institutional arrangements for solid waste management have been made by Panchayats in less than one third of the villages. Only 23.5% of Gram Panchayats have a proper system for collection of garbage from homes. (Annexure 7.6)

Arrangements of Lighting facility

7.49 Making arrangements of street lighting is important service benchmark for Gram Panchayats. Information related to points 7.49 to 7.53 regarding lighting system in Gram panchayats is attached in Annexure 7.7. At the state level about 51.2%. Gram Panchayats are providing street lighting on electronic poles due to which about 87% rural population of Gram Panchayats is benefitted. At the state level there are about 20.1%. Gram Panchayats where street lights are not operational despite having lighting system. Among the Gram Panchayats unable to arrange street lighting despite having lighting system, in 40.9% of such Gram Panchayats it is due to non-availability of funds for maintenance, in the 10.6%. gram panchayats it is for non-payment of electricity bill on time and in the remaining Panchayats it is because of one or the other reason that these Gram panchayats are incapable of arranging street lightings in their respective areas.

7.50 Out of about 60%. Gram Panchayats in scheduled areas 12.2%. Gram Panchayats are Unable to arrange regular street lightings due to various reasons. Among these non-

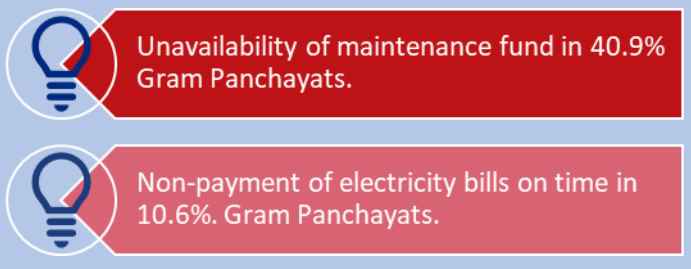
performing panchayats 42.6%. Gram Panchayats were unable to provide the lighting facility due to non-availability of maintenance fund while 9.6%. Gram Panchayats were unable to pay the electricity bill on time and remaining panchayats were incapable of providing the service due to one or the other reasons.

7.51 Among the Gram Panchayats of non-scheduled areas, the percentage of Gram Panchayats having street lights is high in Durg (91.9%) Balod (89.7%) Dhamtari (82.9%.) and Bemetara (80.2%) districts. In Raigarh and Raipur district also, about 75% of the gram panchayat having street light facility but in Kabirdham (21.4%), Mungeli (25.7%) and Bilaspur district (26.2%), the percentage of Gram Panchayats having street lighting facility is lowest in the districts. In other districts more than 50% of the Gram Panchayats are making arrangements for street lights regularly. Despite having lighting system, the percentage of Gram Panchayats which are unable to make arrangements for street. lights due to various reasons is higher in Kabirdham (32.51%) Bilaspur (29%) and Gariyaband (21%) districts.

7.52 Among the Gram Panchayats of scheduled area there are (40.3%) Gram Panchayats with regular street lights. In these areas there are about 30%. gram panchayats where street lights are not operational due to Various reasons. Of these about 40% Gram Panchayats have non-availability of maintenance money whereas about 11%. are unable to arrange for regular street lighting due to non-payment of electricity bills on time. If the above reasons can be resolved then the gap in availability of street lights between the panchayats of scheduled and non-scheduled areas can be minimized.

Lighting arrangements

- In Gram Panchayat areas, 51.2% Gram Panchayats have road lighting facility.
- About 60% Gram Panchayats of non-scheduled areas and 40.3% Gram Panchayats of scheduled areas have road-lighting facility.
- Main Reasons for non-availability of road-light facility in Gram Panchayats



7.53 In the Gram Panchayats of scheduled areas, more than half of the Gram Panchayats in Balod (80.4%) Korba (65.9%.) Raigarh (61.7%), Bastar (56.1%) and Rajnandgaon (51.9%) districts have regular arrangements of street lights. There are 11 districts of the scheduled area where the percentage of Gram Panchayats having regular street lights is less than 33%. The percentage of availability of street lights is very low in the Gram Panchayats of Korea (17.7%) Balrampur (16.9%) and Dantewada (10.8%) districts. Despite having a lighting facility the percentage of Gram Panchayats unable to arrange street lights due to various reasons is highest in Dantewada (67.5%) Balrampur (56.2%) and Surajpur (50.2%) districts.

7.54 The availability of toilets as basic facilities in the Panchayat areas of the state is satisfactory and the tap water scheme for every house is in progress, under the Jal Jeevan mission. A lot of work still needs to be done in basic services like paved roads, drains solid waste management and street lighting. The gaps between demand and availability of these services have been mentioned at the relevant points. **The Commission recommends making a time bound action plan to fill these gaps. The financial arrangements for this has been recommended in chapter 12.**

Integrated child Development

7.55 Integrated child development scheme was started by the Central Government in 1975 to take care of the general health of children and to lay the foundation for physical, psychological and social development through proper community Education. Anganwadi and mini Anganwadi Centers have been started under this scheme as per the population standards set in the rural and urban areas of the state. More than 50 thousand Anganvadi and Mini Anganwadi centers have been established in Chhattisgarh state. The establishment of Anganwadi centers has facilitated the implementation of programs Implemented by various departments for child development and mutual cooperation among them.

7.56 Anganwadi centers have played an important role in improving the nutritional and health status of children under six years of age through Vaccination and distribution of nutritional supplements to them and reducing the level of child Malnutrition. By connecting children to pre-school non-formal education along with improving the status of education and literacy, various efforts have also been made through Aanganwadi centers to improve the efficiency and capacity of mothers in child rearing.

Integrated Child Development

- In the Gram Panchayat areas more than one Anganwadi have been established in 95.6%. Gram Panchayats.
- on an average there are 4 Anganwadi centers established per Gram Panchayat in the state.
- On an average, there are 3 Anganwadi Centers established per Gram Panchayat in non- scheduled areas and on an average, 5 Anganwadi Centers are established per Gram Panchayat in scheduled areas.
- 96.6%. of child vaccinations took place in public health facilitation centers.

7.57 According to National Family Health Survey **(NFHS-5 2020-21)** vaccination of children aged 12 to 23 months in the state has been 79.9% as per the information obtained through vaccination card or information provided by the mother. 96.6% of the vaccination of children has been done in public health facilities. The role of Anganwadi workers and assistants has been very important in the success of aforesaid programs. But, making continuous public efforts is still needed to ensure the protection of the health of infants and child bearing mothers in the state. According to NFHS -5 (2020-21) there has been a decline in infant mortality rate in the state and it has decreased from 54 per thousand in NFHS- 4 to 44.3 per thousand. The mortality rate of infants under 5 Years of age [U5MR] has decreased to 50.4 per thousand in NFHS-5 (2020-21). Infant mortality has however decreased but it is still at tragically high level.

7.58 Protecting the health of mothers and babies after birth remains a serious challenge. According to NFHS-5 (2020-21), 67.2%. of children in the age group of 6 to 59 months are anemic, while 51.8% of pregnant women in the age group of15 to 49 years are anemic. 34.6% of children under 5 years of age are stunted while 31.3% are underweight.

7.59 According to the survey study of fourth State Finance Commission, on an average there are approx 4 Anganwadi centers established per Gram Panchayat in the state. There are more than one Anganwadi centers are established in 95.6% Gram Panchayats in the state. (Annexure 7.8)

7.60 Scheduled areas are in better condition as compared to non-scheduled areas in terms of establishment of Anganwadi Centers. On an average 5 Anganwadi centers are established per Gram Panchayat in scheduled areas. while more than 01 Gram Panchayat is established in 98.3% of Gram Panchayats. In non-scheduled areas, there are, on an average 3 Anganwadi centers are established per Gram Panchayat and there are 93.5% Gram Panchayats with more than one anganwadi centers.

Mitanin Health workers

7.61 At the time of formation of state, the state of chhattisgarh was extremely backward from the point of view of public health facilities. Not only was there a lack of health infrastructure in the state, but the number of health facilitation centers in proportion to the population were also very less. Maternal and child mortality rates were at high level due to lack of drinking water, malnutrition, illiteracy, unhealthy living conditions, social evils, poverty, lack of clean toilets etc. A large population of the state was suffering from many infectious diseases and there were a lack of health awareness among public.

7.62 In order to make the public aware from the health point of view, to make maximum use of the available health infrastructures and to provide its benefits to the entire community easily, Mitanin project was started in 14 development blocks of the state in the year 2002 which started to be operated in all the development blocks of the state since April 2006. "Mitanin" means "Female friend", she is appointed by the Gram Panchayat or the concerned body. Mitanin is a resident of the same village in which she is posted, hence she is well acquainted with the local customs, language, health needs and problems As a result, take primary and meaningful initiatives in providing health facilities to the public and from the perspective of preventive prevention against disease. At present there are more than 65000 Mitanin workers in the state. The Mitanin Program is operated, implemented and monitored by the state Health and Family welfare department.

7.63 with a view to making improvement in women and child health, Mitanins have played a very important role. Infant mortality Rate has reduced from 71 in NFHS-3 (2005-06) to 44 in NFHS-5 (2020-21), and in the same period child mortality in the age group of 0 to 5 years has reduced from 90 to 50. The percentage of women receiving full antenatal care (ANC) among total pregnant women has increased to 65.7% in NFHS-5 (2020-21). The percentage of institutional delivery which was only 14.3% in NFHS-3 (2005-06) has reached to 85.7% in NFHS-5 (2020-21) after continuous increase. The role of Mitanins in Increasing the vaccination coverage reducing the level of malnutrition and providing health awareness to women is commendable. Mitanins have also played an Important role in creating awareness and preventive measures to prevent the infection of Covid - 19 at the rural level.

7.64 According to survey study of fourth state finance commission, in 96.3% Gram Panchayats at the state level, there are Mitanin facility available. The expansion of

Mitanin Program is in 97.2% Gram Panchayats in the scheduled area. while there are 95.1% Gram Panchayats in scheduled area with Mitanin facility. (Annexure 7.8)

Mitanin facility

- Mitanin facility is available in 96.3% Gram Panchayats in the state.
- 97.2% Gram Panchayats in non-scheduled and 95.1% Gram Panchayats in the scheduled area have mitanin facility available
- Infant mortality rate has decreased from 71 in NFHS-3 (2005-06) to 44 in NFHS-5 (2020-21)
- The percentage of women receiving Antenatal care (ANC) in total pregnant.
- women is 65.7 in NFHS 5 (2020-21)

Availability of Education

7.65 Quality and universally accessible education system is the foundation for The creation of advanced and progressive human resources. In Census 2011 the percentage of total literacy in Chhattisgarh was 70.28%. There are wide disparities in the status of literacy at the regional level. According to census 2011 the literacy rate in urban areas in the state was 84.05% while in rural areas, it was only 65.99%. Moreover, male literacy in rural areas was 76.98% while female literacy was only 55.06% There are favorable improvements in the literary situation in the state. Enrollment rates for education have increased and school dropout ratio has decreased. The infrastructure for education has also been expanded rapidly, however continuous innovative efforts will have to be made for the development, expansion and quality up gration of education at the rural level. The scenario of education in the state is still not satisfactory. According to NFHS-5 (2020-21), the percentage of women who have received education for 10 years or more is only 36.9%. In urban areas, 52.4% women have received education while in rural areas only 32.1% women have received education for 10 years or more. This indicator is also at a lower level for males 41.5%. of males in the state have received education for 10 years or more, for urban area males, it is 52.2%. while for rural area males it is 38.1%.

7.66 The Fourth State Finance Commission has conducted a survey - study regarding availability of education in the Panchayat area, according to which, at the state level there are 14.6%. Gram Panchayats where only primary education is available, 51.6%. Gram Panchayats have education available up to primary and secondary level, In 16.30% Gram Panchayats, education is available up to high school, whereas only 15% of the Gram Panchayats are such where education is available up to higher

secondary level. In about 50%. Gram Panchayats of the state, education up to secondary level is available within the Panchayat area. In the scheduled areas, only 12.56% of the Gram Panchayats have higher secondary level education within the panchayat area. while for the panchayats of non-scheduled areas it is 17%. (Annexure 7.9)

Education facility

- In Census 2011 literacy rate in chhattisgarh is 70.28%.
- According to Census 2011, Urban literacy rate in the state is 84.05%, while in it rural areas, it is only 65.99%.
- In Rural areas, male literary is 76.98% while female literacy is only 55.06%.
- At the state level, education is available up to primary level in 14.5%. Gram Panchayats up to primary and secondary level in 51.6% up to high school level in 16.30% Gram Panchayats and up higher secondary level in 15% Gram Panchayats.

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Chapter – 8

Evaluation of the Financial status of Three-Tier Panchayats

- **Transferred Amount to Panchayati Raj Institutions**
- **Income structure of Gram Panchayats**
- **Expenditure structure of Gram Panchayats**
- **Overview of Financial Status of Janpad Panchayats**
- **Overview of Financial Status of Zila Panchayats**
- **Accounts and Audit**
- **Human Resources**

8.1 For the success of Panchayati Raj, it is necessary that Panchayats strive continuously for financial self-reliance, can identify local resources in such a way that they can get economic benefits from the resources, the system of tax collection should be regular and economically beneficial and compliance of thrift be ensured. The financial condition of the three-tier Panchayats of the state has been studied in detail in this chapter and impact of their economic trends on rural development has also been pointed out. There are better possibilities of collecting obligatory taxes as well as optional taxes in the state, but these possibilities have not been exploited yet.

Transfers to Panchayati Raj Institutions

8.2 According to the state Budget Papers, a total of Rs. 11,056 Cr. was transferred to the three tier Panchayati Raj Institutions of the state during 2017-22 of which 54.4% was transferred on the recommendation of the Central Finance Commission and 45.6%. was transferred by the State Government. The amount transferred from the State Government to the three-tier Panchayats during financial year 2017-22 was Rs. 5,041 Cr. of which 80% was the actual amount transferred against the recommendations of the State Finance Commission and 20% was the actual amount transferred from the amount collected from assigned taxes. (Table 8.1)\

Table 8.1
Actual transfer to Panchayati Raj Institutions

(Rs. In Crore)

S. N.	Description	2017-18	2018-19	2019-20	2020-21	2021-22	Total 2017-22
1	Assigned revenue	274.8	61.8	183.2	176.1	314.2	1010.0
2	Amount received against the recommendations of the SFC	945.7	839.1	748.5	617.9	880.3	4031.4
3	Transfer from State Government (1+2)	1220.5	900.9	931.7	794.0	1194.5	5041.4
4	Amount received on the recommendation of the CFC	1022.2	1047.9	1415.9	1454.0	1075.0	6014.9
Total (3+4)		2242.7	1948.8	2347.6	2248.0	2269.5	11056.3

Source – Budget papers of C.G. Govt.

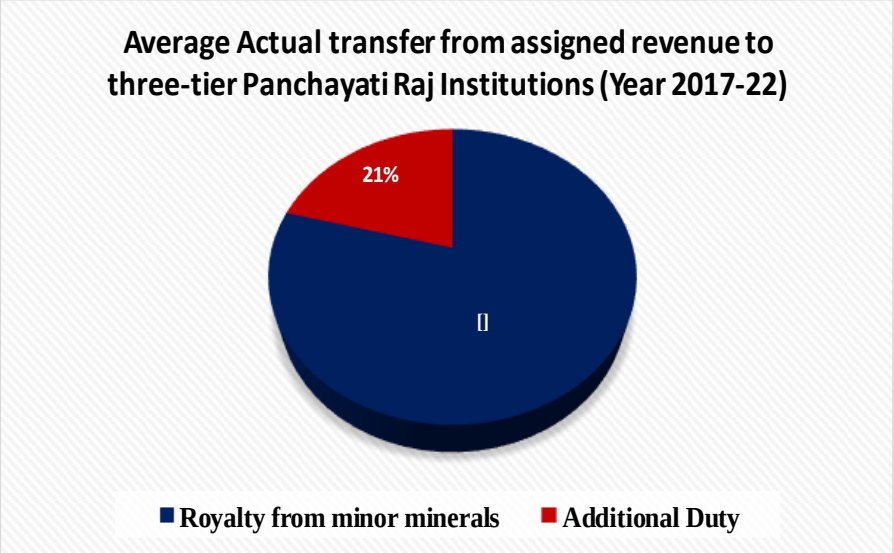
Assigned Revenue

8.3 Gram Panchayats receive assigned revenue from the State Government in the form of distribution of certain taxes. There are mainly five components of assigned revenue royalty of minor minerals, additional duty and cess on registration fees, land revenue cess, rural fund cess and surcharge on excise duty. According to the budget papers, an amount of Rs. 1,010 Cr. was transferred to three-tier Panchayats between 2017-22 as assigned receipts, of which 79.1% (799 Cr.) was transferred from the royalty of minor minerals and 20.9% was transferred as grant from registration fees No amount has been transferred from Land Revenue, Rural Development Fund and Excise surcharge. (Table 8.2)

Table 8.2
Actual transfer of Assigned to Panchayati Raj Institution

(Rs. In Crore)

Description	2017- 18	2018-19	2019-20	2020 -21	2021- 22	Total (2017-22)
Minor mineral royalties	274.8	37.1	127.7	115.6	244.2	799.3
Stamp and registration fee	0	24.7	55.4	60.6	70	210.7
Total	274.8	61.8	183.2	176.1	314.2	1010.0



8.4 According to Finance Accounts 2021-22, Rs. 181.53 crore is available in the 'Panchayat Land Revenue Cess' and 'Registration Fee Fund' under the Reserve Fund of Public Accounts under schedule 22. This amount appears to be related to transfer to rural bodies which needs action to be taken.

8.5 As per budget of 2023-24, Rs. 30 Cr. is available in Rural development Fund under Public Accounts, there is no provision for its disbursement.

8.6 **The commission recommends that a provision be made in the upcoming budget to provide Rs. 181.53 Crore available in Land Revenue cess and Registration Fees and Rs. 30 crore available in Rural Development Fund to the Panchayats under the Reserve Fund of Public Account as shown in the State Budget Paper. It should be ensured that these funds are received by the Panchayats regularly in future.**

8.7 According to the information given by the excise department, a surcharge of 10% has been imposed on excise duty (Notification Annexure 8.1) from year 2017-18 to 2021-22, surcharge of Rs 1431.17 Cr. was received. It was to be distributed to rural and Urban bodies in proportion to the population, but there is no provision for distribution in the budget. Information about the amount received under this head from the year 2010-11 to the year 2016-17 is also not available.

8.8 The Commission recommends that after calculating 10 percent surcharge on excise duty for local bodies from the year 2010, the government should distribute the remaining amount to the local bodies based on availability of its resources and necessary provisions should be made in the upcoming budget for its regular payment.

Revenue of Sample Gram Panchayats

8.9 In order to study the amount transferred to Gram Panchayats through various heads, State Finance Commission has analyzed the financial receipts of 5,950 Gram Panchayats. Total amount of Rs. 6,149 Cr. was received by sample size 5950 Gram Panchayats under various heads between during the year 2017-22. Out of the total receipts of the sample Gram Panchayats, the revenue receipts of the Gram Panchayats from their own sources have been about 3% of the own revenue receipts of these Gram Panchayats, about two-third are non-tax revenues. Assigned receipts are about 5% of the total receipts. Out of the total receipts of Gram Panchayats, receipts on the recommendations of Central Finance Commission is more than compared to the receipts on the recommendations of State Finance Commission Capital receipts are about 1% of total receipts. (Table 8.3)

Table 8.3
Total receipts of sample Gram Panchayat from various heads

(data in %)

Description	2017-18	2018-19	2019-20	2020-21	2021 -22
(i) Revenue receipts of Gram Panchayat from their own source(1+2)	3	3	3	4	3
(1) Tax revenue of Gram Panchayats	1	1	1	1	1
(2) Non-tax revenue of Gram Panchayats	2	2	2	2	2
(ii) Receipts from State Government (3+4+5+6+7)	53	56	40	48	46
(3) Assigned receipts	6	7	4	6	5
(4) Receipts on the recommendation of the SFC	28	30	21	25	25
(5) Grant in any other scheme from the State Government	8	8	5	6	6
(6) MLA Fund	2	3	3	4	4
(7) other receipts	9	8	6	7	6
(iii) Recipts from Central Government(8+9+10)	43	39	57	47	49
(8) As per 14th Finance Commission	41	37	54	12	2
(9) As per 15th Finance Commission	0	0	1	34	46
(10) MP Fund	2	2	1	2	1
(iv) Receipts in the from of debt	1	2	1	1	1
(v) Total	100	100	100	100	100

(Figures are rounded off) Source- 4th SFC

Obligatory Tax Revenue of Gram Panchayats

8.10 Gram Panchayats have been conferred with power to levy and collection of taxes in order to encourage them for financial self-reliance. Under section 77 of Chhattisgarh Panchayati Raj Act 1993, Gram Panchayats have power to impose taxes. Tax revenue has been divided into obligatory taxes and optional taxes.

8.11 Gram Panchayats, in the form of obligatory taxes. may collect, taxes like Property tax on private land and buildings, tax on private toilets if they are cleaned by the Gram Panchayat, lighting tax on lighting facility provided by the Gram Panchayat, Profession tax on people doing business under the Gram Panchayat area, market fees on persons who keep goods for sale in any market or place belonging to or under the control of Gram Panchayat or in any building or structure therein, fees on the registration of animals sold in any market or place belonging to or under the control of the Gram Panchayat.

8.12 According to the study of sample Gram Panchayats by the 4th State Finance Commission, the total obligatory tax demand in the sample Gram Panchayats between 2017-22 was Rs. 78.53 Cr. of which only about 51%. (39.93 Cr.) could be collected.

8.13 The collection of obligatory taxes imposed by the Gram Panchayats is at a very low level. At the state level, only a little more than half of the Gram Panchayats collect obligatory taxes, out of which about 20% Gram Panchayats are not able to collect taxes due to various reasons despite imposing such taxes. There are 40% Gram Panchayats in the state which are not even imposing taxes. Despite the above challenges, the average obligatory tax receipt per Gram Panchayat Per year between the year 2017-22 is about Rs. 13,419 and the average obligatory tax receipt per person per year is about Rs. 8. (Table 8.4)

Table 8.4

Status of Tax Demand and Tax Recovery in Obligatory Tax of Sample G.P.

(Rs. In Crore)

Description	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Tax demand	13.04	13.93	17.72	15.76	18.08
Tax recovery	7.57	7.88	8.78	7.59	8.11
Percentage of tax recovery (%)	58	57	50	48	45
Percentage of G.P. imposing tax	55	53	55	57	58
Percentage of G.P. who could not collect taxes after imposing it.	17	17	16	21	20
Average tax receipt per Gram Panchayat (Rs.)	12723	13238	14755	12751	13630
Per capita average tax recipt (Rs.)	7.56	7.87	8.77	7.58	8.10

8.14 It is clear from the study of sample Gram Panchayats that among the obligatory taxes imposed by Gram Panchayats, the highest tax demand is on collection of property tax on buildings, followed by lighting tax, profession or trade tax, animal sale registration tax and tax on private toilets respectively. Despite property tax on land and buildings being the largest head among the obligatory tax demand, its tax collection is not even 40% of the tax demand. The percentage of recovery is highest under the heads of animal sale registration tax demand and light tax demand respectively. (After property tax, the highest tax collection comes from light tax.) In

the past years, tax collection from trade tax has increased compared to animal sale registration tax.

8.15 Although, the percentage of Gram Panchayats having obligatory taxation in non-scheduled area is higher than that of panchayats in scheduled areas. But, the percentage of Gram Panchayats not collecting taxes in spite of imposition of taxes is also higher in the Gram panchayats of non-scheduled areas. The inability of Gram Panchayats to collect taxes against tax demand is disappointing - According to the sample survey of State Finance Commission. between 2017-22, the average obligatory tax receipt per gram panchayat per year in non - scheduled area is Rs. 16,621 whereas for the Gram Panchayats of scheduled areas, it amounts to Rs. 9,389. Further, the average obligatory tax receipt per person per year for the same period, in non-scheduled area is Rs. 9.4 whereas for scheduled areas, it is only 6.0 Rs.

Optional Tax revenue of Gram Panchayats

8.16 Schedule 2 of section 77 of the Panchayati Raj Act 1993 mentions the Optional taxes imposed by the Gram Panchayats, under which the Gram Panchayats levy taxes on buildings not falling under schedule 1 of section 77 of the Panchayati Ras Act, tax on the riding of animals. tax on bullock carts cycles or rikshaws if they are run on hire within the panchayat area, water tax, tax on inns, dharmshalas, rest houses and slaughter houses, drainage tax, tax on persons practicing the profession of buyer, agent. commission agent or measurer within the meaning of Chhattisgarh Krishi Upaj Mandi Act 1972 within the gram panchayat area except the mandi area, tax on construction and maintenance of public toilets, cleaning tax for garbage removal and disposal, entry tax on vehicle owners except for motor vehicles entering panchayat area, fees for Bullock cart or tanga stand. Fee for grazing of Cattle on pastures, public places, temporary construction sites and its usage.

8.17 According to the survey study of sample Gram Panchayats of the State Finance Commission, the total Optional tax demand between 2017-22 was Rs. 40.95 Cr. of which 83% tax has been recovered.

8.18 The percentage of collection of obligatory taxes for the sample Gram Panchayats is approximately 51% while the percentage of collection of Optional taxes is 83.2%, as a result, despite the amount of tax demand being higher under obligatory taxes, the gap between the actual amount of collection of obligatory taxes and Optional taxes is reduced.

8.19 Although the percentage of collection of Optional taxes is high, but in the sample Gram Panchayats, only about 20% Gram Panchayats are levying Optional taxes, out of which 3% Gram Panchayats levy taxes but are not able to collect them due to various reasons. The percentage of Gram Panchayats that do not levy tax on Optional tax heads is more than 77%. According to the survey of 4th State Finance Commission, the average Optional tax receipt per gram panchayat per year between 2017-22 is Rs. 11,447 and the average Optional tax receipt per person per year is

about Rs. 7. The reluctance of Gram Panchayats towards tax recovery, lack of political willpower and lack of suitable institutional motivation are adversely affecting the financial self-reliance of Gram Panchayats, while there is an inherent possibility of increase in the percentage of tax recovery.

Table 8.5
Tax Demand and Tax Recovery in Optional Tax of Sample G.P.

(Rs. In Crore)

Description	2017-18	2018-19	2019-20	2020-21	2021-22
Tax demand	6.23	7.36	8.03	9.51	9.82
Tax recovery	5.45	6.41	7.05	7.42	7.73
Percentage of tax recovery (%)	87	87	88	78	79
Percentage of G.P. imposing tax (%)	19	19	20	21	21
Percentage (%) of G. P. that could not collect taxes after levying taxes.	3	3	3	3	3
Percentage (%) of G.P.not imposing tax	77	77	77	79	78
Average tax receipt per G.P. (Rs.)	9153	10775	11847	12475	12987
Per capita average tax receipt (Rs.)	5.44	6.40	7.04	7.41	7.72

8.20 It is clear from the study of sample Gram Panchayats that the highest tax demand under Optional taxes comes under the head of “water tax", which is followed by drainage tax and cleaning tax. The percentage of tax collection under water tax is also around 85% due to which the highest tax collection is achieved through water tax. The percentage of collection of drainage tax and cleaning tax is also satisfactory and exists as an important source of alternative tax revenue. The percentage of tax collection in non-scheduled areas is much higher than that in scheduled areas.

8.21 In non-scheduled areas of the state, about 27% to 29% Gram Panchayat are collecting Optional taxes, out of which 4% tax levying gram panchayat are not able to collect taxes due to one or the other reasons. Moreover, 70%. to 72%. Gram Panchayats are not even imposing taxes on Optional tax heads. The situation is even more disappointing in the scheduled areas. only 9% to 12% of the Gram Panchayats in the scheduled areas are levying taxes on Optional tax heads, out of which 2% tax levying Gram Panchayats are not able to collect taxes due to various reasons, whereas more than 85% of the Gram Panchayats are not even levying taxes.

8.22 According to the study of sample Panchayats, the average Optional tax receipt per year Gram Panchayat in non-scheduled areas between 2017-22 is Rs. 18,399, whereas in scheduled areas, it is only Rs. 2,695. It is also worth noting that between 2017-22, the average Optional tax receipt per year per Gram Panchayat is Rs. 18,399 as compared to Rs. 16,621 in obligatory tax receipts.

8.23 The average obligatory tax receipt per person per year in the non-scheduled area from 2017-18 to 2021-22 is Rs. 9.4, and in the scheduled area, it is Rs. 6. During the same period, the average Optional tax receipt per person per year in the non-scheduled area is Rs. 10.4 and in scheduled areas, it is Rs. 1.7.

8.24 It is clear from the sample survey of Gram Panchayats of State Finance Commission that there is a complete lack of motivation regarding imposition of taxes on Optional

tax heads in the scheduled areas. Hence the average Optional tax receipts per gram panchayat and the average tax receipt per capita is at a low level. A comparative study of the average Optional tax receipts per Gram Panchayat in the non-scheduled area makes it clear that the scope for income under this head is very high even in the scheduled areas.

Non-Tax Revenue of Gram Panchayats

8.25 Under non-tax revenue, Registration fee on sale of animals in Gram Panchayat area and market fee on people importing goods from outside for sale in Gram Panchayat area, drainage tax, tax on entry of vehicles in Panchayat area, tax for grazing of animals in panchayat pasture area. taxes on construction and use of temporary structure at public places and taxes on inns, dharmshalas, rest houses and slaughterhouses have been included.

8.26 The study of sample Gram Panchayats by the 4th State Finance Commission makes it clear that the receipt of non-tax revenue is more than the receipt of tax revenue.

8.27 According to the sample survey of the State Finance Commission, between 2017-22, An average amount of Rs. 29,831 per Gram Panchayat has been received as non-tax revenue per year. The largest source of non-tax revenue is the amount of interest paid to Gram Panchayats which is one-third of the total non-tax revenue.

Table 8.6
Non-Tax Revenue Receipts of Sample Gram Panchayat

(Amount in Lac, share in percentage)

Description	2017-18		2018-19		2019-20		2020-21		2021-22	
	Amount	% share in total	Amount	% share in total	Amount	% share in total	Amount	% share in total	Amount	% share in total
Land/Building rent	114.20	6.95	156.59	9.12	175.73	9.65	132.15	7.04	164.96	9.08
Fees	81.25	4.94	80.80	4.70	74.23	4.08	66.23	3.53	86.20	4.75
Kanji House	16.56	1.01	10.93	0.64	13.20	0.72	15.22	0.81	12.59	0.69
Interest	820.17	49.92	764.00	44.48	757.36	41.58	1024.82	54.62	920.51	50.68
Other	610.94	37.18	705.43	41.07	800.95	43.97	637.88	34.00	631.94	34.79
Total	**1643.12**	**100.00**	**1717.75**	**100.00**	**1821.48**	**100.00**	**1876.30**	**100.00**	**1816.20**	**100.00**

8.28 On an average, Rs. 857.37 lakhs has been received by Gram Panchayats as interest Payment in last 5 years which is 48.25% of total non-tax revenue.

8.29 Based on the data collected by the Commission, the estimated receipt of the tax and non-tax revenue by the Sample Gram Panchayt's is approximately Rs. 159.45 crore, out of which Rs. 63.78 core is being collected by the Panchayats, which is only 40%.

8.30 Taxes or fees are being imposed by the Gram Panchayats on the basis of the rates prescribed in the Gram Panchayat Obligatory Taxes and Fees Rules, 1996. At present, based on the data collected by the Commission, the estimated income of the Gram

Panchayats from their own sources is RS. 159.45 crore per year. The contribution of own revenue in the financial receipts of Gram Panchayats is only 3%, which needs to be increased, for this, the Commission has the following recommendations -

1. **Efforts should be made by public representatives and administrative staff of Panchayats to create awareness among citizens regarding tax payments through continuous discussions.**
2. **Revision of the tax rates prescribed in the Gram Panchayat obligatory Taxes and Fees Rules. 1996 should be considered and the optimal Possibilities for increasing the tax rates and rationalizing them as per the need should be explored.**
3. **In the Gram Panchayat obligatory Taxes and Fees Rules, 1996, the rates have been determined on the basis of minimum and maximum limits on the basis of which the Gram Panchayats determine the amount of taxation under the prescribed procedure and then impose the prescribed tax or fee. Taxes or fees are not being imposed by 40 percent of the Gram Panchayats in the state. Therefore a provision should be made in the above rule that "If the tax or fee is not determined by the Gram Panchayat then the minimum rate of tax or fee mentioned in the rule will be automatically imposed and its recovery will be mandatory".**

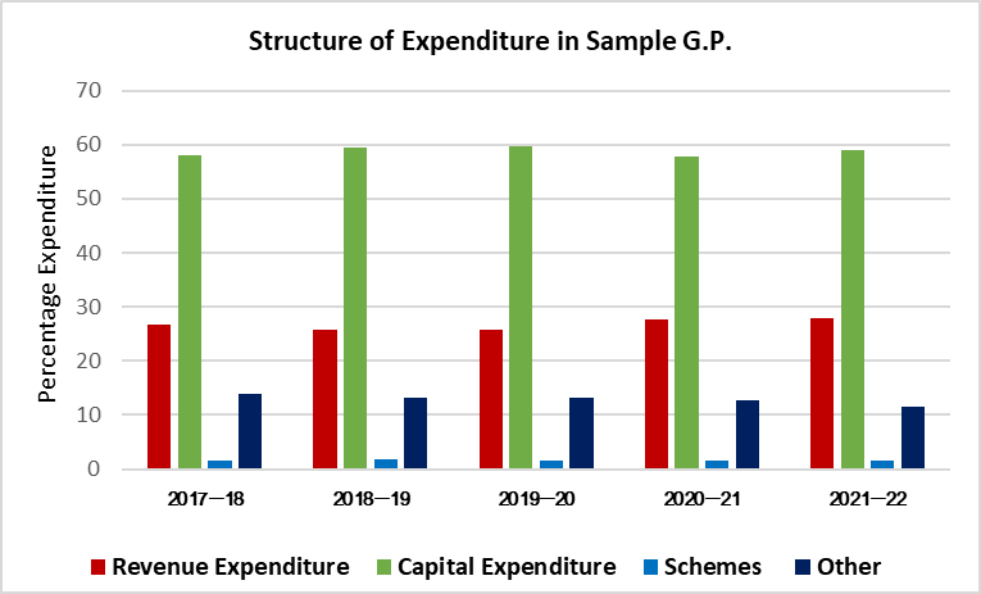
Structure of the Expenditures of Gram Panchayats

8.31 According to the survey-study of sample Gram Panchayats by the 4th State Finance Commission, the total expenditure of the sample Gram Panchayats between the periods 2017-22 is Rs. 5,000.3 Cr. in which the average expenditure per Gram Panchayat per year is Rs. 16.80 lakhs. In the total expenditures being incurred by the Gram Panchayats about 59% of the expenditure is Capital Expenditure and about 27% of the expenditure is revenue expenditures. The largest component of revenue expenditure is “maintenance expenditure” which is 25% of the revenue Expenditure. The remaining 14% expenditure comes under “other expenditure” and “expenditure on welfare schemes”. (Table 8.7)

Table 8.7
Structure of Expenditure in Sample G.P.

(Rs. In Crore)

Description	2017–18		2018–19		2019–20		2020–21		2021–22	
	Amt.	% in Total expenditure	Amt.	% in Total expenditure	Amt.	% in Total expenditure	Amt.	% in Total expenditure	Amt.	% in Total expenditure
Revenue Exp.(A)	282.3	26.7	259.0	25.7	242.6	25.7	279.9	27.7	273.3	27.9
Establishment(1)	15.2	1.5	16.0	1.6	14.7	1.6	16.1	1.6	15.7	1.6
Maintenance(2)	267.1	25.2	243.0	24.1	227.9	24.2	263.8	26.1	257.6	26.3
Capital Exp.(B)	614.7	58.1	600.4	59.5	561.9	59.6	585.3	57.9	577.8	59
Expenditure in welfare	15.7	1.5	17.8	1.8	13.7	1.5	16.4	1.6	14.6	1.5
Other	145.8	13.8	131.9	13.1	124.9	13.2	129.5	12.8	112.4	11.5
Total	1058.6	100	1009.2	100	943.1	100	1011.2	100	978.2	100



8.32 Out of sample Gram Panchayats, the average revenue expenditure per Gram Panchayat per year is Rs. 4.49 lakh, in which the average of establishment expenditure per Gram Panchayat per year is Rs. 26,118 and the average of maintenance expenditure per Gram Panchayat per year is Rs. 4,23,328. The out of sample Gram Panchayat, the annual average of Capital expenditure per Gram Panchayat is 988269.

8.33 Under maintenance expenditure, the maximum expenditure is being made for Water Supply Improvement. Both the quantity and percentage of expenditure for Water Supply improvement is continuously increasing. For sample gram Panchayats, the average expenditure for Water Supply improvement per Gram Panchayat per year between 2017-22 is Rs. 85,283 and average expenditure per capita per year for Water Supply improvement is Rs. 50.7. The average expenditure per gram panchayat per year of various components of maintenance expenditure in the sample Gram Panchayats between 2017-22 is Road improvement - Rs. 63,710 Solid Waste Disposal expenditure – Rs. 59,765, Building repair - Rs. 52,819, Drain repair Rs. 23,734 and lighting improvement - Rs. 19,343. (Table 8.8)

8.34 The average revenue expenditure per capita per year in gram panchayats of non-scheduled areas is Rs. 280 whereas this expenditure is Rs. 249 in Gram Panchayats of scheduled area. Maintenance expenditure per capita per year in Gram Panchayat of non-scheduled area is Rs. 260, which is higher than per capita per year Maintenance expenditure in the Gram Panchayat of scheduled areas. similarly, the establishment expenditure is also Rs. 20 per person per year in Gram Panchayats of non-scheduled areas, which is only Rs. 9 in scheduled areas.

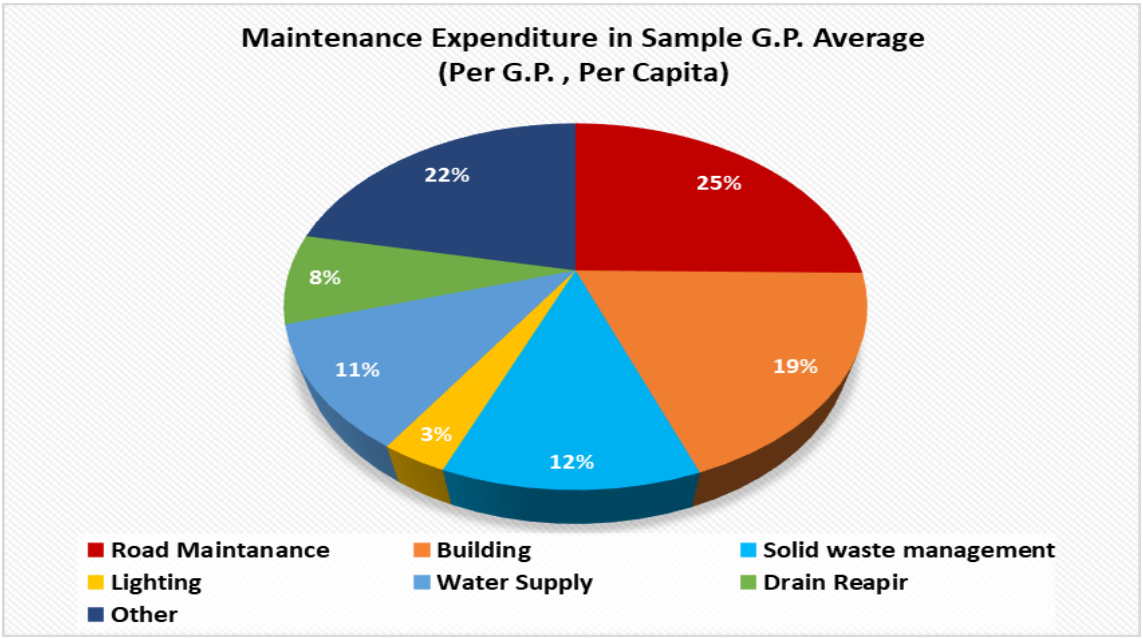
8.35 In Gram Panchayats of non-scheduled areas, the maximum amount of maintenance expenditure is being spent on Water Supply improvement, which is more than 20%

of the total maintenance Expenditure followed by the expenditure on Solid Waste Disposal, Road maintenance, building maintenance, drain repair and lighting system improvement respectively.

8.36 In Gram Panchayats of scheduled areas, the maximum expenditure under the maintenance expenditure is being made for Road maintenance followed by expenditures made on Building maintenance and Solid Waste Disposal, although in these Gram Panchayats also, maintenance expenditure for Water Supply improvement is continuously Increasing in last years, reaching at the level of 20% of the total maintenance expenditure in the year 2021-22.

Table 8.8
Maintenance Expenditure in Sample G.P.

Description	2017–18		2018–19		2019–20		2020–21		2021–22	
	Amt.	% in total maintenance expenditure	Amt.	% in total maintenance expenditure	Amt.	% in total maintenance expenditure	Amt.	% in total maintenance expenditure	Amt.	% in total maintenance expenditure
Water supply improvement	46.9	17.6	45.7	18.8	47.4	20.8	52.7	20.0	61.0	23.7
Lighting improvement	9.5	3.6	10.5	4.3	10.7	4.7	14.0	5.3	12.9	5.0
Solid Waste Management	47.6	17.6	34.3	14.1	28.1	12.3	35.1	13.3	32.7	12.7
Road Maintenance	38.9	14.6	36.6	15.1	35.3	15.5	39.7	15.0	38.9	15.1
Drain Repair	14.3	5.4	13.1	5.4	12.9	5.6	14.8	5.6	15.4	6.0
Buildings	31.7	11.9	32.5	13.4	28.8	12.6	32.8	12.4	31.3	12.1
Others	77.9	29.2	70.2	28.9	64.7	28.4	74.6	28.3	65.3	25.4
Total	267	100	243.0	100	227.8	100	263.8	100	257.6	100



8.37 The average expenditure per capita per year in the sample Gram Panchayats between 2017-22 is Rs. 998.7. During this period, the revenue expenditure per capita per year is Rs. 267.7 which is Rs. 547.2 for capital expenditure. Under the revenue expenditure, per capita per year Rs. 50.7 is being spent on Water Supply improvement, Rs. 37.85 on road maintenance, Rs. 35.5 on solid waste disposal, Rs. 31.40 on Building repair, Rs. 14.10 on drainage repair and Rs. 11.5 on lighting improvements.

Table 8.9
Maintenance Expenditure in Sample G.P. (Per G.P. , Per Capita)

(in Rs.)

Description	2017–18		2018–19		2019–20		2020–21		2021–22	
	Per G.P. Average Expend	Per Capita Avrg. Expend	Per G.P. Average Expend	Per Capita Avrg. Expend	Per G.P. Average Expend	Per Capita Avrg. Expend	Per G.P. Average Expend	Per Capita Avrg. Expend	Per G.P. Average Expend	Per Capita Avrg. Expend
Water supply improvement	78820	46.8	76786	45.6	79597	47.3	88668	52.7	102543	60.9
Lighting improvement	16061	9.5	17688	10.5	17925	10.6	23590	14.0	21703	12.9
Solid Waste Management	80008	47.5	57706	34.3	47221	28.1	58996	35.0	54893	32.6
Road Maintenance	65418	38.9	61621	36.6	59359	35.3	66720	39.6	65433	38.9
Drain Repair	24164	14.4	22088	13.1	21623	12.8	24870	14.8	25927	15.4
Buildings	53350	31.7	54633	32.5	48444	28.8	55076	32.7	52594	31.2
Others	130993	77.8	117950	70.1	108779	64.6	125476	74.6	109839	65.3
Total	448813	266.7	408472	242.7	382949	227.5	443396	263.5	432933	257.3

8.38 According to the sample study by Finance Commission, the average Capital Expenditure per Gram Panchayat per year is Rs. 9,88,269. Among the various components of capital expenditure, the average expenditure per Gram Panchayat per year is for road construction Rs. 2,49,147, Building construction – Rs. 1,87,992, Solid Waste Disposal - Rs. 1,18,151. Water Supply Rs. 1,09,248, Drain Construction - 78,171 Rs. and expenditure on lightings is Rs. 30,567 (Table 8.10)

Table 8.10
Capital Expenditure in Sample Gram Panchayat

(Rs. In Crore)

Description	2017–18		*2018–19*		2019–20		2020–21		2021–22	
	Per G.P. Average Expend	Per Capita Avrg. Expend	Per G.P. Average Expend	Per Capita Avrg. Expend	Per G.P. Average Expend	Per Capita Avrg. Expend	Per G.P. Average Expend	Per Capita Avrg. Expend	Per G.P. Average Expend	Per Capita Avrg. Expend
Water supply improvement	47.7	7.8	51.9	8.6	60.3	10.7	69.0	11.8	96.0	16.6
Lighting improvement	9.8	1.6	11.7	1.9	17.0	3.0	22.6	3	29.8	5.1
Solid Waste Management	135.0	22.0	68.4	11.4	43.8	7.8	55.9	9.6	48.3	8.4
Road	128.9	21.0	170.3	28.4	169.9	30.2	145.9	24.9	126.2	21.8

Maintenance										
Drain Repair	45.8	7.4	44.3	7.4	43.3	7.7	47.3	8.1	51.8	8.97
Buildings	112.6	18.3	125.3	20.9	106.9	19.0	111.3	19.0	103.1	17.8
Others	134.9	22.0	128.5	21.4	120.6	21.5	133.1	22.7	122.5	21.2
Total	614.7	100	600.4	100	561.9	100	585.3	100	577.8	100

8.39 On studying the sample Gram Panchayat area by classifying it as non-scheduled area and scheduled area it becomes clear that - The percentage of Capital Expenditure in the total expenditure is higher in the Gram Panchayats of scheduled area as compared to the Gram Panchayats of non-scheduled area. The average Capital Expenditure per capita per year in gram Panchayats of scheduled area is Rs. 594, while it is Rs. 584 for the Gram Panchayats in non- scheduled area.

8.40 In the Gram Panchayats of both scheduled and non-scheduled areas, the maximum expenditure Under Capital Expenditure is being made for road construction, followed by Capital Expenditure for Building Construction and Water Supply respectively. The share of Capital Expenditure under the head of Water Supply is continuously increasing.

Opening Balance and Closing Balance

8.41 In the year 2017-18, the opening balance of 5,950 Gram Panchayats was Rs. 635.71 Cr. and the closing balance was Rs. 822.65 Cr. which increased to Rs. 1533.50 Cr. and Rs.1784.77 Cr. respectively in the year 2021-22. This imposes question mark on the spending capacity of Janpad Panchayats. There is a need to work on this.

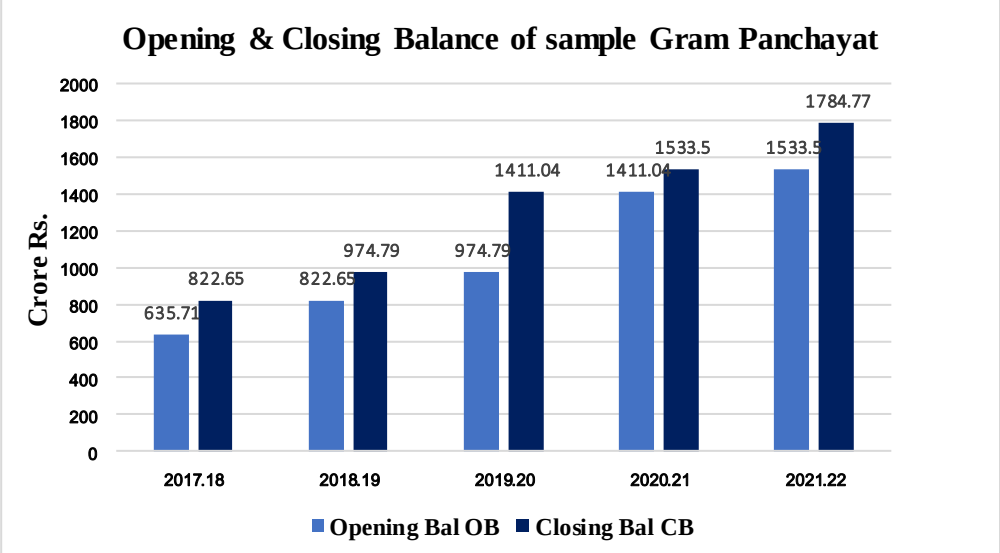
Table 8.11

Opening and closing balance of sample G.P.

(Rs. In crore)

S.N.	Description	2017-18	2018-19	2019-20	2020-21	2021-22
1	Opening balance	6,35.71	8,22.65	9,74.79	14,11.04	15,33.50
2	Closing balance	8,22.65	9,74.79	14,11.04	15,33.50	17,84.77

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Review of the financial position of Janpad Panchayats

8.42 The taxing powers of the Janpad Panchayats are limited. However, the Janpad Panchayats can levy taxes on theatrical performances and other Public Entertainment performances. The Janpad Panchayats have the power to impose development tax on the agricultural lands and to collect fees for use or occupation of lands vested in, or maintained by the Janpad Panchayats.

8.43 4th State Finance Commission has included 100 Janpad Panchayats as sample size to study the financial status of Janpad Panchayats in the state. which is 68.5% of the total Janpad Panchayats in the state, therefore, the financial conditions of the Janpad Panchayats displayed by the commission are in accordance with the actual conditions.

8.44 The total financial receipts of the Janpad Panchayats are shown in table 8.13. The own source receipts of the Janpad Panchayats are only 1% of the total receipts. The Janpad Panchayats are completely dependent on transfers from the State Government to meet their financial obligations and requirements. Janpad Panchayat's receipts from the recommendations of the State Finance Commission constitute about 19% of their total receipts, while assigned receipts have averaged 13.8% per year between 2017-22. (Table 8.12)

Table 8.12
Receipts of Sample Janpad Panchayats

(Rs. in Crore)

Description		2017-18		2018-19		2019-20		2020-21		2021-22	
		Amount	% of total Receipts	Amount	% of total Receipts	Amount	% of total Receipt	Amount	% of total Receipts	Amount	% of total Receipts
I	Receipts from own sources(1+2)	3.8	1	3.2	1	4.0	1	2.28	0	3.7	1
1	Tax revenue	0.5	0	0.1	0	0.1	0	0.01	0	0.01	0
2	Non tax revenue	3.3	1	3.1	1	3.9	1	2.27	0	3.7	1
II	Transfer from State Govt. (3+4+5+6+7+8)	404.8	99	459.0	99	354.4	99	369.1	70	371.4	72
3	Assigned receipts	73.6	18	59.4	13	51.0	14	60.1	11	68.1	13
4	Receipts from the recommendation of the SFC	102.2	25	100.3	22	59.6	17	74.6	14	84.2	16
5	amount received from state government in any scheme	95.5	23	87.7	19	76.3	21	76.0	14	79.4	15
6	MP/MLA fund	57.6	14	67.0	15	79.4	22	72.0	14	65.6	13
7	Amount received for transfer to Gram panchayat	36.7	9	61.5	13	45.2	13	45.6	9	36.7	7
8	Other grants	39.1	10	83.0	18	42.8	12	40.6	8	37.5	7
III	Transfer from centre (Recommendation of 13th ,14th FC)	0	0	0	0	0	0	156.4	30	141.9	27
IV	Grant total	408.5	100	462.2	100	358.4	100	527.4	100	517.1	100

Source – 4th SFC C.G.

8.45 Of the receipts of Janpad Panchayats, 99% are from non - tax revenue heads while only 1% are from revenue heads. Between 2017-22 tax revenue receipts of the

sample Janpad panchayats have decreased at the rate of 56% CAGR, while among non-tax revenue heads, rent receipts grew by 11.4%. and market fees and other receipts grew at a compound annual growth rate of more than 1%.

8.46 The assigned receipts of the Janpad Panchayats between 2017-22 averaged Rs. 3.12 Cr. per year per Janpad Panchayat, during which the assigned revenue from Royalty on minor minerals showed a decreasing trend while grants from stamp and registration fees showed an increasing trend.

8.47 About 50% of the amount to be distributed to the janpad panchayat on the recommendation of the State Finance Commission has been transferred for the honorarium of panchayat offices of which more than 20% of the amount has been transferred to the Janpad Panchayat Development Fund.

8.48 The study of Sample Janpad Panchayats makes it clear that between 2017-22, the revenue expenditure of Janpad Panchayats has increased at the rate of 1.61%. CAGR. Moreover, the revenue expenditure of Janpad Panchayats is increasing rapidly and is at the level of about 20% of the total expenditure. whereas in the same period, the Capital Expenditure of the Janpad Panchayats has decreased at the rate of (-8.54%) CAGR and it is at the level of 3% of the total expenditure. The largest head of the expenditure of Janpad Panchayats is the expenditure on schemes from the funds received from the state government, which is 33% of the total expenditure.

8.49 Janpad Panchayats are spending about 87% of their total expenditure on establishment expenditure While 7% on maintenance expenditure. Establishment expenditure is increasing at the rate of 1.59%. CAGR while maintenance expenditure is increasing at the rate of 5.50% CAGR.

Table No. 8.13

Expenditure Structure of Sample Janpad Panchayats

(Rs. In Crore)

No.	Description	2017-18		2018-19		2019-20		2020-21		2021-22	
		Exp.	% of total exp.	Exp.	% of total exp,	Exp.	% of total exp.	Exp.	% of total exp.	Exp.	% of total exp.
1.	Revenue expenditure	49.42	20.11	46.65	17.38	48.43	20.45	52.98	20.46	52.68	22.08
2.	Capital expenditure	9.41	3.83	9.03	3.36	4.51	1.91	8.23	3.18	6.58	2.76
3.	Expenditure of amount received for state sponsored schemes	90.47	36.82	94.42	35.19	78.25	33.05	79.87	30.85	78.22	32.79
4.	Expenditure of MP fund, MLA fund	56.49	22.99	66.63	24.83	70.60	29.82	75.16	29.03	56.07	23.51
5	Transfers to Gram Panchayats	39.91	16.24	51.61	19.23	34.96	14.77	42.67	16.48	45.00	18.86
SUM		**246**	**100.00%**	**268.35**	**100.00%**	**236.76**	**100.00%**	**258.92**	**100.00%**	**238.55**	**100.00%**

Source – 4th SFC C.G.

Opening Balance and Closing Balance of Janpad Panchayat

8.50 In terms of the Closing balance, the situation of Janpad Panchayats also, is similar to that of Gram Panchayats. In the year 2017-18. the closing balance of the sample Janpad Panchayats was Rs. 545.81 Cr. which increased to Rs. 1408.78 Cr. in 2021-22.

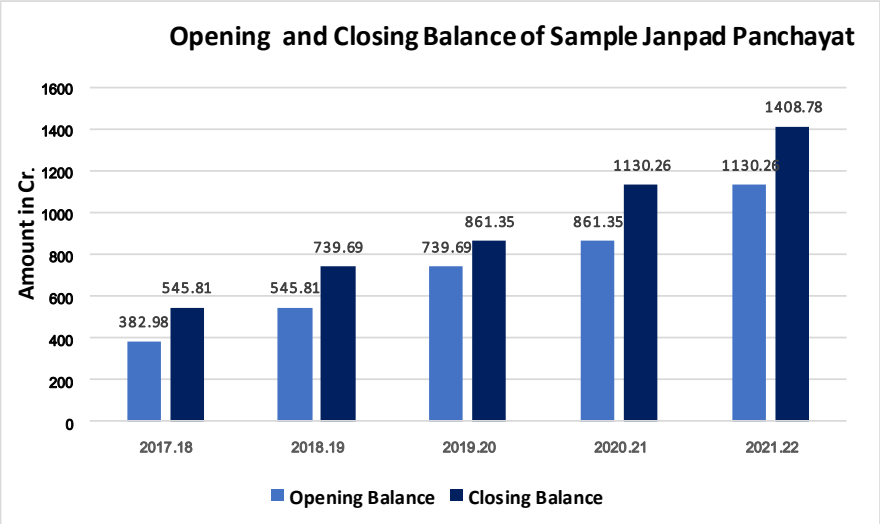
Table No. 8.14

Opening and Closing Balance of Sample Janpad Panchayat

(Rs. In Crore)

Description	2017-18	2018-19	2019-20	2020-21	2021-22
Opening balance	3,82.98	5,45.81	7,39.69	8,61.35	11,30.26
Closing balance	5,45.81	7,39.69	8,61.35	11,30.26	14,08.78

Sources - 4th SFC C.G.



Review of the financial position of Zila Panchayats

8.51 Zila Panchayats have very limited powers in relation to taxation. They only have the power to increase surcharge on land revenue which they distribute to the Janpad Panchayats and Gram Panchayats falling under their Jurisdiction, a Part from this, as a non-tax revenue source, Zila Panchayats can give ponds on rent or lease for fish farming.

8.52 The 4th State Finance Commission has included 19 Zila Panchayats as a sample size in its survey. The Zila Panchayats are completely dependent on the funds received from the transfer from the State Government and the recommendations of the Central Finance Commission. The sample Zila Panchayats received only Rs. 16,168 per Zila Panchayat per year from their own revenue sources between 2017-22, most of which came from their own non-tax revenue Sources. between 2017-22, each of the sample Zila Panchayat received a total amount of Rs. 106.23 Cr. per year, of which Rs. 74.93 Cr. was received as a transfer from the State Government while Rs. 34.3 Cr. was received on the recommendation of the Central Finance Commission. In these

five years, on an average 70% of the total Amount received by the Zila Panchayat is from the amount transferred from the State Government.

Table 8.15
Receipts of Sample Zila Panchayat

(Rs. In crore)

Description		2017-18		2018-19		2019-20		2020-21		2021-22	
		Amt.	% in total receipt	Amt.	% in total receipt	Amt.	% in total receipt	Amt.	% in total receipt	Amt.	% in total receipt
I	Receipts from own sources(1+2)	0.2	0	0.05	0	0.06	0	0.06	0	0.06	0
1	Tax revenue	0.15	0	0	0	0	0	0	0	0	0
2	Non tax revenue	0.07	0	0.05	0	0.06	0	0.06	0	0.06	0
II	Transfer from State Govt. (3+4+5+6+7+8)	18320	76.4	1403.0	73.2	1283.0	59.7	1120.6	59.5	1195.0	68.4
3	Assigned receipts	89.0	3.7	53.6	2.8	82.4	3.8	59.2	3.1	60.9	3.5
4	Receipts from the recommendation of the SFC	400.9	16.7	339.5	17.7	230.3	10.7	192.3	10.2	294.4	16.9
5	amount received from state government in any scheme	472.4	19.7	270.2	14.1	174.7	8.1	107.7	5.7	105.4	6.0
6	MP/MLA fund	7.8	0.3	7.6	0.4	12.6	0.6	9.0	0.5	8.5	0.5
7	Amount received for transfer to Gram panchayat	193.7	8.1	101.6	5.3	257.3	12.0	143.7	7.6	147.1	8.4
8	Other grants	668.1	27.9	630.3	32.9	525.6	24.4	608.6	32.3	578.6	33.1
III	Transfer from centre (Recommendation of 13th ,14th FC)	564.9	23.6	512.2	26.8	867.0	40.3	761.7	40.5	550.8	31.6
IV	Grant tatal	2397.2	100	1915.3	100	2150.0	100	1882.3	100	1745.8	100

Source – 4th SFC C.G.

8.53 The largest component of the expenditure of Zila Panchayats is the expenditure of amount received in schemes from the State Government, followed by transfer of funds to Gram Panchayats and revenue expenditure respectively. For the year 2017 to 2022, the total expenditure of Zila Panchayat has declined at the rate of -20.5% CAGR During this period, maintenance expenditure and establishment expenditure of Zila panchayats has declined to -67.35 % CAGR and -12.58% CAGR respectively. It is noteworthy that between 2017-22, with an annual average of Rs. 223.45 crore was spent by each Zila Panchayat, out of which revenue expenditure per Zila Panchayat averaged Rs. 331.61 crore per year and Capital Expenditure averages Rs. 8.7 Cr. per year.

Table 8.16
Expenditure Structure of Sample Zila Panchayat

(Rs. In Crore)

S.N.	Description	2017-2018		2018-2019		2019-2020		2020-2021		2021-2022	
		Exp.	% of total exp.	Exp.	% of total exp.	Exp.	% of total exp.	Exp.	% of total exp.	Exp.	% of total exp.
1	Revenue exp.	282.42	21.14	266.05	26.20	43.72	6.23	17.07	2.59	29.45	5.52
2	Capital exp.	56.46	4.23	40.48	3.99	28.12	4.01	22.10	3.35	17.74	3.33
3	Expenditure of amount received for state sponsored schemes	637.17	47.70	416.72	41.03	225.69	32.17	274.95	41.68	190.86	35.79
4	Expenditure of MP fund, MLA fund	7.37	0.55	6.53	0.64	11.28	1.61	8.15	1.24	7.43	1.39
5	Transfers to Gram Panchayats	352.39	26.38	285.80	28.14	392.67	55.98	337.36	51.14	287.73	53.96
Total		**1335.81**	**100.00**	**1015.57**	**100.00**	**701.48**	**100.00**	**659.62**	**100.00**	**533.21**	**99.99**

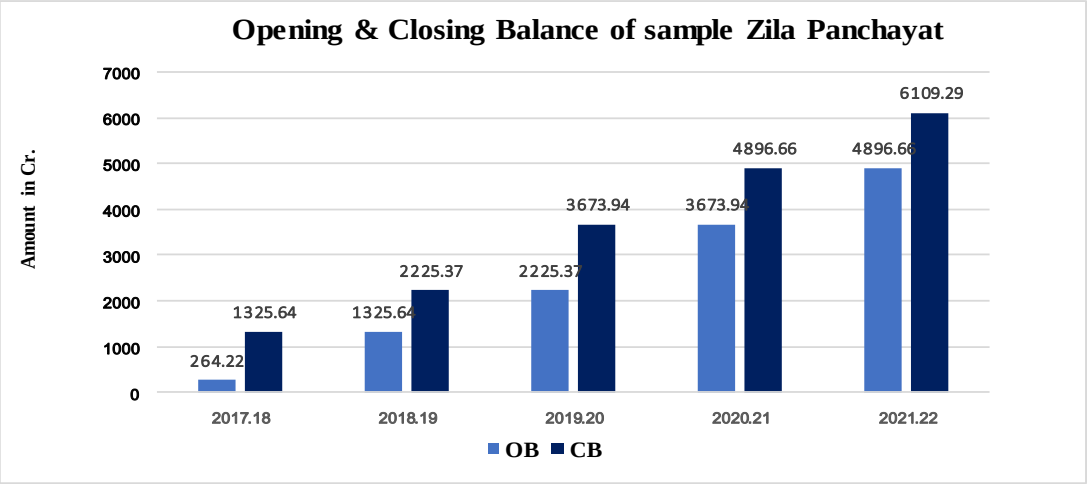
Opening balance and closing balance of Zila Panchayats

8.54 Based on the data compiled by 4th State Finance Commission the closing balance in 2021-22 after gradual increase in Rs 6,109.29 Cr. year-wise information of closing balance for the year 2017-18 to 2020-21 can be seen in Table 8.17.

Table 8.17
Opening and closing balance of Sample Zila Panchayats

Description	2017-18	2018-19	2019-20	2020-21	2021-22
Opening balance	2,64.22	13,25.64	22,25.37	36,73.94	48,96.66
Closing balance	13,25.64	22,25.37	36,73.94	48,96.66	61,09.29

Source – 4th SFC C.G



8.55 According to the data received of the final balance of three tier Panchayats, the closing balance in Gram Panchayat in Rs 1784.77 Cr., in Janpad Panchayat, it is Rs 1,408.78 Cr. and in the Zila Panchayat, it is Rs. 6,109.29 Cr. In the accounts of three-tier Panchayati Raj Institution, as of march 2022, the balance amount of Rs. 3,500 Cr. in Gram Panchayat, Rs. 2,056 Cr. in Janpad Panchayats and Rs. 9,003 Cr. in Zila Panchayat is estimated to be available, which requires serious consideration.

8.56 As of march 2022, the closing balance in rural Panchayati Raj Institutions is estimated to be Rs. 14559 crore. According to the data received from the Gram Panchayats, the contribution of the amount received from interest in non-tax revenue income is approximately so percent. **Therefore, the commission recommends that "rules should be made for the expenditure of interest amount received by Panchayati Raj Institutions.**

Accounts and Audit of the Three-Ties Panchayati Raj Institution

8.57 According to the American Institute of Certified Public Accounts, **"Accounting is the art of recording, classifying and summarizing, in a significant manner which are in terms of money, transactions and events which are, in part at least, of a financial character, and interpreting the results there of."** In this way, accounting is a process of identifying, measuring and communicating economic information on the basis of which its users are able to take rational decisions. It is in this context that the accounting of Panchayati Raj Institutions have been evaluated.

8.58 The “Panchayat Accounting Rules 1999” under Section 95 of the Chhattisgarh Panchayati Raj Act 1993 are applicable in three-tier Panchayati Raj institutions.

8.59 Accounting and accounting maintenance in Panchayati Ra Institutions are not at standard level due to which relevant data is not obtained. Therefore, the **Commission recommends that "rules should be made by the Government for the classification of budget and accounting in Panchayat institutions, in which the method of classification of accounting should be in accordance with the classification made for the Government." For this an expert committee should be constituted by the government which should include the Accountant General. Director-state Audit and representatives of Panchayat and Finance Departments.**

8.60 A software should also be developed for budget and accounting in Panchayats, so that uniformity quality, accuracy and transparency can be ensured in accounting and accounting maintenance and reliable data can be obtained for policy making.

8.61 At present, the accounting of the amount received from the Central Finance Commission is being done in the e-Gram Swaraj Portal created by the ministry of Panchayati Raj, Government of India. The accounting of the amount received from the State Finance Commission, the amount received from own revenue and the amount received under various schemes is being done manually.

8.62 In Panchayati Raj institutions the responsibility of accounting and maintenance of accounts is of the Panchayat secretary. Accounting and maintenance of accounts in the Rural local bodies is not being done in the prescribed format. Due to this, it is not possible to get relevant information about head-wise Income and Expenditure, Utilization of Grants received etc. In the data related to income and expenditure of panchayats collected by the commission, the Amounts/Data shown under “other receipts” and "other expenditure” is more than one-third, which confirms the aforesaid facts.

8.63 The quality of accounting in Panchayati Raj Institutions is not satisfactory. Due to lack of quality and transparency of accounting, the credibility of the data maintained by Panchayati Raj Institutions is not of Standard level.

8.64 Chhattisgarh State Audit is the statutory auditor of the local bodies and has the constitutional responsibility of auditing all the works assigned to the local bodies.

8.65 As per the recommendation of the 13th France Commission, technical guidance and supervision is being provided to Chhattisgarh state Audit by the Comptroller and Auditor General.

8.66 At present, the status of pendency of audits of Panchayati Raj institution in the period of financial year 2021-22 is as follows-

Table 8.18

Status of Audit in Panchayati Raj Institution

S.N.	Local body	Number of local body	Number of pending financial year	Number of FYs of the audited body in FY 2021-22	Number of financial years remaining pending
1	**Zila Panchayat**	27	174	10	164
2	**Janpad Panchayat**	146	895	82	813
3	**Gram Panchayat**	11321	162792	446	162346
Total		**11494**	**163861**	**538**	**163323**

Source – Directorate, State Audit, C.G.Govt.

8.67 On the instructions of the ministry of Panchayati Raj, Government of India, the amount received by the Panchayati Raj Institutions from the Central Finance Commission is to be audited through online software. As of 01.03.2023, 10,361 Panchayati Raj Institutions have been audited.

8.68 The audit through online software is related to the works operated from the amount received from central Finance Commission which is 45 to 70% of the transactions of Panchayati raj institutions.

8.69 The objections received after the audit of local bodies are to be resolved under Section 10(2) of the Chhattisgarh State Audit Act 1973. The status of audit objections and disposal of the last 5 years is as follows –

Table 8.19
Number of Objections in PRI since last 5 years

Local body	Residual objection		Objection raised in the last 5 years		Resolved objection in last 5 years		Pending objections at present	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Zila Panchayat	21124	4975.55	1076	1243.61	316	757.86	21884	5461.31
Janpad Panchayat	36578	1988.55	12110	1978.77	2273	310.74	46415	3656.58
Gram Panchayat	127740	402.21	119708	686.12	36950	124.82	210498	963.51
Total	**185442**	**7366.31**	**132894**	**3908.52**	**39539**	**1193.43**	**278797**	**10081.40**

Source-– Directorate, State Audit, C.G.Govt.

8.70 After audit of Panchayati Raj Institutions of the state, the total number of objections registered at present is 278797, in which an amount of approximately Rs. 1,00,841 Cr. is under-examination.

Human Resources

8.71 Gram Panchayats are not capable enough in appointing employees from their own resources although in comparison to the time of formation of the State, the number and percentage of appointment of employees from their own resources by Gram Panchayat is progressive from both the point of view.

8.72 There are huge regional disparities in the appointment of employees by Gram Panchayats from their own resources. The number and percentage of such appointments is higher in the districts that have been able to utilize their local resources and increase tax collection. Whereas in other districts which are suffering from development problems, this type of appointment is at minimum level.

8.73 Gram Panchayats of non-scheduled areas are marking meaningful efforts to appoint employees form their own resources. but Gram Panchayat of scheduled areas are not that capable of making such appointments. Lack of resources in the Gram Panchayats in the state, inability to properly exploit the available resources, low tax collection capacity low level of quality of required human resources and lack of ambition and motivation for innovative progress among the panchayat representatives slow down the pace of rural economic development. This study supports the view that Panchayati Raj Institution based rural development can lay the foundation for Sustainable and Permanent Development.

8.74 Panchayati Raj Institutions are also problematic in terms of availability of human resources for smooth execution of the functions of Panchayats. Most of the 11,664 Gram Panchayats in the state are not able to arrange human resources even with

their own resources. Therefore, **the commission recommends that "Consideration should be given to limiting the number of Gram Panchayats and restructuring of Gram Panchayats should be done on the basis of population and financial feasibility. For PESA and non- PESA Gram Panchayats it would be appropriate to set different limits for reorganization on the basis of population".** Commission. It is noteworthy here that there are 6798 Gram Panchayats in the state of Odisha and 22695 Gram Panchayats in Madhya Pradesh whereas Chhattisgarh has 11664 Gram Panchayats which is proportionately higher.

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Chapter 9

Basic Facility in Urban bodies

- **Basic facilities available in Urban bodies**
- **Basic facilities available in Nagar Panchayats**
- **Basic facilities available in Municipal Councils (Nagar Palika Parishad)**
- **Basic facilities available in Municipal Corporations(Nagar Nigam)**

9.1 After the formation of Chhattisgarh state, economic activities have expanded rapidly in the cities and industrial areas of the state. As a result, there has been migration form rural areas to urban areas due to various reasons. This has led to a rapid increase in the population of urban areas.

9.2 It is the responsibility of the urban bodies to provide basic facilities to the citizens in urban areas, hence it becomes necessary to evaluate the quantity and quality of the basic services being provided by the local bodies, so that the urban bodies can know the need of resources for this and a time bound plan can be made to ensure the prescribed quantity and quality.

9.3 In this chapter, along with above references. study of basic facilities being provided by unban local bodies has been done**.**

Accepted sample size

9.4 Fourth state finance commission Obtained data from 82 urban bodies out of 170 for study of basic facilities in urban bodies and their financial status.

9.5 Information from the urban bodies was sought online through questionnaires. The accuracy of the data received from these bodies was verified and the information received from 82 urban bodies was accepted for the study as the sample size.

9.6 For the study of basic facilities and financial status of Nagar panchayats 49 Nagar Panchayats out of 112 were accepted as sample size, which is 43.7% of the total number of Nagar Panchayats and 46.5%. of the total population residing in all Nagar panchayats of the state.

9.7 For the study of basic facilities of municipalities and their financial position. 26 municipalities out of 44 have been accepted as sample size which are 59%. of the total number of municipalities and 53.6%. of the total population residing in all municipalities of state.

9.8 For the study of municipal corporation, 7 municipal corporation out of 14 municipal corporations in the state have been accepted as the sample size. In the municipal corporations of sample size 60.9% of the total population of all municipal corporations in the state resides.

9.9 The fourth state Finance commission has adopted a large-scale sample size for the study of urban bodies, under which the access to basic facilities to almost half of the total population of urban bodies has been studied.

9.10 The commission also faced difficulty in obtaining online information through questionnaires. The information provided by many municipal bodies was erroneous and incomplete. Despite reminders to correct the errors, the information, received was incomplete. Especially in case of municipal corporation more errors were found in the information obtained from municipal corporations. Hence the study of the basic facilities in Urban bodies and their financial status became more laborious.

Basic facilities available in Urban bodies

9.11 As the commission's view has been made clear in point 2.19 of chapter 2, the centre of our discourse will be the basic amenities provided by the local bodies. In this context, in this chapter basic civic amenities like water supply, solid waste management, sewerage arrangements etc. which are being provided by the urban bodies will be analyzed.

9.12 This analysis has been done on the basis of the report of the ministry of Urban Welfare, Government of India (2010-11), Chhattisgarh Data Book 2015-16, Information received from the Urban Administration and Welfare Department and data collected by the commission.

Table No - 9.1
Water Supply Service (Urban Bodies)

S. No.	Indicators	Benchmark Value	Year wise achievement			
			2010-11 *	2015-16 #	2019-20 &	2021-22 $
1.1	Extension of water supply connection	100.00%	24.26	38.91	42.83	56.31
1.2	Per capita water availability	135 lpcd	46.16	73.58	81.64	93.04
1.3	Expansion of Meterization of water supply connection	100.00%	0.89	0.21	3.74	34.20
1.4	Quantity of Non-Revenue water	20.00%	65.31	50.98	36.74	-
1.5	Continuity of water supply	24 hours	3.03	2.91	3.07	-
1.6	Efficiency to resolve the consumer complaints	80.00%	73.85	78.59	86.54	-
1.7	Quality of supplied water	100.00%	61.25	77.48	94.19	-
1.8	Cost recovery in water supply	100.00%	25.85	44.44	31.13	32.53

* Ministry of Urban Development Government of India, Service Levels in Urban Water and Sanitation Sector Status Report (First Edition, 2010-2011).

Performance Assessment Report Urban Water and Sanitation Sector, Chhattisgarh Databook 2015-2016.

& Information received from the Urban Administration Department

$ Data Collected by Commission ¼2021&22½

9.13 In the year 2010-11, 24 .26% of the houses in local urban bodies were provided with water supply service which increased to 38.19% in 2015-16 ,42.83% in 2019-20 and 56.31% in 2021-22 Thus, against the prescribed limit of 135 liters of water per person per day, 93.04 liters of water is being provided by the local urban bodies. Improvement in water quality is also been made.

9.14 Cost recovery of supplied water and metering in houses is set at 100% level. against which the achievements are 32.53% and 34.02% respectively which is almost one third of the prescribed target. There is a need to focus on water quality and continuity of water supply etc. In Table no 9.1, above facts can be seen.

Solid waste management

9.15 Collection, segregation, reuse, scientific disposal and cost recovery under solid waste management is a special and challenging task. The urban bodies of the state have done a commendable Job in this field.

9.16 According to sample data, about 14 metric tons of solid waste is being generated in the municipal area, out of which 99% is being collected by the civic bodies. 67% of the roads are also being cleaned regularly.

9.17 Commendable Job has been done in the area of solid waste management by the urban bodies of the state. There have been more than 90% achievements on four major points out of various points of the prescribed parameters for solid waste management. It is necessary to keep focus on cost recovery and the scientific disposal of the wastes. The progress of the works done by urban bodies in this field can be seen below in Table no - 9.2

Table 9.2

Solid Waste Management (Urban bodies)

S. No.	Indicators	Benchmark Value	Year wise achievement			
			2010-11 *	2015-16 #	2019-20 &	2021-22 $
2.1	Expansion of Solid Waste Management Service	100.00%	11.17	29.82	96.26	93.44
2.2	Solid waste collection capacity	100.00%	77.49	88.26	96.26	99.28
2.3	Separation of Urban Solid Waste	100.00%	0.16	4.14	96.26	93.85
2.4	Reuse of Urban Solid Waste	80.00%	0.12	2.60	96.26	91.55
2.5	Scientific disposal of Urban Solid Waste	100.00%	0.00	0.01	98.64	-
2.6	Cost recovery in Solid Waste Management	100.00%	12.08	27.54	42.89	34.18
2.7	Ability to resolve consumer complaints	80.00%	71.42	79.12	89.36	-

9.18 Under any system, cost recovery plays a major role in providing continuity to that system. It is important to operate and to provide continuity to the system. There is a lot of Scope for work in this area. The cost recovery in solid waste management by Urban bodies is about one-third.

Sewerage management

9.19 The present availability of toilets in the houses in the urban body areas of the state is 100%. while in the year 2010-11, toilets were available in the 70.18% households, it increased to 74.22% in 2015-16, 96.26% in 2019-20 and 100% in 2021-22.

Table 9.3
Sewerage Management (Urban Bodies)

S. No.	Indicators	Benchmark Value	Year wise achievement			
			2010-11 *	2015-16 #	2019-20 &	2021-22 $
3.1	Availability of toilets	100.00%	70.18	74.22	96.26	100
3.2	Extent of Sewerage network service	100.00%	2.07	0.13	0.19	-
3.3	Collection Capacity of Sewage Network	100.00%	0.00	0.12	0.31	-
3.4	Sewage treatment capacity sufficiency	100.00%	0.00	0.71	4.26	-
3.5	Quality of treated sewage water	100.00%	0.00	2.56	2.38	-
3.6	Quantity of sewage reuse treated water	20.00%	0.00	0.00	0.00	-
3.7	Cost recovery in sewerage	100.00%	0.00	11.89	2.99	-
3.8	Ability of resolve consumer complaints	80.00%	11.13	75.89	88.25	-
3.9	Cost recovery Potential in Sewerage	90.00%	0.00	3.16	0.00	-

9.20 Sewerage treatment is installed in about 43% Municipal Corporation. 4% Municipalities and 2% Nagar Panchayat areas. Its percentage in total urban body is only 7.3.

9.21 In the field of sewage management except the availability of toilets in the houses, the progress of the urban bodies on other points has been disappointing, no significant progress has been made in the areas of sewage disposal network, collection capacity, treatment capacity etc. after the formation of the state, which now needs to be focused on. Information about the achievement of urban areas in sewage management is given below.

Availability of roads and drains

9.22 The total length of roads in unban bodies of the state is 5469 KM in which 17% roads are unpaved drain facility is available in 76.15%. roads. Roads with drains are available to 72.09%. of the population of urban bodies.

Lighting facility

9.23 Lighting facility is available in the 78.61%. of the total length of the roads. 74.83% of total public places and in 78.61% roads in urban bodies are equipped with lighting facilities.

Other facilities in Urban Bodies

9.24 CCTV is installed in about 24% of urban bodies, this facility is available to about 8% of the population.

9.25 84% of the urban bodies have veterinary hospitals and 95% of the urban bodies have kennels.

9.26 According to census 2001, 24.45% of the total population lived in slums which has decreased to 22.46% as per census 2011.

9.27 Work has been done on almost all the indicators in the field of solid waste management as part of the basic services provided by the urban bodies. But in other services like water supply, sewerage management, roads and drains, lighting facility etc. there is a fulfilment gap between the prescribed service supply and service quality standards and its availability in present situation. **Therefore, the commission recommends that work should be done by preparing a time-bound action plan to fill the existing gap in the indicators or standards set for the availability and quality of basic services.**

Basic facilities available in Nagar Panchayats:

As per census 2011, 59.39 lakhs of the population reside in the urban bodies of the state in which 17% population lives in the 112 Nagar Panchayats of the state.

Point-wise analysis of the basic facilities made available by the Nagar panchayats is as follows –

Water Supply Service (Nagar Panchayats)

9.28 The average percentage of houses with tap water facility in the Nagar Panchayat areas of the state is 33.72. It is more than 80% in Nagar Panchayat Arjunda District –

Balod and Nagar Panchayat Saja, District – Bemetara, whereas in Nagar Panchayat Bishrampur, District – Surajpur and Nagar Panchayat Khongapani, District – Korea, this facility is zero percent.

Table 9.4

Water Supply Service (Nagar Panchayat)

S. No.	Indicators Water supply services	Benchmark Value	Year wise achievement			
			2010-11 *	2015-16 #	2019-20 &	2021-22 $
1.1	Extension of water supply connection	100.00%	0.00	31.39	34.39	33.72
1.2	Per capita water availability	135 lpcd	0.00	62.36	73.34	83.94
1.3	Expansion of Meterization of water supply connection	100.00%	0.00	0.14	0.00	0.00
1.4	Quantity of Non-Revenue water	20.00%	0.00	54.93	40.35	-
1.5	Continuity of water supply	24 hours	0.00	2.63	2.96	-
1.6	Efficiency to resolve the consumer complaints	80.00%	0.00	68.95	87.56	-
1.7	Quality of supplied water	100.00%	0.00	66.48	94.86	-
1.8	Cost recovery in water supply	100.00%	0.00	39.43	31.68	30.95

9.29 The houses getting water facility from public tap are 8.92%. Among the available resources. 23.03% water facility is available through hand pump, 21.09% through own resources and the remaining through other sources.

9.30 At the state level, the average percentage of water tax collection against water supply expenditure by Nagar Panchayats is 30.95 in one third of Nagar Panchayats, the collection of water tax against water supply is zero percent.

9.31 The percentage of metered tap connections in Nagar Panchayats is also zero. The average water availability per person per day in Nagar Panchayat area is 83.94 litres against 135 litres.

9.32 The performance of Nagar Panchayats against the prescribed standards for water supply can be seen in Table 9.4 .

Solid Waste Management in Nagar Panchayats

9.33 On an average 1.55 metric tons of solid waste is being generated every day from the Nagar Panchayat areas in the state which is being collected 100 percent.

Table 9.5

Solid waste management (Nagar Panchayat)

S. No.	Indicators	Benchmark Value	Year wise achievement			
			2010-11 *	2015-16 #	2019-20 &	2021-22 $
3.1	Expansion of Solid Waste Management Service	100.00%	0.00	18.66	98.20	93.59
3.2	Solid waste collection capacity	100.00%	0.00	82.99	98.20	100
3.3	Separation of Urban Solid Waste	100.00%	0.00	0.00	98.20	83.89
3.4	Reuse of Urban Solid Waste	80.00%	0.00	0.00	98.20	65.96
3.5	Scientific disposal of Urban Solid Waste	100.00%	0.00	0.00	98.20	-
3.6	Cost recovery in Solid Waste Management	100.00%	0.00	25.76	54.28	31.80
3.7	Ability of resolve consumer complaints	80.00%	0.00	72.98	90.44	-

9.34 Arrangements for waste collection have been made in 100 percent areas under most of the Nagar Panchayat areas. At the state level, waste collection system in available in 93.6% of Nagar Panchayat areas.

9.35 At the state level, 83.89% of the solid waste collected in Nagar Panchayat areas is being separated and 65.96% is being recycled.

9.36 At the state level, 34.2% of the total length of roads, constructed in Nagar Panchayat areas are being cleaned regularly.

9.37 Nagar Panchayats are able to recover only 31.8% of the expenditure being incurred by Nagar Panchayat areas for solid waste collection.

Sewerage Management in Nagar Panchayats

9.38 In the Nagar Panchayat areas of the state, the average percentage of the population having access to private toilets is 100%, while the average percentage of the population having access to public toilets is 22. 42.

Table No. - 9.6

Sewerage Management (Nagar Panchayat)

S. No.	Indicators	Benchmark Value	2010-11 *	2015-16 #	2019-20 &	2021-22 $
2.1	Availability of toilets	100.00%	0.00	63.38	98.20	100
2.2	Extent of Sewerage network service	100.00%	0.00	0.00	0.00	-
2.3	Collection Capacity of Sewage Network	100.00%	0.00	0.00	0.00	-
2.4	Sewage treatment capacity sufficiency	100.00%	0.00	0.00	0.00	-
2.5	Quality of treated sewage water	100.00%	0.00	0.00	0.00	-
2.6	Quantity of sewage reuse treated water	20.00%	0.00	0.00	0.00	-
2.7	Cost recovery in sewerage	100.00%	0.00	9.61	3.54	-
2.8	Ability to resolve consumer complaints	80.00%	0.00	69.29	89.38	-

9.39 In the Nagar Panchayat areas of the state, underground water/sewage drainage system has not been made and sewerage treatment plant has also not been developed. There is a need to take initiative for this.

9.40 In sewerage management, apart from the availability of toilets, there are parameters set for sewage disposal network, treatment of sewage water, quality of treated water and its re-use and cost recovery of sewerage on which well-planned work needs to be done in the Nagar Panchayat areas of the state. Performance of Nagar Panchayats on various points of sewage management areas can be seen in Table 9.6.

Roads and lighting facility (Nagar panchayats)

9.41 At the state level about 83.2% of the roads available in Nagar panchayat areas are paved roads while 16.8%. are unpaved roads.

9.42 Of the paved and unpaved roads in Nagar Panchayat areas, about 54.7% are the roads which have drains built on their sides. About 72.5%. of the population of Nagar Panchayats resides in these areas.

9.43 The lighting facility along the roads in nagar panchayat areas in the state is also satisfactory. Abul 87%. of the roads in nagar panchayat areas have lighting facilities and there are lighting facilities available in 80% of the public places.

Other Facilities in Nagar Panchayats

9.44 CCTV cameras are installed in 14.3% Nagar Panchayats in state which covers the security surveillance of 5.96% of the population of Nagar Panchayats.

9.45 Facility of veterinary hospitals are available in 83.7%. of Nagar panchayats and green yards are built in 100%. of Nagar panchayats.

9.46 According to Census 2011, 22327 people of Nagar Panchayat areas lives in unclean slums which is 5.5%. of the total population of these areas.

Basic facilities available in municipal councils (Nagar Palika Parishad)

Water supply services

9.47 As per Census 2011, 18.70 % of the urban population lives in Nagar Palika Parishads. Further ,12.8% of the population of Nagar Palika Parishads lives in slum areas.

9.48 At the state level tap water connection facility is available in 45.04% households of municipality areas. According to the data collected by the commission from 26 municipalities, the percentage of households having tap water connection is high in municipalities of Dongargarh (100%) Khairagarh (85.2%), mungeli (81.03%), Balod (77.5%), Kawardha (72.5%) while it is low or very low in the municipalities of Deepka (5-7%), sakti (6.1%), Balrampur (6.1%), Dalli Rajhara (9.97%.), According to the study, municipalities with almost 50% households having tap water connection are more than 40%.

9.49 In the municipalities, the number of houses with tap water meters is zero. The cost recovery of water supply in municipalities is merely one third.

9.50 About 11.2% of the houses in municipality areas are availing water supply service through public taps. Only 64.4% of the population in municipality areas are advantaged with tap water facility. Rest are availing water through their own sources/Hand-Pumps and through other sources.

9.51 Per capita per day availability of water in the municipality areas of the state is 97.6 Litres. The average water purification capacity in municipal areas is 457. 73 MLD, which is much less than the required quantity resulting in low per capita availability of treated water.

9.52 As per study, the average percentage of water tax collection against expenditure on water supply by about 23% municipalities at the state level is more than 50%. The average percentage of water tax collection is better in Champa (100%), Jamul and Dongargarh (65%), Whereas in Deepka, Jashpur and Bijapur municipalities, the percentage of water tax collection is negligible.

9.53 The Progress of 10 years based on the standards set for water supply service is as follows –

Table – 9.7

Water Supply Service (Nagar Palika)

S. No.	Indicators	Benchmark Value	2010-11 *	2015-16 #	2019-20 &	2021-22 $
1.1	Extension of water supply connection	100.00	25.20	38.31	41.61	45.04
1.2	Per capita water availability	135	43.65	73.90	77.57	97.62
1.3	Expansion of Meterization of water supply connection	100.00	0.00	0.02	0.00	0.00
1.4	Quantity of Non-Revenue water	20.00	65.27	51.14	34.02	-
1.5	Continuity of water supply	24 hours	2.83	2.85	2.99	-
1.6	Efficiency to resolve the consumer complaints	80.00	76.88	79.38	89.50	-
1.7	Quality of supply water	100.00	40.00	77.18	95.86	-
1.8	Cost recovery in water supply	100.00	21.42	38.33	29.36	32.89

Sewerage Management

9.54 In the municipal areas of the state, the average population with access to private toilets is 84.9%, while the average population with access to public toilets is 20.4%.

9.55 Underground water/sewage system has not been developed in the Municipal Areas of the State and Sewerage treatment plant has also not been constructed. Sewerage treatment plant is established only in Kawardha Municipality.

9.56 The progress in all the points except toilet availability in the Municipalities of the State is disappointing, which can be seen in Table 9.8

Table 9.8

Sewerage Management (Nagar Palika)

S. No.	Indicators (sewerage management)	Benchmark Value	2010-11 *	2015-16 #	2019-20 &	2021-22 $
2.1	Availability of toilets	100.00%	67.69	74.29	97.73	84.93
2.2	Extent of Sewerage network service	100.00%	0.83	0.00	0.00	-
2.3	Collection Capacity of Sewage Network	100.00%	0.00	0.00	0.00	-
2.4	Sewage treatment capacity sufficiency	100.00%	0.00	0.00	0.00	-
2.5	Quality of treated sewage water	100.00%	0.00	0.00	0.00	-
2.6	Quantity of sewage reuse treated water	20.00%	0.00	0.00	0.00	-
2.7	Cost recovery in sewerage	100.00%	0.00	13.43	1.86	-
2.8	Ability of resolve consumer complaints	80.00%	2.63	74.90	91.36	-

Solid Waste Management

9.57 An average of 4.37 metric tonnes of solid waste is being generated daily in the municipal areas, of which 96% is being collected.

9.58 Collection system has been developed in 92.5%. of the Municipal areas in the State. most of the areas under Municipalities have their systems for waste -collection. on the state level, amount of separation from total amount of solid waste management is 95.8%

9.59 At the state level, 58.47% of the solid waste collected daily in Municipal areas is being recycled.

9.60 At the state level, 37.1% of the total length of roads constructed in Municipal areas is being cleaned regularly.

9.61 Only 44% of the expenditure made on solid waste collection is being recovered by the municipalities.

Availability of roads and lighting facility

9.62 About 77.3% of the roads available in the municipal areas are paved roads, while 22.7%. are unpaved roads.

Table 9.9

Solid Waste Management (Nagar Palika)

S. No.	Indicators	Benchmark Value	2010-11 *	2015-16 #	2019-20 &	2021-22 $
3.1	Expansion of Solid Waste Management Service	100.00%	1.80	27.02	97.73	92.50
3.2	Solid waste collection capacity	100.00%	75.87	87.83	97.73	95.85
3.3	Separation of Urban Solid Waste	100.00%	0.00	0.85	97.73	93.45
3.4	Reuse of Urban Solid Waste	80.00%	0.00	1.44	97.73	58.37
3.5	Scientific disposal of Urban Solid Waste	100.00%	0.00	0.00	97.73	-
3.6	Cost recovery in Solid Waste Management	100.00%	20.25	30.26	42.05	44.01
3.7	Ability of resolve consumer complaints	80.00%	75.03	75.80	92.70	-

9.63 Of the paved and unpaved roads in the Municipal areas about 31.8%. are the roads which have drains built on their sides. About 68.7% of the population of Municipalities reside in these areas.

9.64 The length of roads with lighting facilities in Municipal areas in the State is about 76.8%. and about 70% of public places have lighting facilities.

Other Facilities in Nagar Palika

9.65 As per census 2011, population of 79,592 people of Municipal areas resides in the uncleaned slums which is 12.8% of the total population in these areas.

9.66 CCTV has been installed in 42.3% of Municipalities in the state. through instalment of CCTV in Municipalities, 11.55% of the population in these areas is under security surveillance.

9.67 80.8% of Municipalities in the state are having veterinary hospitals in their areas and green yards have been made in 96.15% of the Municipalities.

Basic facilities in Nagar Nigams (Municipal Corporation)

Water Supply

9.68 63.02% of the houses in Municipal areas are having facility of Tap water connection. In the Raigarh Municipal Corporation, 100%. houses are having tap water connection. The status of tap water connection is better in the Municipal Corporation of Bhilai (80.9%), Jagdalpur (76.7%) and Durg (70.2%).

9.69 The percentage of the houses with tap meters in Municipal Corporations is 72.9% The percentage of the houses with tap meters in Municipal Corporation of Raipur Bhilai-Charoda is 100%.

9.70 87.9% of the population in Municipal Corporations is availing water facility supply through taps. The remaining population is getting water through public handpumps or their own resources.

9.71 Per capital per day water availability In Municipal Corporations is 139.7 Liter the average of water treatment capacity in Municipal Corporations is 608 MLD. Per capita availability of treated water is also very less in Municipal Corporation areas.

9.72 Meterization of water connection and recovery against water supply cost is also less than 50%. This can be seen in Table 9.10.

Table 9.10

Water Supply Service (Nagar Nigam)

S. No.	Indicators	Strata Value	2010-11 *	2015-16 #	2019-20 &	2021-22 $
1.1	Extension of water supply connection	100.00%	23.32	47.03	52.50	63.02
1.2	Per capita water availability	135 lpcd	48.67	84.49	94.00	139.71
1.3	Expansion of Meterization of water supply connection	100.00%	1.78	0.48	11.21	43.43
1.4	Quantity of Non-Revenue water	20.00%	65.35	46.87	35.86	-
1.5	Continuity of water supply	24 hours	3.23	3.25	3.25	-
1.6	Efficiency to resolve the consumer complaints	80.00%	70.82	87.43	82.57	-
1.7	Quality of supply water	100.00%	82.49	88.76	91.86	-
1.8	Cost recovery in water supply	100.00%	30.28	55.57	32.36	42.29

Solid waste Management

9.73 In Municipal corporation areas, 550 metric tons of solid waste is generated in Raipur and 180 meteoric tone in Bhilai and in the remaining municipal corporation areas, on an average 44 metric tons of solid waste is generated every day.

9.74 99.6% of the Municipal Corporation areas are having facility of solid waste collection. Amount of separation from the total amount of solid waste collection is 94.7%.

9.75 97.5% share of the total solid waste collection in Municipal Corporation areas. is being utilized under recycling process.

9.76 Of the total length of the roads constructed in Municipal Corporation areas, 91.6% of the roads are being cleaned regularly.

Table 9.11

Solid Waste Management (Nagar Nigam)

S. No.	Indicators (Solid waste management)	Benchmark Value	2010-11 *	2015-16 #	2019-20 &	2021-22 $
3.1	Expansion of Solid Waste Management Service	100.00%	20.54	43.77	92.86	95.86
3.2	Solid waste collection capacity	100.00%	79.10	93.96	92.86	99.58
3.3	Separation of Urban Solid Waste	100.00%	0.32	11.58	92.86	94.70
3.4	Reuse of Urban Solid Waste	80.00%	0.25	6.37	92.86	97.46
3.5	Scientific disposal of Urban Solid Waste	100.00%	0.00	0.03	100.00	-
3.6	Cost recovery in Solid Waste Management	100.00%	3.92	26.61	32.36	14.29
3.7	Expansion of Solid Waste Management Service	80.00%	67.82	88.57	84.93	-

Sewarage Management

9.77 Underground water/sewage system is built in Durg, Bhilai and Raipur Municipal Corporation and sewerage plants of 218 MLD capacity are installed in Bhilai, Raipur, Raigarh and Jagdalpur municipal corporation.

Table 9.12

Sewerage Management (Nagar Nigam)

S. No.	Indicators (Sewage management)	Benchmark Value	2010-11 *	2015-16 #	2019-20 &	2021-22 $
2.1	Availability of toilets	100.00%	72.68	85.00	92.86	85
2.2	Extent of Sewerage network service	100.00%	3.32	0.40	0.57	-
2.3	Collection Capacity of Sewage Network	100.00%	0.00	0.37	0.93	-
2.4	Sewage treatment capacity sufficiency	100.00%	0.00	2.12	12.79	-
2.5	Quality of treated sewage water	100.00%	0.00	7.69	7.14	-
2.6	Quantity of sewage reuse treated water	20.00%	0.00	0.00	0.00	-
2.7	Cost recovery in sewerage	100.00%	0.00	12.64	3.57	-
2.8	Ability of resolve consumer complaints	80.00%	19.63	83.49	84.00	-

9.78 To the 85% population of Municipal Corporation areas. There is availability of private toilets.

Availability of Roads in Municipal Corporation areas and Lighting facility

9.79 At the state level about 80% of the roads available in municipal corporation areas are paved and 87% of them have drains built on the side of the roads.

9.80 80% of roads and 80% of public places in municipal areas have lighting facilities.

9.81 11.43% population living in corporation area is covered by CCTV facility.

9.82 The main responsibility of urban local bodies is to provide basic facilities to their citizens and prepare urban development plan for the future. Both these tasks are very important from technical and managerial point of view and require specific skills and updated technical proficiency. **Therefore, the commission recommends that regular arrangements should be made for training of officers and employees of local bodies by reputed institutions.**

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Chapter – 10

Evaluation of the Financial Status of Urban Bodies

- **Devolution to Urban Bodies**
- **Review of the Financial Status of Urban Bodies**
- **Review of the Financial Status of Nagar Panchayats**
- **Review of the Financial Status of Nagar Palika Parishads**
- **Review of the Financial Status of Nagar Nigams**
- **Accounting and Audit**

10.1 In the idea of local governance, Urban Local Bodies are major link for the overall development of urban areas. The success of urban local bodies mainly depends on economic autonomy and economical and transparent use of resources. In this perspective, economic trends of urban local bodies have been analyzed in this chapter.

Devolution from Government

10.2 Rs. 9466.39 Cr. has been transferred to urban local bodies from 2017-18 to 2021-22 by the state and central government from their consolidated funds. Head-wise and year-wise details of such transferred amount can be seen in Table 10.1

Table 10.1
Transfer to Urban Bodies from Government

(Amount in Crore Rs.)

SR. No.	Description	2017-18	2018-19	2019-20	2020-21	2021-22	Total
1.	State Finance Commission	441.55	299.75	320.73	441.62	451.45	1955.10
2.	Assigned Receipts	75.55	49.02	71.98	77.42	102.45	376.42
3.	Grants From State Government	1275.56	840.14	1048.97	1048.99	1010.31	5223.97
4.	Central Finance Commission	243.80	282.04	451.56	403.50	530.00	1910.90
Total		**2036.46**	**1470.95**	**1893.24**	**1971.53**	**2094.21**	**9466.39**

Source – Budget Papers.

10.3 Of the total transfers to urban local bodies, about 21%. has been transferred on the recommendation of the SFC, 4% From assigned receipts, 55% from grants by the State Government and 20% from the Central Finance Commission.

10.4 The main reason for transfer of only 4% as assigned receipts to the urban local bodies is that taxes or fees are not being collected by the State Government from most of the sources earmarked for the assigned revenue to the urban local bodies. This mainly consists of Entry Tax, which after the implementation of GST has been abolished. Due to depletion of sources of assigned revenue, the State Government is providing assistance to the urban local bodies in the form of grants. For this reason, the grant amount given by the State Government contributes about 55% to the amount transferred by the Government.

10.5 Head-wise and year-wise details of the amount transferred by the Government to Urban Administration and Development department for ULBs are shown in table 10.2

Table 10.2
Amount Distributed to Urban Bodies

(Amount in Crore Rs.)

SR. No.	Description	2017-18	2018-19	2019-20	2020-21	2021-22
1.	State Finance Commission	547.45	299.75	451.16	561.72	541.55
2.	Assigned Receipts	465.67	438.53	508.73	547.38	546.12
3.	Grants from State Government	526.32	170.10	286.04	273.14	114.53
4.	Central Finance Commission	314.27	282.04	381.09	700.00	544.70
Total		**1853.71**	**1190.42**	**1627.02**	**2082.24**	**1746.90**

Source – Departmental Memorandum

10.6 Chhattisgarh Municipal Urban Development Fund Rules, 2003 have been created by the department of Urban Administration and Development under Section 433 of Municipal Corporation Act 1956 and Section 355 of Municipalities Act 1961, according to rule 4 of which, all the amount transferred by the Central and State Government to the urban local bodies shall be firstly deposited in this fund. Necessary provisions for expenditure from the fund have been made in Rules 5 to 10 of this fund.

10.7 According to Rule 7 of Chhattisgarh Municipal Urban Development Fund rules 2003, fund released from the government shall be transferred to the two accounts namely- Devolution Account and Infrastructure Account

10.8 Amounts received from assigned sources are distributed from devolution account and the amounts received from the State Government on recommendation of SFC and the grants provided for capital expenditures etc. transferred in infrastructure account.

10.9 Amounts are being provided from "Infrastructure Fund" by Urban Administration and Development Department under various schemes in urban local bodies

10.10 Distribution of amounts is not being done as per formulas accepted by Central and State Government on recommendation of 13^{Th} CFC and SFC. This fact is confirmed by the departmental memorandum received from concerned departments.

10.11 Against the amount of Rs. 9466.39 crore transferred by the Government from the year 2017-18 to 2021-22, only Rs. 8500.29 crore was distributed by the departments to the bodies.

10.12 The amount received by the urban bodies from the government is firstly received in the Chhattisgarh Municipal Urban Development Fund (2003). The amount is transferred to the urban bodies as per the provisions of the above rules. It is also the responsibility of concerned Commission to recommend how the amount recommended by the Central Finance Commission and the State Finance Commission will be distributed among the urban bodies. The amount recommended by the State Finance Commission is not being distributed to the urban bodies as per distribution formula recommended by the Commission. Therefor the Commission recommends that **"distribution of the amount recommended by the State Finance Commission among the urban bodies should be ensured as per the distribution formula recommended by the State Finance Commission and the consent given by the government thereon or with appropriate amendments or changes".**

10.13 As of march 2022, the closing balance in the Chhattisgarh Municipality Urban Development Fund was Rs. 966.10 crore, this is the amount received from the Government for transfer to the urban bodies, hence the commission recommends that, **"It should be ensured that the amount received for transfer to urban bodies in the urban fund is transferred to the concerned departments within 15 days, and its responsibility should be given to the directorate of Urban Administration and Development".**

Financial Review of Urban Bodies

10.14 For the study of ULBs under various heads, analysis of Financial Receipts of sample urban bodies has been done by the State Finance Commission. The details of Financial Receipts of sample urban bodies is shown in table given below.

Table 10.3
Receipts of Sample Urban Bodies

(Amount in Crore Rs.)

SR. No.	Description	2017-18		2018-19		2019-20		2020-21		2021-22	
		Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
1	Own Revenue	347.16	22.91	351.19	27.18	331.13	20.35	375.81	23.63	431.87	30.16
2	Transfer From State Government	729.92	48.18	628.88	48.68	686.53	42.20	698.88	43.94	588.13	41.08
3	Transfer From Central Government	397.93	26.26	245.86	19.03	543.03	33.38	476.66	29.97	373.42	26.08
4	Debt	1.49	0.10	0.40	0.03	0.87	0.05	0.43	0.03	0.24	0.02
5	Other	38.59	2.55	65.61	5.08	65.29	4.01	38.65	2.43	38.13	2.66
Total		**1515.09**	**100**	**1291.94**	**100**	**1626.85**	**100**	**1590.43**	**100%**	**1431.79**	**100**

Source – Data Collected by State Finance Commission

10.15 It is clear from the above table that these Urban bodies received total amount of Rs. 7456.10 crore during 2017-22, out of which annual average contribution of state transferred amount is 44%.

10.16 The percentage of revenue received by the UBs from their own sources has been around 28% annually, which is showing a trend of continuous growth, which is a positive sign.

10.17 It is also noteworthy that the ULBs are mostly dependent on the state funds to discharge their financial responsibilities, hence the local bodies should re-analyze their own existing sources of income and work on the possibilities of new sources of income in this direction. purposeful co-operation can also be taken from state government in this regard.

Receipts from Own Sources

10.18 There are two major components of own source revenue receipts of ULBs- 1. Tax revenue, 2. Non-tax revenue.

10.19 There are two major components of Tax Revenue – 1. Obligatory Taxes, 2. Optional Taxes. Similarly, there are various components under Non-tax revenue, i.e. Income from Rent/Lease, License, fees, Interest Etc. Point-wise study of Revenue receipts from own sources shall be done in the paras given below.

10.20 Article 243 (W) of the constitution provides the power to the state legislatures to authorize the urban bodies of that state to levy and appropriate taxes, fees, tolls etc. Property Tax, Consolidated Tax and Water Tax are the main obligatory Taxes under section 132(1) of the Municipal Corporation Act and section 127 (empowers the State) of Municipalities Act. The status of collection of obligatory taxes in urban bodies is explained in the table given below.

Table 10.4
Obligatory Taxes and Tax Recovery in Urban Bodies

(Amount in Crore Rs.)

Description	2017-18	2018-19	2019-20	2020-21	2021-22
Tax Demand	261.92	266.87	271.38	281.52	296.25
Tax Recovery	205.80	205.00	200.37	226.25	230.16
% of Tax Recovery	78.57	76.82	73.67	80.37	77.69
% of Tax Levying Bodies	97.56	97.56	96.34	97.56	95.12
Per Urban Body Average tax Receipt	2.50	2.50	2.44	2.75	2.80
Per Capital Body Average tax Receipt (Rs.)	618.31	615.90	601.99	679.75	691.48

Source – Data Collected by SFC

Table 10.5
Status of Various Tax Heads Under Obligatory Taxes

(Amount in Crore Rs.)

Description	2017&18	2018&19	2019&20	2020&21	2021&22
Property Tax	123.88	123.52	120.75	137.63	145.16
Per Urban Body Average Tax Receipt	1.51	1.50	1.47	1.67	1.77
Per Capita Average Tax Receipt (Rs.)	372.18	371.21	362.78	413.49	436.12
Consolidated Tax	34.55	34.14	32.05	36.98	34.17
Per Urban Body Average Tax Receipt	0.42	0.41	0.39	0.45	0.41
Per Capita Average Tax Receipt (Rs.)	103.81	102.57	96.32	111.11	102.66
Water Tax	47.37	47.33	47.56	51.64	50.82
Per Urban Body Average Tax Receipt	0.57	0.57	0.58	0.62	0.61
Per Capita Average Tax Receipt(Rs.)	142.32	142.21	142.89	155.15	152.7

Source - Data Collected by SFC

10.21 Under obligatory taxes, the average of tax recovery against tax demand is about 77%. There is an increasing trend in both the amount of recovery and the ratio of recovery

against tax demand which shows appositive indication, however there is still possibility of improving the said proportion.

Optional Tax

10.22 Property Tax is the major component under obligatory taxes which shares 60% of the revenue received from the obligatory tax. In the total tax revenue also, the share of the property tax is about 44%, this is the very important source of Income for Urban local bodies. The average tax receipt per urban body under the head of property tax is approximately Rs 1.5 Cr. Similarly, the average tax receipt per person in UBs is approximately Rs. 391.

10.23 In the Municipal Corporation Act 1956 and Municipality Act 1961, UBs are conferred with the power to impose optional taxes. Various taxes are Included under optional taxes such as - Demonstration Tax, Advertisement Tax, Education Cess, Drainage Tax etc. Status of tax receipts and tax recovery under the optional taxes on the basis of the sample study conducted by the 4Th SFC is shown in the tables given below-

Table 10.6

Status of Tax Demand and Tax Recovery of Sample Urban Bodies in Context of Optional Taxes

Description	2017-18	2018-19	2019-20	2020-21	2021-22
Tax Demand (Crore Rs.)	53.03	47.55	42.45	51.85	52.32
Tax Recovery (Crore Rs.)	74.22	62.48	61.14	77.84	105.73
% of Recovery Against Demand (%)	139.96	131.4	144.03	150.11	202.06
% of Tax Levying Bodies (%)	90.24	80.49	71.59	71.95	69.51
Per Urban Body Average Tax Receipt (In Lakh Rs.)	90.51	76.20	74.56	94.93	128.94
Per Capita Average Tax Receipt (Rs.)	222.98	187.74	183.7	233.8	317.67

Source - Data Collected by SFC

10.24 Local UBs received revenue of Rs. 381.21 Cr. during 2017-22 in the form of optional taxes, out of which about Rs. 241 Cr. Was received under the head of "miscellaneous" or "other taxes".

10.25 Percentage of recovery against demand in optional taxes has been around 150%. which can be called a very encouraging performance, but the percentages of bodies levying taxes under various heads is very low. For example, between 2017-22, UBs received an amount of Rs. 59.82 Cr. in the form of 'Education Cess' but in the same period, the average percentage of UBs imposing 'Education Cess' has been only 5.8%. Similarly, the UBs received a total amount of Rs. 31.94 Cr. in the form of 'Advertisement Taxes'. but the number of bodies that did not levy the above taxes is almost two-third (63%). The above situation indicates the lack of will power of the UBs and their indifference towards achieving financial autonomy.

10.26 In 2017-18, the number of bodies levying market fees was almost two-third (75.61%) whereby revenue of Rs. 7.48 Cr. was received by the UBs. As per Chhattisgarh Government, UAD Department's Letter number 3420/1308/2018/18, By Dated 28Th April 2018, collection of "Markel Fees" has been stopped with effect from 1stApril 2018.

Table 10.7

Status of Tax Recovery / Tax Demand of Sample Urban Bodies In Context of Optional Taxes

(Amount in Crore Rs.)

Description	2017–18	2018–19	2019–20	2020–21	2021–22
Demonstration Tax	0.23	0.43	0.17	0.07	0.15
Advertisement Tax	3.76	5.42	2.83	8.43	11.50
Market Fees	7.48	0.56	3.97	3.03	3.54
Education Cess	7.84	13.35	13.05	14.48	11.11
Animal Registration	0.60	0.43	0.59	0.23	0.36
Toilet Tax	0.45	0.10	0.19	0.21	0.31
Terminal Tax	5.52	4.68	5.18	4.34	5.00
Other Taxes	48.31	37.47	35.11	47.01	73.72
Total	**74.19**	**62.48**	**61.09**	**77.80**	**105.69**

Source - Data Collected by SFC

Non-Tax Revenue of Urban bodies

10.27 Urban local bodies are conferred with power to collect taxes in the form of Tax, fees, surcharge etc. by Municipal Corporation Act 1956 and Municipalities ACT 1961. These are called Non-Tax revenue. Based on the sample study of the SFC, the average share of non-tax revenue in the revenue receipts from own sources of urban local bodies is 21%. which

is much less as compared to tax revenue. Therefore, it is necessary for the financial health of urban bodies that sufficient efforts should be made to increase tax revenue as well as non-tax revenue. Comparative details of tax revenue und non-tax revenue has been given in table 10.8

Table 10.8
Own Tax Revenue and Non-Tax Revenue of Sample Urban Bodies

(Amount in %)

Description	2017-18	2018-19	2019-20	2020-21	2021-2022
(A) Tax Revenue (1+2)	80.66	76.16	78.97	80.92	77.77
1. Obligatory Taxes	59.2	58.37	60.4	60.2	53.29
2. Optional Taxes	21.46	17.79	18.57	20.72	24.48
(B) Non-Tax Revenue	19.34	23.84	21.03	19.08	22.30
Total (A+B)	**100**	**100**	**100**	**100**	**100**

Source - Data Collected by SFC

10.28 According to sample study conducted by the SFC, between the period of 2017-22, urban local bodies received an amount of Rs. 388 Cr. as non-tax revenue, out of which the highest amount of Rs. 183 Cr. was received under the head of 'Other revenue'. In the above period, revenue of approximately Rs. 47 Cr. was received in the form of 'Rent or lease' but there is a continuous trend of decrease in it. License or permission fees is an important source of income for UBs and despite continuous fluctuations, 13% of non-tax revenue generated on the above head during 2017-22. There is a possibility of further increase in this through Simplification of processes and payment through online means. At present scenario, in view of the continuous expansion of residential colonies, there is a possibility of UBs getting more and more revenue from new private construction projects as well as real estate colonies permissions, hence positive efforts in this direction through a definite roadmap are necessary. In table 10.9. head-wise detailed information of 5-years data has been given in table 10.9

Table 10.9
Non-Tax Revenue Receipts of Sample Gram Panchayat and % of Various Heads In Non Tax Revenue

(Amount in Crore Rs.)

Description	2017-18		2018-19		2019-20		2020-21		2021-22	
	Amount	% of Non Tax Revenue	Amount	% of Non Tax Revenue	Amount	% of Non Tax Revenue	Amount	% of Non Tax Revenue	Amount	% of Non Tax Revenue
Rent/Lease	12.62	18.81	9.46	11.3	9.04	13	9.20	12.83	9.85	10.27
Licence Fees	2.11	3.15	1.54	1.84	1.58	2.28	1.52	2.13	1.99	2.08
Interest	1.21	1.82	1.83	2.19	2.30	3.32	2.64	3.69	2.47	2.57
Revenue From Parks	2.93	4.37	1.55	1.86	1.09	1.58	0.54	0.76	0.67	0.71
Building and Colony Permision	5.18	7.72	9.57	11.43	10.28	14.78	9.19	12.82	10.38	10.82
Parking Tax	0.01	0.02	0	0	0.00	0	0	0	0	0
Sale of Furtilizers	0.00	0	0.07	0.09	0.02	0.04	0.32	0.45	0.32	0.34
Penalty	2.00	2.98	2.67	3.19	3.84	5.52	3.28	4.58	3.17	3.3
User Charges	0.31	0.48	0.42	0.51	0.96	1.39	1.10	1.55	0.92	0.96
Revenue From Other Sources	32.48	48.38	49.23	58.82	31.22	44.86	33.29	46.43	37.27	38.84
Total	**67.13**	**100**	**83.70**	**100**	**69.61**	**100**	**71.70**	**100**	**95.96**	**100**

Source - Data Collected by SFC

Expenditure Structure of Urban Local Bodies

10.29 Based on the sample study conducted by the 4th SFC, the Structure of the Expenditure of Urban Local Bodies is explained in table 10.10 and 10.11.

Table 10.10
Structure of The Expenditure of Sample Urban Bodies

(Amount in Crore Rs.)

Description	2017–18		2018–19		2019–20		2020–21		2021–22	
	Amt.	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**
1. Revenue expenditure	555.86	58.10	669.47	55.50	635.14	37.60	598.98	37.60	578.75	52.20
2. Capital expenditure	372.56	38.97	469.75	38.98	952.4	56.42	940.03	59.00	464.13	41.87
3. expenditure on Welfare Schemes	14.87	1.56	36.38	3.02	48.77	2.89	27.45	1.72	30.61	2.76
4. expenditure Against Miscellaneous Receipts	12.81	1.34	29.48	2.45	51.72	3.06	26.67	1.67	34.90	3.15
Total expenditure	956.11	100	1205.09	100	1688.04	100	1593.14	100	1108.40	100

Source - Data Collected by SFC

Table 10.11
Structure of Revenue Expenditure of Sample Urban Bodies

(Amount in Crore Rs.)

Description	2017–18		2018–19		2019–20		2020–21		2021–22	
	Amt.	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**
A. Establishment Expenditure	326.94	58.82	352.12	52.60	381.93	60.13	371.11	61.96	337.99	58.40
B. Maintenance Expenditure	228.92	41.18	317.35	47.40	253.21	39.86	227.87	38.03	240.76	41.60
Revenue Expenditure (A+B)	**555.86**	**100**	**669.47**	**100**	**635.14**	**100**	**598.98**	**100**	**578.75**	**100**

Source - Data Collected by SFC

10.30 It is clear from the above tables that the largest share of total expenditure in the sample urban bodies has been 'Revenue Expenditure' which is about 48% of the total expenditure. Similarly, the share of capital expenditure in the total expenditure between the year 2017-22 is about 47%. which is almost equal to the revenue expenditure. Since revenue expenditure is of non-performing nature, it would be better to make efforts to reduce revenue expenditure for the fiscal health of urban bodies.

10.31 The largest component of revenue expenditure is 'Establishment Expenditure' which shares 58% of total revenue expenditure and 97% of revenue from own sources. Maintenance Expenditure is about 42% of total revenue expenditure.

10.32 The Establishment Expenditure of all the urban bodies of the state is about 97 percent of their own revenue, hence the Commission recommends that **"The Establishment Expenditure should be reviewed and reduced".**

Accounts and Audit

10.33 On the recommendation of the Central Finance Commission, Double Entry Accounting System has been adopted for the maintenance of the accounts of UBs. For maintaining the account of local UBs, the services of chartered accountants are being hired from external sources by the UAD Department.

10.34 At present, condition of accounts maintenance is not so satisfactory. According to the information given by Chhattisgarh State Audit Directorate, in the current accounting system, major financial forms like ledger, balance sheet, income-expenditure statements are not being prepared. The data received by the commission from UBs also shows that the condition of account maintenance is not satisfactory.

10.35 Even after getting the work of account maintenance in urban bodies done through outsourcing, satisfactory results have not been achieved, hence the Commission recommends that **"the work of accounts maintenance in urban bodies should be re-institutionalized and for this, training of officers and employees should be ensured".**

10.36 There is a need to make rules by the government for classification of budget and accounting in urban bodies. The Commission recommends that, **"a methodology for classification of accounting should be introduced by the Government, in which the method of classification of accounting is in accordance. with the classification made for governance. For this, an expert committee should be constituted by the government,**

which should include Accountant General, Finance Department, Director state Audit and representatives of Urban Administration and Development Department".

10.37 "A software for budget and accounting should also be developed in all the urban bodies of the state so that uniformity, quality, accuracy and transparency in accounting and account maintenance can be ensured and reliable data can be obtained for policy making".

10.38 Chhattisgarh State Audit Directorate is the constitutional auditor of UBs. Of the three levels of local urban bodies, the highest number of audit queries is pending in Nagar Panchayats. A large number of audit queries are also pending for resolution in Municipal Corporation and Municipality. The information about pending audit queries for the last 5 years is as follows in the table-

Table 10.12

Information of Audit Objections in Urban Bodies in The Last 5 Years

(Amount in Crore Rs.)

Body	Residual Objections (Year 2016-17)		Raised Objections		Resolved Objections		Residual Objections at Present	
	NO.	%	NO.	%	NO.	%	NO.	%
Nagar Nigam	15376	3319.35	1217	3174.32	55	93.86	16538	6399.81
Nagar Palika Parishad	16960	485.94	4078	523.72	224	0.95	20814	1008.71
Nagar Panchayat	36687	691.36	8239	223.26	844	12.72	44082	1101.91
Total	**69023**	**4496.65**	**13534**	**3921.30**	**1123**	**107.53**	**81434**	**8510.43**

Source – Information Received from State Audit Department, Chhattisgarh

10.39 The number of pending years for audit is very high. Therefore, **"the Commission recommends that, Chhattisgarh State Audit Department should timely action on this".**

10.40 After the formation of Chhattisgarh State, audit of 791 financial years is pending as of march 2022, the information of which is given in the Table below-

Table 10.13
Information of Pending Years

(Amount in Crore Rs.)

SR. No.	Body	Total No of Bodies	No. of Pending Years	No. of Financial Years of Audited Bodies in 2021-22	No. of Residual Pending Years
1	Nagar Nigam	14	84	4	80
2	Nagar Palika Parishad	43	242	9	233
3	Nagar Panchayat	110	546	68	478
Total		**167**	**872**	**81**	**791**

Source – Information Received from State Audit Department, Chhattisgarh

10.41 At present, 81434 pending objections worth Rs. 8510.43 crore are pending for resolution, hence the Commission recommends the, **"objections should be resolved by setting a time limit".**

Opening Balance and Closing balance

10.42 According to sample data, the opening balance of the year 2017-18 in urban bodies was Rs. 879.29 crore and the closing balance was Rs. 1440.05 crore. The closing balance increased to Rs. 1801.63 crore in 2021-22. It is estimated that in 2021-22, the closing balance of all the urban bodies will be Rs. 3735.50 Crore. It has mentioned in the point 10.11 of this chapter that as of the year 2022, the closing balance in the Urban Development Fund is Rs. 966.10 crore. Thus, the total closing balance is estimated to Rs. 4701.60 crore.

10.43 On the basis of the sample study by 4th SFC and the study of the given tables, it is clear that between the year 2017-22, Nagar Panchayats received total amount of Rs. 931.64 Cr. under various heads.

10.44 The receipts of Nagar Panchayats from their own sources are about 11% of the total receipts. Hence, it is clear that in order to meet their financial needs, the Nagar Panchayat are completely dependent on the funds transferred from the State and the Centre. Amount transferred from the State shares 2/3 part of the total receipts of Nagar Panchayats.

10.45 From 2017-22, the receipts of Nagar Panchayats from their own sources has been approximately 111 Cr., in which the share of tax revenue is 61%. It is noteworthy that about one third of the total tax income is received from property tax, but in the context of the said tax, the percentage of tax collection against tax demand is only 56%. Similarly, the share of Water Tax in the total tax income is about 24%, but only 50% amount is being recovered against the tax demand. Therefore, substantial improvement is required in this situation, because both i.e. property tax and water tax are major sources of Income for Nagar Panchayats.

Table 10.14
Financial Status of Sample Nagar Panchayat

(Amount in Crore Rs.)

Description	2017-18		2018-19		2019-20		2020-21		2021-22	
	Amt.	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**	**Amt.**	**%**
1. Revenue Receipts from Own Sources	22.27	13.57	22.37	12.03	18.87	8.50	23.58	13.83	24.64	13.05
2. Transfer from State Government	113.20	68.98	136.79	73.57	131.92	59.39	113.43	66.53	123.60	65.43
3. Transfer from Central Government	21.40	13.03	14.55	07.82	31.77	14.30	22.74	13.33	30.66	16.23
4. Miscellaneous Receipts	07.23	04.42	12.23	06.58	39.55	17.81	10.76	06.31	09.98	06.29
5. Grant Total	**164.12**	**100**	**185.97**	**100**	**222.13**	**100**	**170.53**	**100**	**188.89**	**100**

Source – Data Collected By SFC.

10.46 Status of recovery against the demand under optional taxes is better than that of obligatory taxes, but the number of tax levying bodies in most of the heads under optional taxes like Performance tax. Advertisement tax, terminal tax etc. is very less and even in some cases it is negligible, which is indicative of the lack of willpower of the Nagar Panchayats and their indifference towards the goal of financial autonomy.

10.47 Nagar Panchayats are highest in number among the Urban local bodies of the state and considering that, the Nagar Panchayats are important link of development in rural to urban transitional areas, hence it is necessary for Nagar Panchayats to expand their financial dimensions.

10.48 During 2018-19 to 2021-22, there has been decreasing trend in revenue expenditure. However, revenue expenditure is 46% of the total expenditure which is undesirable condition.

Table 10.15

Structure of Expenditure of Sample Nagar Panchayats and Percentage Share in The Total Expenditure

(Amount in Crore Rs.)

Description	2017-18		2018-19		2019-20		2020-21		2021-2022	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
1. Revenue expenditure	49.66	45.44	52.82	31.95	60.59	29.09	60.36	37.35	60.27	36.19
2. Capital expenditure	48.90	44.75	85.04	51.44	87.92	42.21	73.41	45.42	80.53	48.35
3. expenditure on Welfare Schemes	3.77	3.45	14.31	8.66	24.43	11.73	15.16	9.38	12.88	7.73
4. expenditure on Miscellaneous Heads	6.95	6.36	13.16	7.96	35.34	16.97	12.68	7.85	12.86	7.72
Total	**109.28**	**100.0**	**165.33**	**100.00**	**208.28**	**100.00**	**161.61**	**100.0**	**166.54**	**100.0**

Source – Data Collected by SFC.

Table 10.16

Structure of Revenue Expenditure of Sample Nagar Panchayats

(Amount in Crore Rs.)

Description	2017-18		2018-19		2019-20		2020-21		2021-22	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
A. Establishment Expenditure	34.93	70.34	38.02	71.99	41.93	69.21	42.68	70.71	42.11	69.87
B. Maintenance Expenditure	14.73	29.66	14.80	28.01	18.66	30.79	17.68	29.29	18.16	30.13
Revenue Expenditure (A+B)	49.66	100.00	52.82	100.00	60.59	100.00	60.36	100.00	60.27	100.00

Source – Data Collected by SFC.

10.49 Receipts from own sources in Nagar Panchayats are only 11 percent of total receipts and tax collection against tax demand is between 50 to 60%. Hence it is clear that Nagar Panchayats need to make efforts to increase tax collection against tax demand. The receipts from own sources of all the urban bodies of the state is 25 percent of the total receipts, hence **the commission recommends that "The target of receipts from own sources of Nagar Panchayats and Nagar Palikas should be set it 25 percent of the total receipts".**

Review of The Financial Status of Nagar Palika Parishads

10.50 It is clear from table 10.17 that the average receipts from own sources of Nafgar Palika parishads during the period 2017-22 is 16% of the total receipts. From this, it is clear that, in order to meet their financial needs, Nagar Palika Parishads are mostly dependent on the funds transferred from state and central government.

10.51 Between 2017-22, the receipts from the Nagar Palika Parishad's own sources were approximately Rs. 220 Cr., out of which an average revenue of Rs. 1.1 Cr. were received per urban body under tax revenue of the total receipts, 11% of the revenue was received under tax revenue and 4.5% amount was received under non-tax revenue. There has been a trend of increase in non- tax revenue from the year 2020-21 to 2021-22 while in the same period. there has been trend of partial fluctuation in tax revenue.

10.52 Property tax is an important source of income of Nagar Palika Parishads, which contributes the 31% to the total tax income, but the percentage of tax collection against tax demand is 68%. which is likely to be improved. Similarly, the contribution of water tax to the total tax income of Nagar Palika Parishads is about 18%, but the recovery percentage of water tax against the tax demand is only 43%, which signifies a very disappointing scenario.

10.53 The average percentage of collection under optional taxes is 116%, which is a very good situation, but except for a few heads, the number of tax levying UBs for most of the heads is very less which shows the indifference of Nagar Palika Parishads towards the goal of financial autonomy. Nagar Palika Parishads should also make serious efforts for levy and collection of optional taxes.

Table 10.17
Financial Status of Sample Nagar Palika Parishads

(Amount in Crore Rs.)

Description	2017-18		2018-19		2019-20		2020-21		2021-2022	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
(I)Revenue Receipts From Own Sources	44.99	17.40	41.58	15.98	37.21	11.59	48.49	16.67	48.13	15.87
(II)Transfer From State Government	179.00	69.21	187.06	71.89	214.15	66.67	185.42	63.76	177.01	58.34
(III) Transfer From Center	26.92	10.41	21.63	8.32	57.51	17.90	47.60	16.37	69.99	23.70
(vi) Miscellaneous Receipts	7.69	2.98	9.90	3.81	12.34	3.84	9.31	3.20	8.25	2.72
(v)Grand Total	**258.61**	**100**	**260.19**	**100**	**321.23**	**100**	**290.83**	**100**	**303.39**	**100**

Source – Data Collected by SFC.

10.54 The revenue expenditure of the sample Nagar Palika Parishads between 2017-22 is about 45.5% of the total expenditure and capital expenditure is 45%. of revenue expenditure. Since, the revenue expenditure is of non-performing in nature, hence for fiscal health of Nagar Palika Parishads revenue expenditure is expected to be reduced. There is a continuous declining trend in revenue expenditure between 2019-20 to 2021-22 which is a positive sign. The largest component of the revenue expenditures 'Establishment Expenditure' which is 71% of the total revenue expenditure. The trend of increase in the establishment expenditure and decrease in maintenance expenditure in the total revenue expenditure is a worrying fact. The financial trends of Nagar Palika Parishads can be seen in Table no. 10.17 to 10.19.

10.55 In Nagar Palika Parishads, there are two major components of Revenue Expenditure namely Establishment Expenditure and Maintenance Expenditure. In the structure of Revenue Expenditure of the last 5 years, there is a trend of increase in Establishment Expenditure and decrease in Maintenance Expenditure. Therefore, **the Commission recommends that "the ratio of Establishment Expenditure and Maintenance Expenditure in Revenue Expenditure should be fixed and on the basis of that, supervision of all the urban bodies should be done".**

Table 10.18
Structure of the Expenditure of Sample Nagar Palika Parishads

(Amount in Crore Rs.)

Description	2017-18		2018-19		2019-20		2020-21		2021-2022	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
(1) Revenue Expenditure	79.83	46.83	99.35	44.77	99.08	43.90	95.33	47.36	84.55	44.62
(2) Capital Expenditure	78.70	46.17	93.51	42.14	102.61	45.46	91.94	45.68	86.57	45.69
(3) Expenditure of Welfare Schemes	6.09	3.57	17.07	7.69	16.02	7.10	7.27	3.61	7.68	4.05
(4) Expenditure o on Miscellaneous Heads	5.85	3.43	11.99	5.40	8.01	3.55	6.74	3.35	10.69	5.64
Total	**170.47**	**100**	**221.92**	**100**	**225.72**	**100**	**201.28**	**100**	**189.49**	**100**

Source – Data Collected by SFC.

Table 10.19
Structure of Revenue Expenditure of Sample Nagar Palika Parishads

(Amt. in Crore Rs.)

Description	2017-18		2018-19		2019-20		2020-21		2021-22	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
A. Establishment Expenditure	54.52	68.30	65.23	65.66	69.49	70.14	69.56	72.97	66.71	78.89
B. Maintenance Expenditure	25.31	31.70	34.12	34.34	29.59	29.85	25.77	27.03	17.84	21.10
Revenue Expenditure(A+B)	**79.83**	**100**	**99.35**	**100**	**99.08**	**100**	**95.33**	**100**	**84.55**	**100**

Source – Data Collected by SFC.

Review of Financial Status of Nagar Nigams

10.56 On the basis of sample data which is clear from table no. 10.20, in the period of 2017-22, Municipal Corporations of their own income, are getting 30%. from their own sources. 35% from the State Government and 33%. from the SFC.

10.57 The revenue received from Nagar Nigams' own sources is about 30% of the total receipts, which shows a better situation than that of Nagar Panchayats and Nagar Palika Parishads. Tax revenue accounts for about 81% of the revenue received from own sources. The share

of property tax in the total tax income is 48% and the percentage of collection of property tax against the tax demand is 90%. which in comparison to Nagar Panchayats and Nagar Nigams be said for better situation. Property tax is an important source of income of Nagar Nigams, hence more efforts are required in order to increase the share of property tax in the total tax income.

10.58 The percentage of tax collection against tax demand under optional taxes is much more than the target, but still the percentage of bodies which do not levy education cess, animal registration fees, toilet tax and drainage tax under optional taxes is high which shows the indifference of Nagar Nigams in achieving the goal of financial autonomy. Therefore, Nagar Nigams are expected to expand the scope of revenue generation from their own sources in an effort to reduce excessive dependence on grants from the State Government.

Table 10.20
Structure of The Income of Nagar Nigams

(Amt. in Crore Rs.)

Description	2017-18		2018-19		2019-20		2020-21		2021-2022	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
(I) Revenue Receipts From Own Sources	279.89	25.67	287.23	33.96	275.03	25.38	303.73	26.90	359.08	38.21
(II) Receipts From State Government	435.71	39.96	305.01	36.06	340.45	31.42	400.02	35.43	287.51	30.59
(III) Receipts From Central Government	349.60	32.06	209.66	24.79	453.74	41.88	406.32	35.99	273.03	29.05
(v) Receipts From Miscellaneous Heads	25.15	2.31	43.86	5.19	14.25	1.32	19.00	1.68	20.12	2.14
Total	**1090.36**	**100**	**845.76**	**100**	**1083.48**	**100**	**1129.07**	**100**	**939.75**	**100**

Source – Data Collected by SFC.

10.59 Of the total expenditure of Nagar Nigams, revenue expenditure is more than 51%. and capital expenditure is 46%. In the years 2019-20 and 2020-21, the share of revenue expenditure is less than capital expenditure.

10.60 Of revenue expenditure, establishment expenditure is 55% and maintenance expenditure is 45% respectively.

Table 10.21
Structure of The Expenditure of Sample Nagar Nigams

(Amt. in Crore Rs.)

Description	2017-18		2018-19		2019-20		2020-21		2021-2022	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
(I) Revenue Expenditure	425.63	63.29	516.68	63.38	474.71	38.02	443.08	36.14	433.00	57.8
(II) Capital Expenditure	241.9	35.97	289.22	35.48	757.77	60.69	770.79	62.87	294.95	39.4
(III) Expenditure on Welfare Schemes	5.00	0.74	5.00	0.61	8.00	0.64	5.00	0.41	10.00	1.3
Expenditure on Miscellaneous Heads	0.00	0.00	4.33	0.53	8.14	0.65	7.13	0.58	11.34	1.5
Total	**672.53**	**100**	**815.23**	**100**	**1248.62**	**100**	**1226**	**100**	**749.29**	**100**

Source – Data Collected by SFC.

10.61 The growth rate of revenue expenditure of Nagar Nigams has been 0.90%. which indicates a partially positive situation, moreover, the annual growth rate of capital expenditure is 5.08%. Since capital expenditure is of performing nature in which future revenue possibilities are inherent and furthermore, capital expenditure for roads, drains. Public health and infrastructural work is inevitable in municipal areas, increase in capital expenditure is a better indicator. The Financial Trends of Nagar Nigams can be seen in table no. 10.20 to 10.22.

Table 10.22
Structure of The Revenue Expenditure of Sample Nagar Nigams

(Amt. in Crore Rs.)

Description	2017-18		2018-19		2019-20		2020-21		2021-22	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
(I) Establishment Expenditure	236.76	56%	248.25	48%	269.83	57%	258.78	58%	228.31	53%
(II) Maintenance Expenditure	188.87	44%	268.43	52%	204.88	43%	184.30	42%	204.69	47%
Revenue Expenditure	**425.63**	**100%**	**516.68**	**100%**	**474.71**	**100%**	**443.08**	**100%**	**433.00**	**100%**

Source – Data Collected by SFC.

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Chapter – 11

Best Practices

- **Best Practices of other States**
- **Best Practices of State's Panchayati Raj Institutions**
- **Best Practices of State's Urban local bodies.**

11.1 Through the constitutional amendment, along with providing constitutional form to the local bodies as a unit of local governance, financial arrangements have been made for the local bodies to discharge the duties given in the constitution. Apart from the amount received from its own sources and on the recommendation of the Central Finance Commission, a provision has been made in the constitution to provide a certain percentage of taxes, duties and tolls collected by the state to the local bodies on the recommendation of the SFC. On the recommendation of the SFC, different processes of devolution of funds provided by the states to the local bodies are adopted. Similarly, efforts are made by the local bodies in different ways to increase the income from their own sources. If an innovative initiative results in positive outcomes, then such an initiative becomes a best practice for achieving similar results. generally, no system is absolutely good or best, but it can be relatively good or less good. Among the systems being adopted for devolution of funds to local bodies of the state and initiatives taken by the local bodies to increase their own source income, such systems and initiatives which can be emulated have been included in this chapter.

1. Adopting a new system or method for implementing a specific project or innovative program solving a specific problem which has a positive impact on performance and results in improvement in the system can be called best practice.

Devolution System of Funds to Local Bodies of ODISHA State:

11.2 In compliance with the Constitutional provision, a certain percentage of taxes, duties and tolls i.e. tax and non-tax income is collected by the state and devolved or transferred to the local bodies on recommendation of the SFC. The system followed by each state for devolution of funds provided on the recommendation of the SFC is different. The Fifth ODISHA SFC has recommended limiting the amount devolved to local bodies to 10 percent of the net divisible pool. The devolution of funds to local bodies by the Government of ODISHA is done in the following manner-

(1) Untied Amount:

A part of the amount to be devolved or transferred to local bodies is provided as untied amount. Out of the total recommended amount to be devolved or transferred over a period of five years between 2020 to 2025, 29% is proposed to be released as untied amount. Detailed guidelines have been issued by the concerned Departments to spend this amount. A copy of the guidelines issued by the ODISHA Government, Panchayati Raj and Drinking water Department for the use of the funds to be devolved on the recommendation of the 5th SFC is given for perusal (Annexure 11.1)

(2) Assigned Receipts:

On the recommendation of the Fifth ODISHA SFC, 7.46% of the revenue from State Goods and Service Tax (SGST) is being provided as assigned receipts to the local bodies of the State. Salaries, allowances establishment, Meeting fees honorarium and travelling allowances of public representatives etc. are met from this amount. In addition to the State Goods and Service Tax (SGST), 8.03%. of the motor vehicle Tax has been assigned to Panchayati Raj Institutions and Urban Local Bodies for the improvements and maintenance of Roads. The share of assigned receipts in the total recommended devolution or transferred amount is 38%.

(3) Grants

The amount required for the development of certain areas is met partially or completely in the form of Grants. 33%. Of the total recommended devolution or transferred amount is given to local bodies as grants. The main areas included for grant are tap water supply, provision of facilities in Gram Panchayat headquarters, Street lights, maintenance of panchayat properties, construction of capital assets, innovative practices, cleanliness and solid waste management in cities, development of water areas etc. Detailed guidelines for utilization and follow-up mechanism of specific grants in-aid are issued by the Finance Department in consultation with the High-Level monitoring committee on Grants.

11.3 The amount devolved to Gram Panchayat, Janpad Panchayat and District Panchayat on the recommendation of the SFC is released directly into the approved accounts of these bodies, which is integrated with PFMS and IFMS through PRIASOFT. The amount is released in two instalments, first in June and second on October or November.

11.4 Another major feature of the devolution of the Odisha Government to the local bodies is that the local bodies can do any work in their area by converging with other schemes of the state government. For this, the share of the local bodies is sanctioned from the grant head.

Municipal Corporation Indore, Madhya Pradesh

11.5 Under Swachh Bharat mission (Urban), cleanliness awards are given by the ministry of Housing and Urban Affairs, Government of India. Under the swachhta sarvekshan Awards, Indore has received the cleanest city award in the country for the 6th consecutive time in 2022 in the category of cities with a population of more than one lakh. It is not easy for any organization to reach the top, for this, the organization has

to make various efforts. Following works have been done by municipal corporation Indore to reach the top of cleanliness-

Increase in Revenue Receipts

11.6 Any organization needs funds along with a strategy to achieve its goals. Indore municipal corporation has also given special emphasis on increasing income from its own source for revenue receipts of the corporation. The share of corporation income from its own sources has increased from 25% in 2020-21 to 34%, in 2022-23. 60% of the own source income comes from property tax. The collection of service charge has also been the highest in the last 3 years. For seven-star Ranking, collection of 75% of service charges from the residential areas and 90% from the commercial area is mandatory. Apart from this the municipal corporation raised funds for developmental works by taking a loan of Rs. 320 crores in 2020-21 and issuing bonds worth Rs. 244 crores in 2022-23.

Total Revenue Receipts of Indore Nagar Nigam

(Rs in lac)

S. N.	Description	2020–21	2021–22	2022–23
1.	**Income from Own sources**	48316.41 (25.16)	72460.10 (40.04)	74415.81 (34.33)
2.	**Assigned Revenue and Regular Grants**	71717.24 (37.35)	70987.30 (39.22)	77076.53 (35.55)
3.	**Project Grants and Capital Receipts**	39965.08 (20.82)	37519.35 (20.73)	40895.30 (18.86)
4.	**Loan and Bonds**	32000.00		24400.00
		(16.67)		(11.26)
Grand Total		**191998.73**	**180966.75**	**216787.64**

Source-Presentation given by Municipal corp. Indore before the SFC C.G.

11.7 To increase the collection of service charges, following efforts have been made by municipal Corporation Indore-

- Organizing special campaign for awareness
- Participation of Senior Government Officials and politicians in special campaigns.

Strategic initiatives-

11.8 Like other cities before becoming number one in the country in the field of cleanliness, Indore also faced many challenges. Unmotivated employees, Lack of public participation, lack of trust towards Indore municipal corporation, lack of door

to door collection, lack of plastic waste management system and inadequate infrastructure were the major challenges. To face these challenges, the following initiative were taken by Municipal Corporation Indore.

- Reviewing of city's Infrastructure and Sanitation Workers exactly ' as they are'.
- Regular meetings with key stakeholders – Safai Karmcharis Unions NGOs, corporation employees and Common citizens.
- Focussing on 'door to door' and source separation.
- Litter Free City Initiative - Special focus on waste detection.
- Organizing NGOs with door to door cart to encourage each family.
- To ensure participation of MLAS, Mayor, Chairman, Councillors etc in every activity and Initiative of Indore municipal corporation.
- Field visit by the corporation staff under the leadership of commissioner between 6-6.30 A.m.
- Purchase of vehicles and machines related to waste management.
- Capacity building in key areas at the municipal corporation level- phasing out of rented machinery, equipment, cancellation of contracts given to private sector for waste transportation and establishment of ISO certified vehicle repair workshop.
- Training and upgradation of vehicle workshop employees (maintenance of 100% vehicles in Corporation's workshop) `

Role of NGOS in Solid Waste Management: -

11.9 NGOS have an important contribution in establishing the process adopted by Indore Municipal Corporation for solid waste management 6 NGOS have been attached with the corporation. In each ward 4 to 6 people from these organizations are attached with corporation employees. NGOs were organized in the process as follows-

- People of non-government organizations were attached with 'door to door' vehicles.
- Family related information were collected by NGOs.
- Awareness programs were conducted by these organizations over the weekend.
- The services of NGOS were taken to encourage ward residents to donate garbage and segregate it at home to give it to garbage vans and to prepare route plans for garbage vans.

Separate collection of waste

11.10 Initially two types of garbage, wet and dry were collected separately by Indore municipal corporation through door-to-door vehicles now 6 types of garbage are collected separately by corporation from the houses.

- Wet Garbage
- Plastic Garbage
- Non- plastic Garbage
- Sanitary waste
- Domestic hazardous waste
- Electronic waste

Community Participation

11.11 The soul of Solid Waste Management of Indore Municipal corporation is the public participation or people's participation Various types of efforts were made by the corporation to get the co-operation of the people so that the garbage should be segregated from their homes and given to the garbage vehicles. The efforts made for this are as follows -

1. Women's participation
2. Use of Information, Education and communication methods to get separated six types of wastes from homes
3. Awareness campaign for how to wrap up sanitary wastes.
4. Decentralized dry garbage collection method.

Processing of Collected wastes

11.12 In the cleanliness sector, proper disposal of the collected wastes is more important than collecting the waste from households, public places and Commercial institutions. This is the reason why Indore Municipal Corporation has done proper disposal of the collected waste by processing wet and dry wastes separately.

Processing of wet wastes

11.13 Bio-CNG plant has been installed by the Corporation for processing of wet waste. Apart from this, arrangement for decentralized waste management has also been made. About 750 metric tons of wet waste is processed though both the mediums. Under the decentralized system following process is being adopted -

- Pit composting
- Composting system at garbage site
- Composting in mobile van
- Home composting

- Composting in gardens through waste drums
- Large scale composting system

Processing of dry waste

11.14 On an average 481 tonnes of dry waste is generated per day from the Indore municipal corporation area, for processing dry waste, the corporation has a centralized system of 600 tonnes per day and a decentralized System of 44 tonnes per day. Under the decentralized system, individually useful materials are sorted and separated from dry waste in 'Material Recovery Facility' centres. Mechanical arrangements have been made for separate disposal of the entire quantity of sanitary waste, domestic hazardous Waste, and electronic waste which are generated 10.8, 4.4 and 2.2 tonnes per day respectively

Other Important Initiatives

11.15 Cleanliness is a continuous process. After becoming the cleanest city of the country for the first time in the year 2017, Indore municipal corporation is continuously working to make the city clean and beautiful. The following works of Indore Municipal Corporation are also noteworthy in the endeavour to make the city clean and beautiful -

- Manufacturing paver tiles from building construction material and building demolition waste.
- Development of forest at the old landfill site in corporation's area through biological excavation and biological treatment -salvation of 100 acres of land.
- Ban on single use plastic.
- Use of "swachchhata app Indore 311" for complaint redressal.
- Various works to enhance the beauty of the city- construction of adequate parking, beautification of river drains, removal of stray cattle.
- Construction of public facilities i.e. community and public toilets.
- Generating Income from Carbon- credit the first city of country.

Best Practices of Panchayati Raj Institutions of the state

Gram Panchayat Patna District - Baikunthpur

11.16 Patna Gram Panchayat of Baikunthpur Janpad Panchayat of Korea district in Chhattisgarh is leading in generating income from its own source. Due to obtaining a good amount of income from its own source, the functioning of Gram Panchayat Patna is included among the best systems by the ministry of Panchayati Raj, Government of India. As per Census 2011, the total population of Patna Gram Panchayat is 5124, of which 2551 are males and 2573 are females. 16-16 percent of

the total population are people from scheduled Caste and scheduled tribe category. There is a total of 20 wards in the Gram Panchayat.

Tax and Non-Tax Income heads

11.17 Apart from statutory taxation; various types of service charges have also been imposed by Gram Panchayat Patna to increase its income from its own sources. Among the taxes, Water tax, lighting tax and the profession tax are the main source of income. Under various types of service charges, fees are being charged for land change animal registration, certificates of residence, caste income etc, certificate for electricity and other purposes, building construction permission and license for trade. The ponds of the Gram Panchayat area have been given on lease for fish-farming and shops have been given on rent after constructing commercial complexes. The various types of fees charged by the Gram Panchayat have been determined as follows-

Table 11.1

Tax and Fee rates determined by Gram Panchayat Patna

S.N.	Name of Tax	Prescribed Rate	S.N.	Name of Tax	Prescribed Rate
1.	Water Tax	100 Rs per Month	11.	Heir certificate	Rs. 20
2.	Lighting Tax	-120 Rs per Month	12.	No objection certificate for electricity and other purpose	Rs.20
3.	Profession Tax	Rs 300 to 1400 per Year	13.	Building permit certificate	Rs.20
4.	Land Diversion Fees	Rs 10 per Square Meter	14.	Land Transfer	Rs.100
5.	Non-Residential (Commercial Tax)	Rs 15 per Square Meter	15.	Regularization of Unauthorized Construction	Rs.500
6.	Animal Registration Fees	Rs 20 per Animal	16.	Hotel, Motor vehicle repair permit	Rs.500
7.	Pond lease	In Hactares, Determined by Fisheries Deptt,	17.	Hotel, Motor vehicle shop renewal fees	Rs.200
8.	Building Rent	Based on Square ft.	18.	Licence for other business	Rs.100
9.	Market Fees Collection	According to Panchayat Act,	19.	Mobile tower permission fees	Rs.25000
10.	Residence, Cast Certificate	Rs.10	20.	Mobile tower renewal fees	Rs.10000

Source – Directorate Panchayat C.G.Govt.

Income received from own source

11.18 Patna Gram Panchayat has received an annual Income of Rs. 27.85 lakh from its own sources in the year 2018-19. Under its own income, the highest income of Rs. 22.59 lakh is being received from the rent of shops in commercial premises. In subsequent years, due to the decline in the income from rent of shops and the covid period of 2019-20 and 2020-21. the Income from own sources has decreased, but it again increased to Rs. 18.67 lakh in 2021-22- Market fees, business registration fee and pond contract are important heads of income from own sources which are available in Table no. 11.2

Table 11.2
Patna Gram Panchayat's own Income from Various Sources

(Amt in Rs.)

S.N.	Description	2018–19	2019–20	2020–21	2021–22
Tax Revenue					
1	Water Tax	1,14,730	75,500	60,910	41,050
2	Lighting Tax	11,460	8,530	4,180	3,530
	Total	**1,26,190**	**84,030**	**65,090**	**44,580**
Non-Tax Revenue					
3	Market fee	1,90,325	4,19,913	2,81,640	3,33,911
4	Animal registration fee	2,675	250	0	0
5	Land purchase and Transfer fee	600	4,200	2,100	0
6	Income from various issued certificates	4,910	4,840	3,060	4,200
7	Business registration fee	16,100	23,000	20,000	28,200
	Total	**2,14,610**	**4,52,203**	**3,06,800**	**3,66,311**
Other Income					
8	Korea Neer	1,52,295	13,800	12,000	0
9	Commercial premises shop rent	22,58,837	8,48,968	6,38,875	13,94,954
10	Pond contract	18,545	39,591	60,370	33,240
11	Mobile tower	10,000	10,000	0	25,000
12	Other income	4,910	12,540	32,095	3,500
	Total	**24,44,587**	**9,24,899**	**7,43,340**	**14,56,694**
	Grand total	**27,85,387**	**14,61,132**	**11,15,230**	**18,67,585**

Source- Directorate Panchayat C.G.Govt.

Structure of income received from own sources

11.19 Taking a look at the structure of income received from own sources it appears that on an average 5 percent of Patna Gram Panchayat's own income comes from taxes, 21% from non-taxes i.e. various types of the fees and highest 75%. amount comes from special sources of income i.e. Renting of shops, pond contract, mobile tower installing fees. Head wise, highest 68%. income is received from the rent of shops in commercial premises, this can be seen in Table no. 11.3.

Table 11.3

Structure of income received from own sources

(As a percentage of total income from own sources, %)

S.N.	Description	2018–19	2019–20	2020–21	2021–22
Tax Revenue					
1	Water Tax	4-1	5-2	5-6	2-2
2	Lighting Tax	0-4	0-6	0-4	0-2
Total		**4-5**	**5-8**	**6-0**	**2-4**
Non-Tax Revenue					
3	Market fee	6-8	28-7	26-0	17-9
4	Animal registration fee	0-1	0-0	0-0	0-0
5	Land purchase and Transfer fee	0-0	0-3	0-2	0-0
6	Income from various issued certificates	0-2	0-3	0-3	0-2
7	Business registration fee	0-6	1-6	1-8	1-5
Total		**7-7**	**30-9**	**28-3**	**19-7**
Other Income					
8	Korea Neer	5-5	0-9	1-1	0-0
9	Commercial premises shop rent	81-1	58-1	57-3	74-7
10	Pond contract	0-7	2-7	5-4	1-8
11	Mobile tower	0-4	0-7	0-0	1-3
12	Other income	0-2	0-9	2-9	0-2
Total		**87-8**	**63-3**	**66-7**	**78-0**
Grand total		**100**	**100**	**100**	**100**

Appointment of Employees by Gram Panchayat

11.20 Nine employees have been hired by the Panchayat for the operation and management of the facilities being provided to the villagers by the Gram Panchayat and for execution of office work. These employees include one accountant. on data entry operator, five pump drivers, one Peon and one post of Sweeper. All of them are employees of Gram Panchayat and Rs. 45000 per month is spent on the salaries of these employees out of the income received by the Gram Panchayat from its own source.

Facilities provided by Gram Panchayats

11.21 Various types of public welfare works are being done by the Gram Panchayat for the convenience and welfare of its residents. R.O. Drinking water is being provided by the Panchayat at minimum rates in the name of 'Korea Neer'. To organize social, family and religions functions, two community buildings have been built in Gram Panchayat. Ponds have been beautified. Lighting facility has been arranged in main

streets. A bus stand has also been built. Tap water facility is being provided. Solar high mast light has been installed in the major place of Gram Panchayat.

Ways to increase income from own source:

11.22 Apart from the grants and scheme funds, to be received from the central and state Government, the Gram Panchayat officials are aware enough about increasing the income from their own sources. Panchayat officials also agree that by increasing the Gram Panchayat's own income, more and more facilities can be provided to the citizens. This also reflects in the functioning of Gram Panchayat. In order to increase its own income, following efforts are being made by the Gram Panchayat -

- Organizing regular meetings of Gram Sabha and Panchayat officials.
- Sharing the functioning of Gram, a Panchayat with the villagers in Gram Sabha meetings.
- To do more and more work to make the lives of villagers comfortable.
- visiting various localities of the Panchayat from time to time and listening the problems of the people.
- Maintaining lively relations between Gram Panchayat and villagers.

Box 11.1 : Steps being taken by Gram Panchayats to increase their own income

- Plantation of fruit trees in Gram Panchayat
- Collecting vehicle fees from the vehicle owners who come to extract sand form the jonk river.
- Earning income by developing boating facility in river and ponds
- Discussion are made in each Gram Sabha about strengthening the Gram Panchayat’s income
- To auction for planting crops across the pond deepening done under MNREGA
- Determination of sanitation tax
- To impose fish farming tax in village ponds
- Imposing tax on all the shops in Gram Panchayat

Gram Panchayat Tengnabasa, Distt. Gariyaband

11.23 Tengnabasa tribal dominated Gram Panchayat is located in chhura Janpad Panchayat of Gariyaband district. Most of the population depends on agriculture for livelihood. Gram Panchayat has been included under the best practices due to its special achievements in the field of earning income from its own sources. Three dependent villages of Gram Panchayats are Tengnabasa, Ravanbhatha and Lalapur. The total population of the Gram Panchayat of fifteen ward is 1623 and the number of families in the Gram Panchayat is 546. The minimum rates of obligatory and optimal taxes optional are imposed by the Gram Panchayat under Panchayati Raj Act 1993.

Available facilities

11.24 There are 4 Aangan badi centers, 3 primary schools, 2 middle schools, 1 primary health centre, 3ponds and 15 hand pumps in the Gram Panchayat. Tap water facility is being made available in all three dependent villages, street lighting - facility is also available in all three dependent villages.

Taxation

11.25 Light tax, house tax and Trade tax has been Imposed by the Tengnabasa Gram Panchayat under the obligatory taxes. In optional taxes, water- tax, Pond lease and mobile tower fee is being collected by the Gram Panchayat. Apart from obligatory and optional taxes, fees are being charged for issuing building permits and making cast and residence certificate.

11.26 The special achievement of Gram Panchayat in the field of collecting income from its own source is that 99% of the tax amount is being recovered against the tax demand. In the year 2021-22, Rs. 325220 has been recovered by the Gram Panchayat against the tax demand of Rs. 328470 of the income received from own sources, highest 92% comes from optional taxes and 7% comes from obligating taxes. only one percent amount is received from the fees charged for issuing building permits and caste and residence certificates. These facts can be seen in Table no. 11.4.

Table 11.4

Income received from own sources of Gram Panchayat Tengnabasa

(Amt In Rs.)

S. N.	Name of Tax	Balance amount for year 2020-21	Demand amount for year 2021-22	Total demand amount	Recovery amount	Percentage of recovery	Outstanding amount
Obligatory Tax							
1	Lighting Tax	600	11,400	12,000	10,950	91.25	1,050
2	House Tax	600	11,400	12,000	10,950	91.25	1,050
3	Business Tax	—	1,350	1,350	1,200	88.89	150
Total		**1,200**	**24,150**	**25,350**	**23,100**	91.12	**2,250**
Optional Tax							
4	Water Tax	—	76,000	76,000	75,000	98.68	1,000
5	Pond lease	—	2,15,000	2,15,000	2,15,000	100.00	2,000
6	Mobile tower	—	10,000	10,000	10,000	100.00	
Total		**—**	**3,01,000**	**3,01,000**	**3,00,000**	**99.67**	**3,000**
Other fees							
7	Building permit Tax	—	2,000	2,000	2,000	100.00	—
8	Residence, cast certificate fees	—	120	120	120	100.00	—
Total		**—**	**2,120**	**2,120**	**2,120**	**100.00**	**—**
Grand Total		**1,200**	**3,27,270**	**3,28,470**	**3,25,220**	**99.00**	**5,250**

Source- Directorate Panchayat C.G. Govt.

Efforts being made to increase income from own sources

11.27 The measures to be adopted by Gram Panchayat Tenganahasa to increase income from own sources and taxation is as follows-

- Organizing Gram Sabha in all dependent villages of Gram Panchayat as per PESA Act on fixed dates 6 times a year.
- Giving information about annual income and expenditure in Gram Sabha.
- Reading of list of tax payers and outstanding tax payers in gram Sabha
- In the Gram Sabha information is given about the works being done for public welfare by the Gram panchayat from the income received from its own sources. The works done from its own income include maintenance of streets. Payment of electricity bills of street lights, expansion of electrification, cleaning and maintenance of ponds and hand pumps, maintenance of government buildings, organization of national festivals and casual programs.
- To highlight the importance of taxation in the annual Gram sabha.

- Discussing the budget in the Gram sabha while setting priorities to fulfil the basic needs at the village level.

Box 11.2 Efforts being made by Gram Panchayat in Chhattisgarh to increase Tax Collection

- Organization of regular and special camps in Gram Panchayats for recovery of taxes
- Passing tax recovery proposal in special Gram Sabha.
- To bring awareness for payment of taxes in the village through munadi and drama
- To consider, increasing the income through taxation in Gram Panchayat meetings.
- Honouring the first taxpayer in the Gram Sabha.
- Tax recovery campaign by Gram Panchayat.
- Consensus building in Gram Sabha on imposition of tax.
- Making announcement form kotwar in Gram Panchayat for payment of tax.
- Spreading awareness regarding tax by school children.
- Writing on walls for payment of takes.
- Approval in Gram Sabha for mandatory tax collection.
- Reading of taxation related rules in Gram Sabha.
- To encourage people to pay taxes by holding meeting in all paras, tolas and mohallas of Gram Panchayat.
- Giving information's related to taxation in the meeting of Gram Panchayat and Gram Sabha.
- Whenever there is a Gram Sabha in Gram Panchayat, taxation and tax collection are discussed.
- Organization of awareness rally.
- Collection of taxes through self- help groups.

Best Practices of state's urban local bodies

Municipal Corporation Raipur

11.28 Raipur is the capital of chhattisgarh and a major industrial and commercial city of the state. According to census 20ll, the Population of Raipur municipal corporation is 1048120. Raipur municipal corporation is spread over an area of 178.35 square km.

Own source income constitutes a significant portion of the total receipts of the local bodies. Own income of local bodies reduces the dependence on the state for discharging its obligations and provides freedom in policy determination. This is the reason; local bodies, especially urban bodies want to increase their own income. various steps have been taken by municipal corporation Raipur also to increase income from its own sources. Some important initiatives made by corporation are as follows-

Measures to Increase property tax collection

11.29 Property tax is the biggest source of own income for local bodies. All urban bodies pay special attention to the collection of property taxes. The following steps have been taken by Raipur Municipal Corporation to bring all the properties under the ambit of Property tax, ensure transparency in tax payment and increase the income from property tax by removing the shortcoming and Inefficiencies in tax collection.

1.Drone based GIS survey of properties

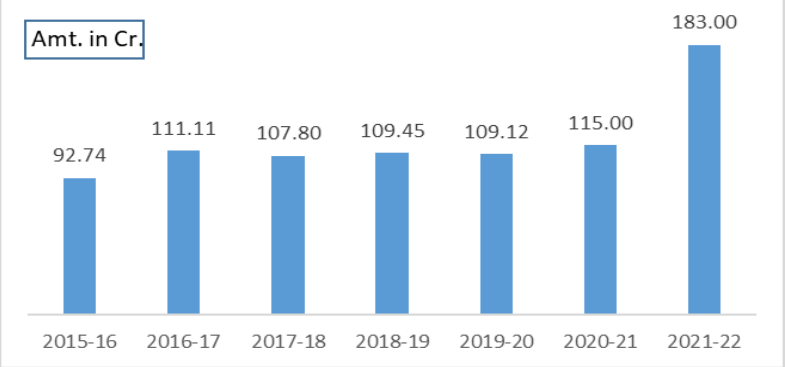
11.30 Raipur Municipal Corporation has conducted drone-based GIS survey of all the properties falling in the corporation area. Unique identity cards have been provided to all the properties through the survey. Complete information about the property like home, area, demand and location etc, has been obtained through the survey. Along with identification of new properties, digitalization of 1.9 lakhs old properties have also been done through the field Survey.

11.31 Software for this purpose was developed in 2017-18. The project could not be implemented between the years 2018-21 due to various reasons. The Project was implemented in the financial year 2021-22.

Impact

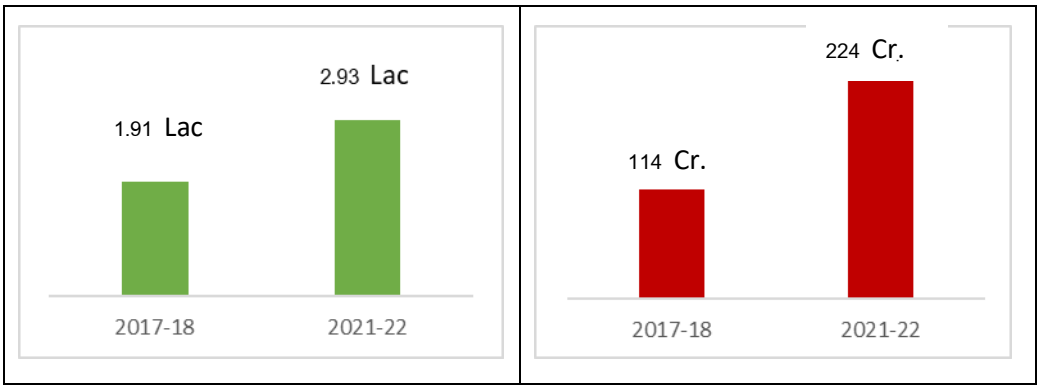
11.32 The project has had a positive impact on the revenue received by Raipur Municipal Corporation from property tax. From the year 2015-16 to 2019-20 the revenue from property tax was almost stable and was around Rs. 110 crores. After the Implementation of project, property tax collection increased to Rs. 183 crore in the year 2021-22.

fig 11.1: Property tax collection



11.33 After the implementation of the project in the year 2021-22, the number of registered properties has increased by 53 percent as compared to the year 2017-18 and the property tax demand has also increased by 96 percent in the same period. This can be seen through the Graphs.

fig 11.2 Registered Property **fig 11.3 Property Tax Demand**



Source - Presentation of Municipal corporation of Raipur in front of State Finance Commission

2. Launching of mobile App

11.34 "Mor Raipur" Mobile App has been launched by Raipur municipal corporation in order to improve the service system by using Information technology, bring transparency in work, and reduce the gap between citizens and the services of corporation. Through the app, citizens can access a variety of services provided by the corporation. The major ones among them are as follows-

- Payment of Property tax.
- Status of building construction permission proposal.
- Application for new water connection.
- Transfer of Property
- Information of property.
- Registration of citizens complaints

Impact

11.35 After the launching of the mobile app, In one year in 2022-23 49095 complaints were made by the citizens through the app, out of which 48362 complaints were resolved out of the total 3.29 lakh taxpayers, 1.52 crore of property tax was paid by 22400 taxpayers through the mobile app 2971 applications for property transfer and 210 applications for tap connection were received.

3. Digital Door Number plate

11.36 Raipur Municipal Corporation has also taken up the project of installing digital door number plates on all the identified properties after surveying the properties falling under the corporation's Jurisdiction. Its main objective is to create an accurate

database for the characteristics of all commercial and residential properties as well as to provide a unique identification number to each establishment/ property. The same unique ID will also be used to provide municipal services efficiently. As per the proposal project, DDNs can also be used in future to generate revenue and for other purposes as follows-

- Taxi service
- Food and E-Commerce delivery
- Emergency Services as Ambulance and law and order
- For KYC support in Banking and Insurance claims and premiums.
- local e-commerce
- For General address

11.37 The digital door number can be used for other purposes along with increasing the revenue from the services provided by the municipal corporation -

- Tap - connection
- Identification of illegal building construction.
- Regularization of unauthorized building construction
- Citizen complaints.

Impact

11.38 At the time of installation of digital door number plates, many properties on which property tax was not assessed were brought under the purview of property tax, due to which the tax assessed properties increased by 3 to 4 percent. There has been an increase in online payments through the property tax code given in the Digital Door Number plate. Online tax receipts have Increased from Rs. 2 lakh per day in 2021 to Rs.8 to 9 lakh per day in 2022.

Other measures to increase Income from own source

sale of the treated drain water

11.39 In order to increase the revenue from its own source municipal corporation Raipur has made a plan to treat the dirty water coming out of the drains of the city and sell it to big companies. 170 MLD of water from 17 drains of Raipur city and surrounding rural areas fall into Kharun river. To stop and treat this dirty water, the municipal corporation has established three sewerage treatment plants of 200 MLD capacity with an expenditure of Rs. 261 crores. currently, 160 MLD water is being treated every day from these plants, this water will be sold to companies Half a dozen companies have also given their consent to purchase the clean water coming out of the sewerage treatment plant According to the contract, the corporation will get Rs.

10 for 1000 litters Thus, with this scheme. on one hand the water of dirty drains of Raipur will be prevented from getting into the Kharun River, while on the other hand, the corporation will also get additional revenue.

"Installing water meters" on tap connections of houses

11.40 Raipur Municipal Corporation is working on facility of providing 24 hours water supply to the people of the city. Initially there is a plan to provide 24 hours water supply to 2.40 lakh People of 15 wards. For this, water meters will be installed in homes, which will show how much water is being used by people. At present, if there are 5 members in a house, the consumption of 750 litters of water has been made slandered by the corporation. If 750 litters of water is consumed in a house the corporation will collect water tax at the old rate of Rs. 240 per month. But if more than 750 litters of water is consumed, additional amount will be charged. The implementation of this scheme will yield the following positive results –

- Citizens will get regular water supply 24 hours a day.
- Along with quantity of water, its quality will also be monitored.
- Problems like leakage and overflow in pipelines can be controlled.
- There will be reduction in non-revenue water supply.
- Revenue of Municipal Corporation will increase.

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Chapter 12

Financial Resource Gap and Devolution

- **Assessment Of Financial Resource Gap**
- **Strategy To Fill the Gap**
- **Devolution Plan**

12.1 The minimum facilities required for living like water supply, roads, drains, sewage and rain water sewage, drainage, street lighting etc. are provided to the citizens by Panchayati Raj Institutions in rural areas and by municipal Bodies in urban areas. According to the Constitutional provision financial assistance is provided to the local bodies by the Central and state Governments on the basis of the recommendations of the Central and State Finance Commissions after reviewing their own sources of income in compulsion to the costs incurred in fulfilling the major responsibilities of these local bodies. How much should this assistance be? To estimate this, it is necessary to obtain the financial resource gap by assessing the financial and physical facilities provided to the citizens and to determine the amount to be devolved to the local bodies in view of the financial condition of the government.

Assessment of needs of Panchayati Raj Institutions

Service Gap

12.2 To assess the needs of Panchayati Raj Institutions, it is necessary to be clear about the Service Gap of basic services provided by Gram Panchayats. Table Number 12.1 shows the current status of civic facilities provided by Gram Panchayats.

Table – 12.1
Current Status of Civic Facilities Provided by Gram Panchayat

No	Civic facilities	Percentage of Gram Panchayats providing facilities	Percentage of Gram Panchayats not providing facilities
1	2	3	4
1.	Tap water availability	50.59	49.41
2.	Solid waste management	26.07	73.93
3.	Waste water management	57.97	42.03
4.	Street lighting	51.24	48.76

Source- 4TH SFC Chhattisgarh (Annexure 7.3, 7.6 7.7)

12.3 It is clear from the above table that tap water facility is available in 51 percent Gram Panchayats and tap water facility is yet to be provided in 49 Percent Gram Panchayats. Drain facilities are available in about 58 percent of Gram Panchayats and this facility is to be provided in 42percent of Gram Panchayats. Similarly, street lighting facility is available in 51 percent Gram Panchayats and this facility is to be provided in 49 parent Gram Panchayats. This is a big gap considering the total 11,664 Gram Panchayats of the state.

12.4 Internal roads in Gram Panchayats are an important facility in out of the total internal roads of Gram Panchayats, 43 percent are paved roads while 57 percent are unpaved. This can be seen in Table No. 12.2.

Table 12.2
Status of Average Internal in Gram Panchayats

No.	Description of roads	Average length of roads (in km)	% of paved & unpaved roads
1.	unpaved roads	7.07	57
2.	paved roads	5.28	43
Sum		**12.35**	**100**

Source – 4TH SFC Para 7.3 to 7.41

12.5 Like urban areas, civic facilities should be available in rural areas also. For this effort are being made by the Central and State Governments along with Panchayati Raj Institutions for the development of basic facility in rural areas, but looking at the figures of service gap. it seems that these are not sufficient. Therefore, special efforts need to be made to provide civic amenities similar to cities in rural areas also.

Service Benchmark for Gram Panchayats

12.6 Service Benchmark have been set by the Ministry of Housing and Urban Affairs, Government of India for monitoring civic amenities in urban areas. It is very useful for monitoring the civic amenities provided by Urban bodies and estimating the capital and maintenance expenditure for the development of urban areas. For eligibility to receive grants recommended by the 14th CFC, it was made mandatory for urban bodies to notify annually the current status of Service Benchmark and targets for the coming year.

12.7 As a first step to provide civic facilities equivalent to urban areas in the rural areas it is necessary to fix service benchmark for Gram Panchayats also. By determining the service benchmark for Gram Panchayats minimum civic facilities provided to the villagers by Gram Panchayats can be ensured. Its advantage will also be that through this, the expenditure on civic services can be estimated and the basic facilities provided can be monitored on the basis of certain benchmarks. In the manual issued by the Government of India ministry of Jalshakti, Department of Drinking Water and Sanitation. for the utilization of the funds of the tied grants of 15thFinance Commission Some Service benchmarks related to drinking water and

sanitation have been included for monitoring the drinking water and sanitation related services being provided by the Gram Panchayats.

12.8 A study was also sponsored by the Fourth State Finance Commission, Chhattisgarh to give suggestions for determining service benchmarks for the services provided at the Gram Panchayat level. **On the basis of the service benchmarks prescribed for urban bodies, the benchmarks related to Drinking Water and Sanitation suggested for monitoring of Gram Panchayats by the Ministry of Jal Shakti, Government if India and the service benchmarks suggested in the study sponsored by the State Finance Commission of Chhattisgarh, the Commission Recommends determining the ' Service Benchmarks' as per Table No. 12.3 for monitoring the citizen services provided by the Gram Panchayats.**

Table 12.3
Gram Panchayat Service Benchmarks

No.	Description	Indicators	Benchmark
1. Water Supply			
1.1	Expansion	Tap water supply in all habitations	100 percent
1.2		Tap connection in all houses	100 percent
1.3	Amount	per capita water supply	55 lpcd
1.4		Water supply at fixed time every day	100 percent
1.5	Continuity	Monthly payment of electricity bill related to water supply	100 percent
1.6	Quality	Clean water supply	100 percent
1.7	Cost recovery	Cost recovery of water supply service	100 percent
2. Cleanliness			
2.1	Access	There are toilets in all the houses of the Gram Panchayat	100 percent
2.2	Use	All household toilets are usable	100 percent
3. Solid waste management			
3.1	Expansion	Garbage is being collected from all the houses	100 percent
3.2	Resolve	Proper disposal of collected waste	100 percent
3.3	Cost recovery	Cost Recovery of Solid Waste Management	100 percent
4. Waste water management			
4.1	Expansion	All internal paved roads have drains on both sides	100 percent
5. Street Lighting			
5.1	Expansion	There are street lights on all the unpaved roads	100 percent
5.2	Continuity	Street light electricity bill is being paid every month	100 percent
5.3	Cost recovery	Recovery of street light maintenance expenses	100 percent

12.9 The data required to calculate the benchmark of each indicator and information on calculation of the indicator is given in Annexure 12.1

Assessment of requirement of financial resources for Panchayati Raj Institutions.

12.10 SFC CG is of the opinion that providing civic facilities to the population of rural areas - like water supply. Solid waste management waste water management. street lighting, construction of internal roads. and streets conservation of water sources, development of general recreational facilities etc. should be focused on, thereafter, depending on the availability of resources, work can be done on other subjects which are given in the 11th schedule of constitution. Therefore, the commission has focused its recommendations only on the development of civic amenities.

Gram Panchayat

12.11 Due to the decision of the Commission to focus its recommendations on civic amenities while assessing the requirements of financial. resources the commission has taken into account the expenditure incurred on providing civic amenities by the Panchayati Raj Institutions. A detailed review was done by the SFC after receiving online Information's from Panchayati Raj Institutions. It is found in the review that Gram Panchayat Spend Rs. 834 per person on providing civic facilities to its citizen, out of this Rs. 257 is spent in the form of maintenance expenditure and Rs. 577 is spent as capital expenditure.

Table 12.4
Per Capita Maintenance and Capital Expenditure by Gram Panchayats on Civic Facilities

No.	Civil liberties	Maintenance expenses	Capital expenditure	Total expenditure
1-	Water supply	60.93	95.88	156.81
2-	Street lighting/lighting system	12.90	29.74	42.64
3-	Sanitation/solid waste management	32.62	48.26	80.88
4-	Road improvement (Internal roads/streets)	38.88	126.07	164.95
5-	Drainage/wastewater management	15.41	51.75	67.16
6-	Building construction	31.25	103.00	134.25
7-	Other	65.27	122.37	187.64
Total Expenditure		**257.26**	**577.07**	**834.33**

Source – 4Th SFC

12.12 According the census 2011, the rural Population in Chhattisgarh was 1.96 Cr., according to the population estimates of the ministry of Health and Family Welfare Government of India, it is estimated to be 2.17 Cr. in 2030. Population projections are also available for the 4th SFC award period 2025 to 2030. Detailed population projections are given in Annexure 12.2

Maintenance Expenditure

12.13 To estimate the resources for Gram Panchayats the SFC has taken into account only the minimum civic services provided by the Gram Panchayats. The Commission agrees that Gram Panchayats should provide civic services at par with urban bodies hence instead of the average maintenance expenditure of Gram Panchayats, the need for maintenance expenditure has been estimated on the basis of maintenance expenditure on civic facilities provided by the Nagar Panchayats of the state.

Table 12.5

Required Maintenance Expenditure in Nagar Panchayats (Equitable to Gram Panchayats) During Award Period

No.	Description	Average maintenance expenditure per capita Nagar Panchayat (2017-18 to 2021-22) (Amount in Rs.)	Estimated population 2025 (people in lakhs)	Required maintenance expenditure per year (Rs. 4x Rs 7) (Amount in Rs crore)	Necessary maintenance expenditure for 5 years from 2025-26 to 2029-30 (No. 8X5) (Amount in Rs crore)
1	**2**	**4**	**7**	**8**	**9**
1	Water supply	56.03	222.99	124.94	624.71
2	Street light	34.33	222.99	76.55	382.76
3	Solid waste management	60.41	222.99	134.71	673.54
4	Road Construction	51.60	222.99	115.06	575.31
5	Drainage waste water management	30.48	222.99	67.97	339.84
6	Building construction	16.34	222.99	36.44	182.18
7	Other	161.66	222.99	360.49	1802.43
Grand total		**410.85**		**916.16**	**4580.77**

Source – Budgets of Respective Years

12.14 Between the analysis period i.e. 2017-18 to 2021-22 the per capita maintenance expenditure of Nagar panchayats in Chhattisgarh is RS. 410.85 per year. Based on the estimated rural population of 222.99 lakh. for the year 2025, Gram Panchayats will require Rs. 916.15 crore every year and a total of Rs. 4580.77 crore in five years. Civic services wise amount required for the award period i.e. 2025 to 2030 is shown in Table No. 12.5.

Capital Expenditure

12.15 While estimating the need for capital expenditure in Gram Panchayats, the capital expenditure incurred on providing basis civic facilities has been taken into account. Water supply, a major head under civic amenities is being arranged under the 'Jal Jeevan Mission' scheme. Therefore, there is no need to estimate capital expenditure for this purpose during the award period. Therefore, only the capital expenditure on street lights, solid waste management, road construction and drain construction has been included in the calculation of required capital expenditure.

12.16 According to Table No. 12.10 there is a need to make arrangements for, solid waste management in 74 percent Gram panchayats constriction of drains in 42 percent Gram Panchayats and street lighting in 49 percent Gram Panchayats. Similarly, 57% of the roads of Gram Panchayats are yet to be concreted. For all these (except water supply), to provide basic civic amenities in Gram Panchayats as per the calculations of the state Finance commission at current prices and as per population of 2011, capital expenditure of RS. 19215 per person is required. On this basis for the estimated population of 222.99 lakh in the year 2025, a total capital expenditure of Rs. 42847. 53 crore will be required.

Table 12.6

Required Capital Expenditure In Gram Panchayats In Award Period

No	Description	Required Capital Expenditure per Capita (Amount in Rs.)	Estimated population 2025	Total Required Capital Expenditure (Co. 3X Co. 4) (Amount in Rs. crore)
1-	Street light	220	2,22,99,000	490.58
2-	Solid waste management	70	2,22,99,000	156.09
3-	Road Construction	10,514	2,22,99,000	23,445.17
4-	Drainage/Wastewater management	8,411	2,22,99,000	18,755.69
Sum		**19,215**		**42,847.53**

Source - 4TH SFC

12.17 The highest amount required is Rs. 23445.1712. crore for construction of internal roads of Gram panchayats and Rs. 18755.09 crore is estimated to be required for construction of drains on both sides of the roads. The estimated capital expenditure required for street lights in Gram Panchayats is Rs Rs. 490. 58 cr. Although the facility of street lights is available in 51 percent of the Gram Panchayats of the state, there maybe a need to replace the for previously installed lights in view of the possibility of them being expired and damaged. Therefore, all gram Panchayats have been included in the estimate. Similarly, although the work of solid waste management in is being done in 26 percent of Gram panchayats, but considering the needs to replace the existing rikshaws etc. the capital amount is estimated at Rs. 156.09 cr. for all the Gram Panchayats.

Calculation of Per Capita Capital Expenditure

12.18 The estimates of per capita capital expenditure have been made on the basis of the rates given by the representatives of Panchayati Raj Institutions for road construction and drain construction while receiving suggestions from them. The internal roads of Gram Panchayats have been estimated at the rate of Rs. 25 lakh per kilometre (3 meters wide and 6 inches thick) or Rs 2500 per metre. Similarly, the drain has been estimated at the rate of Rs 1000 per metre (one foot wide and one foot deep). The parameters of roads and drains may vary us per requirement. The procedure for calculating the estimated required capital expenditure for Gam Panchayats is given in detail in Annexure 12.3 .

Janpad and Zila Panchayats

12.19 Janpad and Zila Panchayats units are an integral part of the three-tier Panchayati Raj. The Jurisdiction of Janpad and Zila Panchayats is only Gram Panchayats. These units mainly administer the development schemes for Gram Panchayats and monitor the implementation of their development plans. The needs of Gram Panchayats have been estimated in the previous section. With the same estimated amount, all three Panchayati Raj Institutions will work together as per the role given in the chhattisgarh Panchayati Raj Act. Therefore, in this section only the necessary revenue expenditure for janpad and Zila Panchayats will be calculated.

12.20 Based on the data collected by the SFC, the average revenue expenditure of a Janpad Panchayat in 5 Year between 2017-18 to 2021-22 is Rs. 2.50 cr. The total revenue expenditure of all 146 Janpad Panchayats in one year becomes Rs. 365.00 cr. On applying mathematical formula (Total revenue expenditure of Janpad

Panchayats/total rural population of the state in 2011), Then the per capita revenue expenditure of Janpad Panchayats is Rs. 186.15. Based on the current per capita revenue expenditure, in the award period of the commission, based on the estimated population of the year 2025, for the Janpad Panchayats, a total of Rs. 415.10 crore will be required for one year and Rs. 2075.48 cr. for 5 years.

Table 12.7

Estimated Expenditure for Gram Panchayats and Janpad Panchayats

No.	Description	Current per capita Revenue Expenditure (Amount in Rs.)	Based on estimated population of 2025	
			Estimated revenue expenditure for one year (Amount in crores of rupees)	Estimated revenue expenditure for five year (Amount in crores of rupees)
1-	Janpad Panchayat	186-15	415-10	2075-48
2-	Zila Panchayat	22-13	49-35	246-74
Sum		**208-31**	**464-51**	**2322-55**

Source – 4TH SFC

1 Per capita revenue expenditure X estimated population of 2025 i.e. 22299000.

2. Annual revenue expenditure X 5.

12.21 The revenue expenditure per Zila Panchayat is currently Rs. 1.55 Cr. and the total revenue expenditure of 28 Zila Panchayats is Rs. 43.40 Cr. Under revenue expenditure Rs. 22.13 per person is being spent by the Zila Panchayats on the basis of 2011 census. Based on the current per capita revenue expenditure of Rs. 22.13, in the commission's award period l.e. 2025 to 2030, a total of Rs. 49.35 Cr will be required for Zila Panchayats in one year and a total of Rs. 246.74 Cr for 5 years.

12.22 Thus, according to the assessment of the Fourth state Finance commission. a total of Rs. 49,750. 52 Cr. will be required for the three-tier Panchayati Raj Institutions in the commission’s award period 2025-26 to 2029-30. In this, Rs.47428.30 Cr is required for Gram Panchayats and Rs. 2075.48 Cr. and Rs. 246.74 Cr. are required for Janpad and Zila Panchayats respectively. Out of the total estimated amount required, revenue expenditure is estimated at Rs. 6902.99 Cr. and Capital expenditure is estimated at Rs. 4287.53 Cr. This can be seen in Table 12.8.

Table 12.8
Total Required Amount for Panchayati Raj Institutions in Award Period i.e. 2025-30

(Amt. in Cr. Rs.)

No.	Description	Village Panchayat	District Panchayat	District Panchayat	Sum
1-	Revenue expenditure	4,580.77	2,075.48	246.74	**6,902.99**
2-	Capital expenditure	42,847.53	—	—	**42,847.53**
Sum		**47,428.30**	**2,075.48**	**246.74**	**49,750.52**

Source – 4Th SFC, Chhattisgarh

Estimation of the Requirements of Urban Local Bodies

Service Gap

12.23 To estimate the amount required for the local urban bodies for the five years for the award period of the SFC from 2025-26 to 2029-30, it is necessary to know the service gap of the citizen services being provided by the urban bodies.

Table 12.9

Service Gap in Civic Services Provided by Urban Bodies

No.	Description	Percentage of service coverage available	Percentage of service outstanding
1-	Percentage of population having tap water facility	59.30	40.70
2-	Percentage of population having underground sewerage facility	05.00	95.00
3-	Percentage of length of unpaved roads in total internal roads of urban bodies	82.90	17.10
4-	Percentage of length of roads with roadside drains to total internal roads	76.65	23.35
5-	solid waste management		
	A. Percentage of area with solid waste collection	93.44	6.56
	B. Percentage of regularly cleaned roads out total roads	66.67	33.33
6-	Percentage of length of roads with street lighting facility out of total roads	78.61	21.39

Source – Chhattisgarh Government's Budgets of Respective Years.

12.24 59.30 percent population of urban bodies has tap water facility, only 5 percent population has under ground sewage drainage facility, out of the total internal roads of urban bodies 17. 10% roads are unpaved. Solid waste is being collected

from 93.44 percent areas of urban bodies and regular cleaning is being done in 66.67% of the roads. Street light facility is available in 78.61 percent of the roads of the urban bodies. The service Gap of the civic services provided to the citizens by the urban bodies in the state is given in Table No. 12.9. On the basis of these service gaps, the required maintenance expenditure and the capital expenditure has been estimated.

Estimation of Required Financial Resources for Urban Bodies

12.25 While estimating the needs of the Urban bodies. it has been kept in the mind that the expenditure on those services for which the work is being done through other schemes has not been included in the estimation. Tap water facility is being provided through the Central Government scheme AMRUT (Atal mission for Rejuvenation and urban Transformation - AMRUT) and other state schemes Therefore, the maintenance expenditure of tap water facility has been included in the assessment of requirements, but the capital expenditure has not been taken into account.

12.26 It is a challenge to develop sewage disposal facilities in urban bodies while operating the present system smoothly. This will require a detailed action plan and financial resources. Therefore, the state Finance Commission has considered sewage drainage facility as challenging and has not taken it into account in the assessment of maintenance and capital expenditures of urban bodies.

12.27 **The State Finance Commission recommends that a high-level committee of national level experts and departmental officers be formed to prepare a study based plan for developing sewage drainage facilities in the urban bodies of the State and in accordance with the recommendation of the committee, the implementation of the schemes and arrangement of funds should be done by the State Government in a phased manner.**

12.28 To estimate the requirements of urban bodies, the State Finance Commission has included basic services like water supply, solid waste management, internal urban roads, drainage and Street lighting in its estimation of requirements. Urban transport and traffic system are also been included in the citizen services provided by urban bodies. In the report of the High-Powered Expert Committee Constituted by the ministry of urban Development Government of India to estimate the investment required for Indian Urban Infrastructure and Services has also included urban transport and traffic support system in its estimates. The State Finance

Commission is of the opinion that the commission should firstly focus on the availability of basic civic facilities and in view of the fact that other Central and State schemes have been started for the development of urban transport and traffic support system. therefore, both these services have not been included in the commission's estimates of requirements.

Maintenance Expenditure

12.29 In the report of the expert committee constitutate by the Ministry of Urban Development, Government of India, per capita maintenance expenditure has been made the basis for estimating the required investment in urban bodies. The state finance commission has estimated the necessary expenditure for the urban bodies on the basis of the per capita maintenance expenditure determined by the said expert committee and the estimated urban population (85.68 lakh) in chhattisgarh in the year 2025. According to the data collected from the Urban bodies of the State, the average maintenance expenditure per person between 2017-18 to2021-22 is Rs 762.52. In the report of the Expert committee, the maintenance expenditure of the remaining five basic services excluding sewage disposal is estimated at Rs 1114 per capita at 2009-10 prices. In view of the need to improve and expand the basic civic services of the Urban bodies, without making any increase in the per capita maintenance expenditure determined by the Expert Committee, has been used to estimate the maintenance expenditure for the Urban bodies of the state.

Table 12.10
Estimated Maintenance Expenditure Urban Bodies

(Amt. In Cr. Rs.)

No.	Basic civil service	per capita maintenance expenditure	Estimated maintenance cost of one year	Estimated maintenance expenditure for five years
1	**2**	**3**	**4**	**5**
1-	Water supply	501	429.26	2146.28
2-	Solid waste management	155	132.80	664.02
3-	Urban Roads	397	340.15	1,700.75
4-	Drain	53	45.41	227.05
5-	Street lighting	8	6.85	34.27
Sum		**1,114**	**954.47**	**4,772.37**

12.30 On the basis of per capita maintenance expenditure of Rs. 1114 for the Urban Bodies of the state, for the estimated population of 85.68 lakh in 2025, a total of Rs 954.47 Cr. will be required in one year and a total of Rs. 4772.37 Cr. in five years. As shown in Table No. 12.10, Under maintenance expenditure, the highest amount estimated to be Rs. 2146.28 Cr for water supply service and Rs. 1700.75 Cr. for maintenance of urban roads.

Capital Expenditure

12.31 The requirement of capital expenditure has been estimated on the basis of expenditure incurred in completing the outstanding services and providing basic citizen services to the newly added population till the award period. The expenditure on outstanding services has been calculated on the basis of service gap shown in Table No. 12.9. The cost of paving internal unpaved roads has been calculated at Rs. 6 Cr. per kilometre and the cost of constructing the remaining drains has been estimated at Rs.4 Cr. per kilometer. Discussions have been held with concerned departments to estimate the cost of construction of paved roads and drains. The parameters of internal roads and drains of cities generally vary depending on the need and location. The cost may also vary us per the criteria. Similarly, the outstanding street lighting expenditure has been estimated on the basis of Rs. 2000 per unit. on the basis of service gap. a total expenditure of Rs. 22691.95 Cr. is estimated on paving the outstanding unpaved roads, construction of drains and street lighting. Detailed description can be seen in Table No. 12.11 .

Box 12.1
Per Capita Required Capital Exp.
(Amt. In Cr. Rs.)

No.	Civic service	Per capita expenditure
1-	Solid waste management	391
2-	Urban roads	22,974
3-	Drain/Rain water drainage	3,526
4-	Street lighting	366
Sum		**27,257**

Source – Report of expert committee constituted by ministry of urban development, GOI.

Table 12.11
Required Capital Expenditure For UBs

No.	Description	Required capital expenditure
Part-A		
1.	Capital expenditure on outstanding facilities	
	A. Cost of paving outstanding kutcha roads (Annexure- 12.4)	11418.00
	B. Cost of construction of outstanding drain (Annexure-12.5)	10536.00
	C. Outstanding street lighting cost (Annexure-12.6)	11.72
	D. Solid waste management	726.23
	Sum	**7171.31**
2.	Capital expenditure to provide civic amenities like solid waste management, drains, internal roads and street lighting to the new population of 26.31 lakh (Annexure- 12.7)	7171.31
3	**Sum 1 and 2**	**29863.26**
4	Point no. the estimated expenditure for items other than those shown in 1 and 2 is Rs. An amount equal to 10 percent of Rs 29863.26 crore	2986.33
5	Yoga Bindu 3 and 4	32849.59
6	Estimated expenditure for renovation and redevelopment of total urban areas is Rs. An amount equal to 12 percent of Rs 32849.59 crore	3941.95
7	Sum points 5 and 6	36791.54
8	Capacity building 2.5 percent of the total amount	919.78
Grand Total		**37,711.32**

Note- Process of the calculation of each expenditure has been given in respective Annexures.

Source – 4TH CFC Chhattisgarh.

12.32 According to the census 2011, the urban Population of Chhattisgarh was 59.37 lakh, which is estimated to be 78.10 lakh in the year 2021 and 95.15 lakh by 2030. Thus, the urban population is estimated to increase by 26.21 lakh between 2011 to 2030. According to the high-powered expert committee constituted by the Ministry of Urban Development, Government of India. The capital expenditure required per capita to provide civic amenities to this additional population is Rs. 27,257. Based on this per capita expenditure, Rs. 7171.31 Cr. will be required to provide basic civic services to the increased population of 26.21 Lakh by 2025.

12.33 An expenditure of Rs. 29863.26 Cr. will be required for supply of the outstanding services for urban bodies and to provide civic services to the new Population. According to the report of the expert committee of Ministry of Urban

Development, 10% of the estimated expenditure for urban bodies is required for other items, 12% is required for renewal and redevelopment of urban areas and 2.5% is additionally required for capacity building. Thus, a total of Rs. 37711.32 Cr. will be required. Its detailed discussion is available in table no. 12.11.

12.34 According to the assessment of the State Finance Commission, for the award period 2025-30, the amount required for expenditure by urban bodies is Rs. 42483.69 Cr. of which Rs. 4772.37 Cr. is estimated under maintenance expenditure and Rs 37711.32 Cr. under capital expenditure.

Table 12.12
Total Required Amount for Urban Bodies

(Amt. In Cr. Rs.)

No.	Description	Amount
1-	Maintenance expenses	4,772.37
2-	Capital expenses	37,711.32
Sum		**42,483.69**

Source -4Th SFC Chhattisgarh.

12.35 Thus, the estimated expenditure required for the basic civic amenities is Rs. 49750.52 crore for Panchayati Raj Institutions and Rs. 42483. 69 Cr. for Urban Bodies.

12.36 The state Finance Commission has estimated the service Gap and financial resource requirements of local bodies on the basis of data collected for five years from 2017-18 to 2021-22. All information has been sought online. It is necessary to continuously monitor the citizen services provided by the Panchayati Raj Institutions and Urban bodies and their income and expenditure by the Directorate of Panchayat and Urban Administration and Development.

12.37 **Therefore, the State Finance Commission Recommends that the receipts and expenditure of the Panchayati Raj Institutions and urban bodies and the citizen services provided by them should be regularly monitored against the prescribed benchmarks. Data regarding the status of civics amenities against the benchmark should also be made public through the website.**

12.38 For the implementation of Recommendation 12.37 Panchayat and Urban Administration and Development Directorates will regularly need data related to income-expenditure and the actual status of service provided. The State Finance Commission recommends that **"for obtaining data, software of Panchayat and**

Urban Administration and Development directorate and State Finance Commission can be used. After feeding information by local bodies in the software, report is received in pre-determined format. With minimum effort by both the directorates, the software can be updated through Chips as per requirement. The software is available in Chips server".

Receipts of Local Bodies

12.39 As per Constitutional Provisions, Panchayati Raj Act, Municipal Corporation Act and Municipality Act, following are the sources of revenue receipts of local bodies:

1. Power to impose taxes and duties within one's Jurisdiction.
2. As assigned receipts a part or full amount of such taxes, cess, surcharges as per rules which are imposed at the state level and for which provision is made in the Acts and Rules.
3. Receipts on the recommendation of State Finance Commission.
4. Receipts on the recommendation of Central Finance Commission.
5. Grant Payable by the State Government.

12.40 Over the period from 2017-18 to 2021-22 the average receipts of local bodies of Chhattisgarh from various source are Rs 4901.06 Cr., in which the receipts of Panchayati Raj Institutions are Rs. 2280.15 Cr. and the receipts of urban bodies are Rs 2620. 91 Cr. According to table no. 12.13, in Panchayati Raj Institutions the income from own sources is 3% of total receipts, whereas for urban bodies it is 28 percent of the total receipts of Panchayati Raj Institutions, highest 53% amount is received from the recommendation of the Central Finance Commission while35 percent amount is received from the recommendation of State Finance Commission. bodies also receive about 15-15 percent of the amount on the recommendation of the Central and State Finance Commissar. Urban bodies receive 43 percent of total receipts through assigned receipts or grants. Due to the abolition of taxes included in the assigned receipts or inclusion in Goods and Service Tax, an amount equivalent to the amount provided under those taxes is being provided as grant, hence the share of receipts under grants appears to be higher.

Table 12.13

Average Annual Receipts of Local Bodies During 2017-18 To 2021-22

(Amt. In Cr. Rs.)

No.	Description	Gram Panchayat	Civic Bodies	Sum
1.	Income from own source	68.86	727.66	**796.52**
		(3.02)	*(27.76)*	*(15.99)*
2.	Assigned receipts	202.01	75.28	**277.29**
		(8.86)	*(2.87)*	*(5.72)*
3.	Grant	–	1044.79	**1044.79**
		–	*(39.86)*	*(20.89)*
4.	Receipts on the recommendation of the State Finance Commission	806.29	391.00	**1197.29**
		(35.36)	*(14.92)*	*(24.65)*
5.	Receipts on the recommendation of the Central Finance Commission	1202.99	382.18	**1585.17**
		(52.76)	*(14.58)*	*(32.75)*
Grand total		**2,280.15**	**2,620.91**	**4,901.06**

Source – 4Th SFC Chhattisgarh. The Data of 'Income from Own Sources have been taken from sample survey and rest of the data have been taken from budgets of respective years.

Resource Gap

12.41 The resource gap is the difference between the local bodies own receipts and the possible expenditure on discharging the assigned responsibilities. It seems legitimate to include income from own source and assigned receipts in the own receipts of local bodies to reduce this gap a constitutional provision for devolution of local bodies has been made on the recommendation of the Central and State Finance Commission. The magnitude of the resource gap and the possibility of eliminating or reducing it will be considered further in this section.

12.42 Assigned receipts are included in the own source receipts of local bodies. In award period 2025-30, the receipts from own sources of Panchayati Raj Institutions are estimated at Rs. 2421.17 Cr. which is estimated at Rs. 16515.89 Cr. for urban bodies, whereas for maintenance and capital expenditure, Panchayati Raj Institutions and urban local bodies are estimated to require Rs. 49750.52 Cr. and Rs. 42483.69 Cr. respectively. Thus, the receipts from local bodies' own sources are Rs. 18937.21 Cr. and the estimated amount required for expenditure is Rs. 92234.21 Cr. Hence the resource gap of local bodies is Rs. 73297.15 Cr. This is

shown in Table No. 12.4. The Calculation sheet of the projected amount is given in Annexure 12.10 and Annexure 12.13

Table 12.14

Resource Gape of Local Bodies During 2025-30

(Amt. In Cr. Rs.)

No.	Description	Expected receipts from own sources in five years	Probable expenditure on discharge of given responsibilities	resource gap
1-	Panchayati Raj Institutions	2,421.17	49,750.52	47,329.35
2-	Urban local body	16,515.89	42,483.69	25,967.80
Sum		**18,937.06**	**92,234.21**	**73,297.15**

Source – 4Th SFC, Chhattisgarh

Strategy to Fill the Resource Gap

12.43 It is clear from Table No. 12.14 that the resource gap is very large which cannot be filled easily. Efforts need to be made at all levels to fill it. The following strategy can be adopted for this: -

Own source receipts of Gram Panchayats

12.44 According to the data compiled by the State Finance Commission, 60 percent of Gram Panchayats levy taxes, out of which one-third Gram Panchayats do not collect taxes. 40 percent of Gram Panchayats not even levying taxes. If all the Gram Panchayats collect taxes at the current rate, then an average of Rs. 159.45 Cr. would have been collected every year whereas the current collection is RS. 63.78 Cr. Thus, Panchayats would have received additional receipts of Rs.95.67 Cr. According to Table No. 12.15. if taxes are collected by all the Gram panchayat in the 5 years of award period, the Panchayats will have additional receipts of Rs.855. 14 Cr from their own sources.

Table 15.15

Projected Receipts After Levy of Tax By 100% Gram Panchayats

(Amt. In Cr. Rs.)

No	Description	2025–26	2026–27	2027–28	2028–29	2029–30	Sum
1	Receipts from own tax sources on taxation by 100 % Gram panchayats	233.45	256.80	282.48	310.72	341.80	1425.24
2	Receipts from own sources on taxation by 40 % Gram panchayats	93.38	102.72	112.99	124.29	136.72	570.10
Difference in receipts		**140.07**	**154.08**	**169.49**	**186.43**	**205.08**	**855.14**

Source – 4Th SFC, Chhattisgarh

12.45 The State Finance Commission recommends that in order to encourage the Gram Panchayats for taxation, an amount equivalent to the income received from their own sources should be provided to the Gram Panchayats in the form of performance grant.

Assigned Receipts

12.46 Assigned receipts are a major head of the revenue receipts of the local bodies. Under assigned receipts, local bodies receive a part or the entire amount of taxes, cesses, surcharges and fees as per provision made in the Acts and Rules, which are imposed and collected by the state government.

12.47 There is a provision in the Act and Rules to provide the amount of taxes cesses, surcharges on fees to the local bodies in the form of assigned receipts as follows -

1. According to the Panchayat Act 1993 the amount of cess on land and revenue will be provided to the Panchayats.
2. According to Panchayat Act 1993, municipal Corporation Act 1956, Municipality Act 1961and Indian stamp Act 1989, one percent additional stamp duty amount will be provided to Panchayati Raj Institutions and Urban Bodies on registration of properties.

3. According to Chhattisgarh Minor Mineral Act 1996, royalty received from minor minerals will be provided to the concerned Panchayati Raj Institution and urban bodies as per rules.
4. According to Madhya Pradesh Cess Act 1981 and Chhattisgarh Cess (Amendment) Act 2022, the amount of Cess imposed on transfer of agricultural and vacant land equal to 5 percent of the transfer consideration price will be provided to Panchayati Raj Institution.
5. According to chhattisgarh Excise (Amendment) Act 2010, 10 percent surcharge on excise duty will be transferred to Panchayati Raj Institution and Urban Bodies on the basis of their populations.

12.48 Out of the heads mentioned in para 12.47 only one percent additional duty imposed on stamp duty and royalty received from minor minerals are being provided to local bodies, but the process of its distribution needs to be organized.

12.49 **Therefore, the State Finance Commission recommends that, like the Directorate of Urban Administration and Development Department, the Panchayat Directorate should also obtain information regarding the amount of additional stamp duty and minor mineral royalty from Commercial Tax (Registration) Department and Mineral Department respectively and include it in its budget and take action for transfer to the Panchayati Raj Institution.**

12.50 Out of the amount of minor mineral royalty, 67 percent amount related to Panchayati Raj Institution and 100 Percent amount related to Urban bodies is distributed by the Mineral Resources Department of Chhattisgarh Government to the concerned department through the office of the collector. But 33 percent amount related to Panchayati Raj Institution which is given to the Panchayat Directorate is not being transferred to the concerned institutions at present. **The State Finance Commission Recommends that, the 33 percent amount of the minor mineral royalty which is given to the Panchayat Directorate, should be provided to the concerned Panchayati Raj Institutions.**

12.51 According to Chhattisgarh Panchayati Raj Act 1993, the amount of cess on land revenue is to be provided to Gram Panchayats. Due to waiver to land revenue by the State Government, land revenue cess is also not collected and hence it is not transferred to the Gram Panchayats. **The State Finance Commission recommends that the Panchayat Department, in Co-ordination with the Finance Department and Revenue Department, should estimate the amount of possible land revenue**

cess and then, its equivalent amount should be provided to the Gram Panchayats as compensation.

12.52 According to Madhya Pradesh cess Act 1981 and Chhattisgarh cess (Amendment) Act 2022, 5 Percent cess amount collected on transfer of agricultural and vacant land is being deposited in Rural Development Fund but it is not being transferred to Panchayati Raj Institution. **The State Finance Commission Recommends that the amount collected from the imposed cess, which is given to the Rural Development Fund, should be distributed to the Gram Panchayats with immediate effect and its transfer should be started on regular basis. The amount of cess in last 5 Year is given in Table 12.16.**

Table 12.16

Actual and Projected Amount Available in Rural Development Fund

(Amt. In Cr. Rs.)

Year	**2017-2018**	**2018-2019**	**2019-2020**	**2020-2021**	**2021-2022**	**Sum**
Sub Amount	30	30	30	30	30	**150.00**
year	**2025-2026**	**2026-2027**	**2027-2028**	**2028-2029**	**2029-2030**	**Sum**
Projected amount	30	30	30	30	30	**150.00**

Source – Budget Papers of respective years.

12.53 In the Chhattisgarh Excise (Amendment) Act 2010, provision has been made to collect 10 percent surcharge on excise duty and transfer it to Panchayati Raj Institutions and urban bodies but, it is not being transferred to the local bodies. The Commission recommends that **"the amount of 10 percent surcharge should be transferred on regular basis".**

Table 12.17

Actual and Projected Amount Of 10% Surcharge on Excise Goods

(Amt. In Cr. Rs.)

Year	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	**Sum**
Actual amount	281.88	318.81	323.04	246.18	261.27	**1431.18**
Year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	**Sum**
Projected amount	382.53	420.78	462.86	509.14	560.06	**2335.35**

Source – 4Th SFC, Chhattisgarh

12.54 Under the current assigned receipts, funds are being transferred to the Urban bodies of the state under the following 8 heads –

1. One percent additional duty on stamp duty.
2. Transfer of Royalty/ Revenue received from minor minerals.
3. Grant of F.L. License fees to urban bodies

4. General purpose Grants
5. Grant to urban bodies for road repair from the income received from tax on vehicles
6. Grant to municipal bodies equal to the income received from entry tax.
7. Grant to urban bodies from state excise duty
8. Special grant to local bodies in lieu of abolition of passenger tax.

12.55 Out of the 8 heads shown in para 12.54, only the amount collected under Sr. No. 1 and 2 is being transferred to urban bodies in the form of assigned receipts. The amount under heads shown from serial number 3 to 8 are being provided to the Urban bodies in form of grants instead of assigned receipts. During the period from 2017-18 to 2021-22, Urban bodies have received an average of Rs. 1044.73 Cr. every year as grants under these heads whenever these taxes were imposed, the tax collection also increased due to increase or development in economic activities which directly benefited the urban bodies. Now due to lump sump amount being provided as grants in place of taxes, the urban bodies do not get the benefit of increase in economic activities and they suffer loss. It can be seen from Table No. 12.18 that the total projected amount of grant for five years is 7.72 percent of the total projected amount of state Goods and service tax. Therefore, **the State Finance Commission recommends that instead of the grant being given under 6heads in the above paragraph 12.54 (Sr. Number 3 to 8) to the urban bodies, an equivalent amount of 7.62 percent of State Goods and Service Tax should be provided in the form of assigned receipts.**

Table 12.18
% of Projected Grants to Projected SGST In Award Period

(Amt. In Cr.Rs.)

No	Year	Projected Receipts from Goods and Service Tax	Projected grant amount	Percentage of projected grant amount to projected State Goods and Service Tax
1	2022-23	11,795.96	1,149.27	9.74
2	2023-24	13,565.35	1,264.20	9.32
3	2024-25	15,600.15	1,390.62	8.91
Adjudication period				
4	2025-26	17,940.18	1,529.68	8.53
5	2026-27	20,631.21	1,682.64	8.16
6	2027-28	23,725.89	1,850.91	7.80
7	2028-29	27,284.77	2,036.00	7.46
8	2029-30	31,377.49	2,239.60	7.14
Sum		**1,20,959.54**	**9,338.83**	**7.72**

Source 4Th SFC, Chhattisgarh

12.56 The amount received by the local bodies on the recommendation of the Central Finance Commission has an important place in the income of local bodies. Receipts from the Central Finance Commission constitute 32.75%. of the total receipts of local bodies during the period 2017-18 to2021-22. Out of the total receipt of Panchayati Raj Institutions, 52.76% is received from the Central Finance Commission. In the award period of State Finance Commission i.e.2025-30, the projected amount of Rs.14169 Cr. is likely to be received from the recommendation of the Central Finance Commission. The projected amount to be received from the Central Finance Commission during the award period is given in Table No - 12.19.

Table 12.19

Projected Amount Received from Central Finance Commission

(Amt. In Cr.Rs.)

No	Year	Panchayati Raj Institutions	Civic bodies	Sum
1	2025-26	1,761.30	559.55	2,320.85
2	2026-27	1,937.43	615.50	2,552.93
3	2027-28	2,131.17	677.06	2,808.23
4	2028-29	2,344.29	744.76	3,089.05
5	2029-30	2,578.72	819.24	3,397.95
Sum		**10,752.90**	**3,416.11**	**14,169.01**

Source – 4Th SFC, Chhattisgarh.

Fund related Recommendations of State Finance Commission

12.57 As per State Finance Commissions assessment of the needs of local bodies the local bodies require a total of Rs. 92234.71 Cr. in the award period from 2025-26 to 2029-30, out of this an amount of Rs. 18937. 06 Cr. is estimated to be received by the local bodies from their own sources. Receipts from own source also include the amount received from the state government under assigned receipts. Thus, the resource gap is Rs. 73297 Cr. The estimated amount to be received from the central Finance Commission during the award period is Rs. 14169.01 Cr. In case of taxation by all Gram Panchayats, Gram Panchayats will get additional revenue of Rs. 855.14Cr. during the award period. Moreover, under the assigned receipts, local bodies will also receive the amount under two heads first rural development fund and second 10 percent surcharge on excise duty. The transfer of funds for these heads has been recommended by the State Finance Commission. Thus, the local bodies will receive an additional amount of Rs. 2485.35 Cr. over the total projected amount under these heads.

Table 12.20

Receipt of Local Bodies from Other Sources

(Amt. In Cr.Rs.)

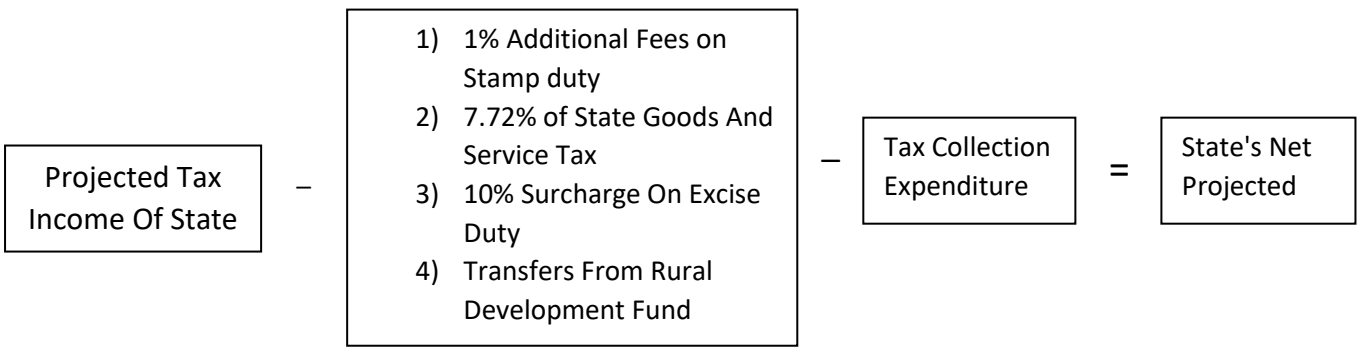
No	Description	Amount
1-	On the recommendation of the Central Finance Commission	14,169.01
2-	Additional receipts from own sources on taxation by all Gram Panchayats	855.14
3-	Estimated receipts under two additional heads of assigned receipts	2,485.35
Sum		**17,509.50**

Source – 4Th SFC, Chhattisgarh.

12.58 Thus, in case of receipt of Rs. 17509.50Cr from various sources, the resource gap of local bodies will reduce to Rs.55787. 65 Cr,To fill this resource gap, the State Finance Commission has to consider. It is not possible for Finance Commission to recommend such a huge amount for 5 years. Considering the spending capacity of local bodies, this does not seem necessary. In view of the state of State Finances, the State Finance Commission recommends that **"10 percent of the State's Net Tax Income should be transferred to the local bodies".**

12.59 Projected values of tax income of the state have been taken to calculate the amount to be devolved to local bodies on the recommendation of the State Finance Commission. Net projected tax income has been obtained by deducting the tax amount transferred as assigned receipts and tax collection cost from the projected Tax income of the state. out of the projected income thus received, 10 percent amount has been calculated for transfer to local bodies.

Picture - 12.1 Computation of State's Net Projected Tax Income



12.60 Based on the methodology described in para 12.58, the amount of 10 percent of projected net tax income has been calculated in Table No. 12:21. Thus the total recommended estimated amount for the award period 2025-30 is Rs. 22854.51 Cr. which is 10 percent of net projected tax income.

Table 12.21

Calculation of Amount of Devolution from State's Own Tax Income for The Award Period

(Amt. In Cr. Rs.)

No	Description	2025-26	2026-27	2027-28	2028-29	2029-30	Sum
1	Projected tax income of the state	39527	43480	48731	54854	60887	**247479**
2	Income received from such tax/ cess which is devolved directly to local institutions (Annexure 12.15)	2194.69	2411.16	2649.28	2911.20	3199.33	**13365.66**
3	Tax collection expenditure	889.36	978.30	1096.45	1234.22	1369.96	**5568.28**
4	State's projected net tax income	36442.95	40090.54	44985.28	50708.58	56317.72	**228545.06**
5	10 percent amt. of net tax income	3644.30	4009.05	4498.53	5070.86	5631.77	**22854.51**

Source – 4Th SFC, Chhattisgarh.

12.61 Even after devolution of Rs 22854.51 crore against the resource gap of Rs 55787.65 Cr., the local bodies will still have a short full of Rs. 32933.14 Cr. For this award period, the 16Th Central Finance Commission has been constituted on January 2021. The State Finance Commission Recommends that **"to fill the gap of requirement of Rs. 32933 Cr. of the local bodies, the same should be sought by the State Government from the 16Th Finance Commission and the this should be included by the State Government in its memorandum".**

Division between Panchayati Raj Intuitions and Urban Bodies

Vertical Division

12.62 According to census 2011, the total population of chhattisgarh is 2.55 crore of which 76.76 percent is rural population and 23.24percent is urban population. According to the report of ministry of Health and Family welfare, Government of India, on July 2020, the estimated population of the state will be 3.09 crore in 2025.

which will include 72.24 percent rural population and 27.76 percent urban population. According to the report, the rural population of chhattisgarh will be reduced to 70. 65 percent till 2030 (Annexure 12.2).

12.63 On the basis of the ratio of rural and urban population in the 2001 census by the First State Finance Commission of chhattisgarh and 2011 census by the second and Third State Finance Commissions, the recommended amount has been divided between Panchayati Raj Institutions and Urban bodies. The census for the year 2021 has not been conducted but government figures of the estimated population from 2021 to 2030 are available. According to the procedure adopted by the previous commission, the recommended percentage can be distributed vertically between Panchayati Raj Institutions and the urban bodies on the basis of the ratio of rural and urban population in the estimated population of the year 2025.

12.64 In the discussion by the State Finance Commission with the public representatives and officials of the urban bodies, an issue was put before the commission that a large number of people come to the urban bodies every day from nearby and distant areas for employment, self- employment, education, health, business etc. This temporary population is in addition to the permanent population of urban bodies. Along with the permanent population, the urban bodies also have to make arrangements for civic amenities like water electricity, sanitation, transportation, street lights etc for this temporary population, but this temporary papulation is not counted by the State Finance Commission in its devolution formula. It was requested by them that the Commission should also take into consideration the temporary population while distributing resources.

Box 12.2
Vertical Division by Former State Finance Commissions of Chhattisgarh

Description	Census	Population Ratio	Vertical Division
1st SFC	2001	79.9 : 20.1	6.63 : 1.66
2nd SFC	2011	76.8 : 23.2	6.15 : 1.85
3rd SFC	2011	76.8 : 23.2	6.91 : 2.07

12.65 The State Finance Commission takes cognizance of the issues raised by the public representatives and officials of the urban bodies and by partially increasing the estimated ratio of rural and urban population in the year 2025 i.e. 72.24:27.76, **the State Finance Commission recommends that out of the total recommended**

amount of 10 percent, 70% amount should be transferred to Panchayati Raj Institutions and 30 percent amount should be transferred to Urban Bodies.

12.66 The vertical division of the total recommended amount for the award period of State France Commission between Panchayati Raj Institutions and urban bodies is given In Table No. 12.22.

Table 12.22

Vertical Division of Recommended Amount Between PRIs& UBs

(Amt. In Cr .Rs.)

No.	Year	Total Estimated Recommended Amount	Panchayati Raj Institutions (70%)	Municipal bodies (30%)
1	2025-26	3,644.30	2,551.01	1,093.29
2	2026-27	4,009.05	2,806.34	1,202.72
3	2027-28	4,498.53	3,148.97	1,349.56
4	2028-29	5,070.86	3,549.60	1,521.26
5	2029-30	5,631.77	3,942.24	1,689.53
Sum		**22,854.51**	**15,998.15**	**6,856.35**

Source – 4Th SFC, Chhattisgarh.

12.67 After vertical division between Panchayati Raj Institutions and urban bodies on the basis of population, out of the total estimated recommended amount of Rs. 22854.51 crore for local bodies, Rs.15998.15 crore is estimated to be devolved to Panchayati Raj Institutions and Rs. 6586.35 crore to urban bodies.

Table 12.23

Formula of Horizontal Division Between Panchayati Raj Institutions

No.	Criteria	Weighting of criteria (percentage)		
		First commission	Second commission	Third commission
1	Rural population	60	60	60
2	Rural land area/geographical area	20	20	20
3	Rural SC/ST population	10	10	10
4	Reflected Internal Revenue Collection	10	–	–
5	Line of families falling below the poverty line	–	10	–
6	Socio-economic and caste vocabulary index related to Census 2011	–	–	10
7	Women's Literacy	–	–	5

Source – 4Th SFC, Chhattisgarh.

12.68 The amount recommended by the SFC as a fixed percentage of the net tax income of the state is divided horizontally among the Local bodies on the basis of the divisible formula suggested by the commission. For horizontal division among Panchayati Raj Institutions, 4 criteria each were recommended by the First and Second SFC and 6 criteria were recommended by the 3rd SFC. Out of these, three parameters i.e. Population, area and SC/ST population were taken by all the three commissions. Apart from this, the 1st FC recommended to include revenue collection, 2nd FC recommended to include the number of families below poverty line and the 3rd FC recommended to included privation index included in Socio-economic and cast census of 2011 and women literacy as parameters for devolution to Local bodies.

12.69 The distribution formulas for the distribution of the recommended amount are recommended by the SFC and are also accepted by the government in its Action Taken Report (ATR), but at the time of actual distribution of the recommended amount, the accepted distribution formula is not used.

12.70 The amount recommended by the CFC is also distributed to the districts on the basis of population and area, but while distributing the recommended amount among the Gram Panchayats at the district level, only the population factor is taken into consideration.

12.71 The following points are noteworthy regarding the distribution formula –

- Data related to the criteria taken in the distribution formula are not easily available Gram Panchayat-wise.
- Even if the data is available. computer technology or software will be required to distribute the amount on the basis of more than one criterion, developing of which is a challenge in itself.

12.72 The SFC is of the opinion that until the necessary data is available at the GP level and technology is developed at the departmental level, it would be appropriate to distribute the amount on the basis of minimum criteria.

12.73 Therefore, the State Finance Commission recommends that the recommended amount should be distributed among the Panchayat Raj Institutions only on the basis of population.

12.74 The State Finance Commission also recommends that the area of Gram Panchayats in scheduled area is large and the population is less, hence keeping in

mind that, adopting the population criteria should not harm the Gram Panchayats of scheduled areas therefore, in addition to the amount normally received by all Gram Panchayats, an additional amount of Rs. 2.5 lakh per Gram Panchayat should be provided to the Gram Panchayats of the scheduled area.

Table 12.24

Distribution Formula of Horizontal Division Between Urban Bodies

No.	Criteria	Weight of criteria		
		First commission	Second commission	Third commission
1-	Population	10	70	70
2-	Revenue efforts	40	10	—
3-	Distance of public health and facility from highest per capita expenditure	50	—	—
4-	Area	—	10	20
5-	Slum population	—	10	—
6-	Performance grant	—	—	10

*****By assuming the basis of slum population irrelevant, it hase been recommended by 2nd SFC to give 80% weightage to population in context of nagar panchayat.

12.75 Like Panchayati Raj Institutions, for horizontal distribution among urban Bodies. the previous three State Finance Commissions have also recommended distribution or division of the recommended amount on the basis of various criteria or division formula. Population has been included in the criteria by all three previous commissions. The 1st SFC has given 10% weightage to population while it has been given 70 percent weightage by the 2nd and 3rd SFC. The receipts from own sources of urban Bodies in the five years between 2017-18 to 2021-22 are 28 percent of the total receipts. Before evaluating urban bodies on the basis of performance, they should firstly be strengthened. Along with this, the basic responsibility of the urban bodies is to provide basis civic services to the population living in their Jurisdiction, hence to simplify the process of distribution or the execution of recommended amount. the recommended amount can be distributed to the Urban Bodies only on the basis of population. It is noteworthy that like Panchayati Raj Institutions, the amount recommended by the SFC is also not distributed by the Urban Bodies on the basis of distribution formula or criteria. **The State Finance Commissions recommends the following criteria for horizontal distribution of the recommended amount among the Urban Bodies.**

Table 12.25

Criteria for Horizontal Distribution Between Urban Bodies

No.	Criteria	Weightage
1	Population	90
2	Area	10

Distribution of the Recommended amount among Panchayati Raj Institutions

12.76 During the discussion by the SFC with the representatives of Panchayati Raj Institutions, especially the representatives of Janpad Panchayat and Zila Panchayat said that the people of their wide area have a lot of expectations from them, but due to availability of very less funds for development works at the Janpad and Zila Panchayat level, they are not able to fulfil the aspirations of the people, therefore, the share of Janpad and Zila Panchayats in the amount received by Panchayati Raj Institutions on the recommendation of the State Finance Commission should be increased.

Box 12.3

Recommendations of Previous Finance Commissions of Chhattisgarh For Devolution of Fund Between PRIs

Sr. No.	Description	Recommendations		
		1st SFC	2nd SFC	3rd SFC
1.	Gram Panchayat	90	85	80
2.	Janpad Panchayat	08	10	15
3.	Zila Panchayat	02	05	05

Source – Reports of Chhattisgarh SFCs.

12.77 The State Finance Commission is of the opinion that the objective of the three- tier Panchayati Raj is mainly the development of Gram Panchayats and the fund provided to the Janpad and Zila Panchayats is ultimately spent by them on the development of Gram Panchayats. Therefore, **the State Finance Commission recommends that the amount to be devolved to Panchayati Raj Institutions on the recommendation of the Commission, should be divided among Gram Panchayat, Janpad Panchayat and Zila Panchayat in the ratio of 85 percent, 10 percent and 5 percent respectively.**

12.78 Based on the recommended ratio i.e. 85 percent 10 percent and 5 percent, the estimated amount to be received by Gram Panchayats, Janpad Panchayats and Zila Panchayats is Rs. 13,598.43 Cr., Rs. 1,599.82 Cr. and Rs. 799.91 Cr. respectively.

Table 12.26
Estimated Amount to Be Devolved to Gram Panchayats, Janpad Panchayats, Zila Panchayats on The Recommendation of The State Finance Commission

(Amt. In Cr. Rs.)

No	Distribution	Estimated amount					
		2025-26	2026-27	2027-28	2028-29	2029-30	Sum
1	Gram Panchayat	2168.36	2385.39	2676.62	3017.16	3350.90	13598.43
2	Janpad Panchayat	255.10	280.63	314.90	354.96	394.22	1599.82
3	Zila Panchayat	127.55	140.32	157.45	177.48	197.11	799.91
Sum		**2,551.01**	**2,806.34**	**3,148.97**	**3,549.60**	**3,942.24**	**15,998.15**

Source – 4Th SFC, Chhattisgarh.

Per capita recommended fund for Gram Panchayats

12.79 In the 1st year of the award period i.e. 2025-26, the per capita estimated recommended amount for Gram Panchayats is Rs. 1,105.85, which will increase to Rs. 1,708.95 in 2029-30. Thus, by multiplying the population of the Gram Panchayat by the per capita estimated recommended amount, the estimated recommended amount of any Gram Panchayat can be calculated. This can be seen in Table 12.27.

Table 12.27
Per Capita Recommend Amount for Gram Panchayats in The Award Period

(Amt. In Rs.)

Description	2025-26	2026-27	2027-28	2028-29	2029-30	Sum
Gram Panchayat	1,105.85	1,216.54	1365.07	1538.74	1708.95	6935.14

12.80 On the recommendation of the SFC, the average receipt per Gram Panchayat in the year 2025-26 is Rs. 18.59 lakh, which will increase to Rs.28.73 lakh in 2029-30. A total of Rs.1.17 crore is expected to be received per Gram Panchayat in the 5 years of award period. The SFC has recommended devolution of the recommended fund on the basis of Population, therefore, the actual receipts may be more or less depending on the population.

Table 12.28
Average Receipt of Recommended Amount by Each of The PRIs In the Award Period

(Amt. In Rs.)

Description	Number of Bodies	2025-26	2026-27	2027-28	2028-29	2029-30	Sum
Gram Panchayat	11664	18,59,015.40	20,45,084.93	22,94,773.56	25,86,728.84	28,72,860.22	**1,16,58,462.95**
Janpad Panchayat	146	1,74,72,647.54	1,92,21,491.25	2,15,68,282.67	2,43,12,332.91	2,70,01,645.17	**10,95,76,399.56**
Zila Panchayat	28	4,55,53,688.24	5,01,13,173.63	5,62,31,594.11	6,33,85,725.09	7,03,97,146.35	**28,56,81,327.41**

Source – 4Th SFC, Chhattisgarh.

Estimated Receipts of Local Bodies

From own sources

12.81 The projected receipts of Local Bodies from their own sources, during the award period is Rs. 7119.68 Cr. The projected receipts of Panchayati Raj Institutions and Urban Bodies are Rs. 615.51 Cr. and Rs. 6504.17 Cr. respectively. Year-wise receipts during the award period can be seen in Table No.12.29.

Table 12.29
Projected Receipts of Local Bodies from Their Own Sources (Excluding Assigned Receipts)

(Amt. In Cr. Rs.)

No.	Year	Panchayati Raj Institution	Civic bodies	Sum
1	2025–26	100.82	1,065.37	1,166.19
2	2026–27	110.90	1,171.90	1,282.80
3	2027–28	121.99	1,289.09	1,411.08
4	2028–29	134.19	1,418.00	1,552.19
5	2029–30	147.61	1,559.80	1,707.41
Sum		**615.51**	**6,504.17**	**7,119.68**

Source – 4Th SFC, Chhattisgarh, Annexure 12.10, 12.13.

Assigned Receipts

12.82 The projected assigned receipts of Local Bodies during the award period is Rs. 11,817.38 Cr., out of which the projected assigned receipts of Panchayati Raj Institutions and Urban Bodies are Rs. 1,805.66 Cr. and Rs. 19,011.72 Cr.

respectively. The estimated receipt in the first year of the award period is Rs. 1935.66 Cr. which is expected to increase to Rs. 2,834.00 Cr. in the last year of the award period i.e. 2029-30. Detailed data are shown in Table 12.30.

Table 12.30
Projected Receipts of Local Bodies Under Assigned Receipts in The Award Period

(Amt. In Cr. Rs.)

No	Year	Panchayati Raj Institutions	Civic bodies	Sum
1	2025–26	295.76	1,639.90	1,935.66
2	2026–27	325.34	1,803.88	2,129.22
3	2027–28	357.87	1,984.27	2,342.14
4	2028–29	393.66	2,182.70	2,576.36
5	2029–30	433.03	2,400.97	2,834.00
Sum		**1,805.66**	**10,011.72**	**11,817.38**

Source – 1. 4Th SFC Chhattisgarh, Annexure 12.10, 12.13 2. Assigned Receipts are Inclusive of Grants.

Additional Receipts

12.83 Additional receipts of Rs. 88.15 Cr. is estimated from taxation by 100 percent Gram Panchayats during the award period. Similarly, under assigned receipts, additional receipts of Rs. 150Cr. and 2335.37 Cr. respectively are estimated from Rural Development Fund and 10 percent surcharge on Excise Duty. Thus, total additional receipts of Rs. 3340.52 Cr. are estimated.

Table 12.31
Additional Projected Receipts in The Award Period

(Amt. In Cr. Rs.)

No.	Year	On 100% taxation by Gram Panchayats	Rural development fund	10 percent surcharge on excise goods	Sum
1	2025–26	140.07	30.00	382.53	552.60
2	2026–27	154.08	30.00	420.78	604.86
3	2027–28	169.49	30.00	462.86	662.35
4	2028–29	186.43	30.00	509.14	725.57
5	2029–30	205.08	30.00	560.06	795.14
Sum		**855.15**	**150.00**	**2,335.37**	**3,340.52**

Total Receipts

12.84 Local Bodies are estimated to receive Rs.59,301.09 Cr. from all sources in the 5years of award period against the estimated required amount of Rs. 92,234.21 Cr. The receipts of local bodies from all sources are shown in

Table 12.32

Total Estimated Receipts of Local Bodies in The Award Period

(Amt. In Cr. Rs.)

No	Year	Own sources	assigned receipts	Central Finance Commission	Additional receipts	State Finance Commission Recommendation	Sum
1	2025–26	1,166.19	1,935.66	2,320.85	552.60	3,644.30	9,619.60
2	2026–27	1,282.80	2,129.22	2,552.93	604.86	4,009.05	10,578.86
3	2027–28	1,411.08	2,342.14	2,808.23	662.35	4,498.53	11,722.33
4	2028–29	1,552.19	2,576.36	3,089.05	725.57	5,070.86	13,014.03
5	2029–30	1,707.41	2,834.00	3,397.95	795.14	5,631.77	14,366.27
Sum		**7,119.67**	**11,817.38**	**14,169.01**	**3,340.52**	**22,854.51**	**59,301.09**

Source – 4Th SFC Chhattisgarh.

Process of Fund Devolution to Local Bodies

Current Process - Panchayati Raj Institutions

12.85 There are mainly two types of transfers from the state to the Panchayati Raj Institutions - First is the amount recommended by the SFC and other is the assigned receipts. On the recommendation of the SFC, the fund to be transferred to Panchayati Raj Institutions is being provided through 09 schemes. One of the schemes is named- " Grants to Gram Panchayats for fundamental works" Under this scheme. funds are provided to all the Gram Panchayats. Gram Panchayats can spend this amount on fulfilling the basic responsibilities of the Gram Panchayats on priority basis. The remaining schemes are related to works related to specific purposes like concretization of internal roads and streets, drain construction. street lighting etc. Funds under these schemes are received only by those Gram Panchayats which are sanctioned funds under the scheme from the state level. The schemes operated with the recommended funds of the SFC are as follows –

1. Grants Gram Panchayats for fundamental work
2. Mukhyamantri Panchayat Sashaktikaran Yojna.

3. District Panchayat Development Fund
4. Capacity building of three-tier Panchayati Raj Institutions
5. Janpad Panchayat Fund
6. Secretarial system
7. Chhattisgarh State Rural and other Backward class Area Development Authority
8. Mukhyamantri Samagra Gramin vikas yojna
9. Internal electrification of village roads.

12.86 State Finance Commission makes following Recommendations –

1. **Out of the total amount recommended by the commission for Panchayati Raj Institutions, 30 percent amount should be provided to the Panchayati Raj Institutions as untied fund, so that the Panchayati Raj Institutions can use this amount on the maintenance of basic citizen services.**

2. **60 percent of the recommended amount should be provided to Panchayati Raj Institutions for carrying out capital works. This amount may be in the form of tied fund. In the capital head, works related to solid waste management (sanitation and cleanliness), construction of internal roads / lanes. drain construction and street lighting only have been included in the capital expenditure grant by the Commission. Detailed instructions for expenditure under these heads should be issued from the department.**

3. **From 5 percent of the amount recommended by the State Finance Commission, Additional amount should be provided to Gram Panchayats of scheduled area at the rate of Rs. 2.50 lakh per Gram Panchayat.**

4. **5 percent of the recommended amount should be given as performance grant to encourage Gram Panchayats to Increase their income from their own sources.**

Current Process - Urban Bodies

12.87 In exercise of the powers conferred by section 433 of Chhattisgarh Municipal Corporation Act 1956 and Section 355 of Chhattisgarh Municipalities Act 1961, Chhattisgarh Municipal Development Fund has been created for the infrastructural development of urban local bodies. The assigned receipts of urban local bodies and amount received on the recommendation of SFC are deposited in the Municipal Development Fund. After that, the funds are transferred to the local urban bodies in the following schemes –

1. Repair maintenance
2. Temporary drinking water relief
3. State sponsored scheme
4. Sanitation commando
5. Mission clean city for honorarium of self-help members (for safaimitra)
6. Mayor/ President Fund
7. Councillor fund
8. Aldermen fund
9. Shraddhanjali scheme
10. Estimated pending salary
11. Estimated electricity bill payment

12.88 The amount provided on the recommendation of the State Finance Commission is being given in the budget under two schemes, "Grant for basic services to Urban bodies" and "Infrastructural development to urban bodies". **The State Finance Commission recommends that out of the total amount recommended by commission for urban bodies, 30 percent amount should be provided as untied fund for maintenance expenditure, 65 percent amount should be provided as tied fund for capital works and the remaining 5 percent should be provided as performance grant.**

Process of fund devolution to local bodies

12.89 The State Finance Commission makes the following recommendations regarding the transfers of assigned receipts and amount received on the recommendation of State Finance Commission:

1. **According to the formula recommended by the commission, the amount to be shared with Gram Panchayats, Janpad Panchayats, Zila Panchayats, Municipal Corporation, Municipality and Nagar panchayats should be transferred directly through PFMS to a separate bank amount opened for this purpose.**

2. **Necessary detailed guidelines should be issued by the concerned department to ensure that the tied and untied funds recommended by the State Finance Commission is spent as per the rules and the rules of financial discipline should be strictly followed.**

Performance Grant

12.90 The share of receipts from own sources in the total receipts of Panchayati Raj Institutes is 3 percent, which is very less similarly, the share of receipts from own sources in the total receipts of urban bodies is 28 percent which Is also not very

encouraging. As a matter of fact, there should be an increase in the receipts from local bodies own sources. State Finance Commission is of the opinion that the local bodies should be encouraged to increase their own sure receipts.

12.91 **The State Finance Commission Recommends that an amount equivalent to the amount received by the Panchayati Raj Institutions from their own sources in a year, should be provided as performance grant to that gram panchayat in the coming year.**

12.92 Even among urban bodies, the share of receipts from own sources in the total receipts of Nagar Panchayats and Municipalities is 13 percent and 15 percent respectively. The situation of municipal corporation is somewhat better. The receipts of Municipal Corporations from their own sources are 35 percent of total receipts. Thus, urban bodies also need to be encouraged to increase income from their own sources.

12.93 **The State Finance Commission recommends that the amount increased by the urban bodies in their receipts from their own sources as compared to the previous year should be provided as performance grant to the urban bodies in the coming year.**

Convergence Grant

12.94 Many such schemes are run by the central and state government in which Gram Panchayats can avail the benefits of related scheme for the development work in their Panchayat area through convergence. For example, Mahatma Gandhi National Employment Scheme is such type of scheme. There are such types of other schemes also. Therefore, to encourage convergence by Gram Panchayats, **the State Finance Commission recommends that out of the total amount recommended by the State Finance Commission, Five percent should be provided to the Gram Panchayats under Convergence Head. This amount can be used only for convergence. The Panchayat Directorate should issue detailed guidelines regarding its use.**

Assistance Grant

12.95 The commission visited various divisional head quarters, district head quarters, Janpad Panchayats, Gram Panchayats and urban bodies to discuss with public representatives and officials of local bodies, obtain suggestions and closely observe the arrangements of bodies. Urban bodies and Gram Panchayats with religious, cultural and historical heritage informed about their problems. It was informed by a

religious, cultural city Ratanpur and Gram Panchayat Sirpur, a village with historical heritage, that the civic body has to make special arrangements for the pilgrims and tourists and has to spend additional fund on it but does not get any income from the tourists and visitors. Therefore, **the State Finance Commission recommends that the Panchayat and Urban Administration and Development Department should identify the rural and urban local bodies having such religious, cultural and historical heritage and assess the additional expenditure incurred by them and thus, the necessary fund should be provided to them in the form of assistance grant from the consolidated fund of the State.**

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Serjius Minj
Chairman
Fourth State Finance Commission
Chhattisgarh

Chapter 13

Summary of Recommendations

List of Annesures

Summery of Recommendations

1. The Commission recommends that, **"to ensure timely action on the reports and recommendations of the State Finance Commission, an action taken report should be prepared by posting a competent level officer in the State Finance Commission Cell, constituted under the Finance Department and according to the Action Taken Report, the work of regular monitoring of the Action Taken by the concerned Departments on the accepted recommendations should be included in the responsibilities of the cell." (Paragraph 3.31)**

2. State Finance Commission recommends that, **"the Finance Department should maintain the website of the State Finance Commission in its present form in a suitable manner till the formation of the next State Finance Commission, so that the information related to Chhattisgarh State Finance Commission be easily available for other SFCs and general researchers. This task should be assigned to the State Finance Commission Cell constituted under Finance Department." (Paragraph 3.33)**

3. The recommendation of state finance commission, **a committee comprises of the secretaries of the Finance department. Panchayat and rural development department urban administration and development, revenue, minerals and mining and Commercial tax department should be formed in the Chairmanship of chief secretary. Provide secretarial office facilities to the state Finance Commission cell constituted under the Finance department. (Paragraph 3.34)**

4. The commission recommends that, **"the 'Local Body and Panchayati Raj Accounts Committee' of the Legislative Assembly should, among other things, also monitor the implementation of the Action Taken Report presented on the recommendation of the State Finance Commission." (Paragraph 3.35)**

5. Therefore, the commission recommends that in order to devolve the works related to 29 subjects included in the 11th schedule of the constitution to the Panchayati Raj Institutions. It is necessary that, first of all a detailed department-wise mapping of activities should be done including funds, functions and functionaries. (Paragraph 5.18)

6. Therefore, instead the Commission recommends that as per the recommendation (Paragraph 5.18) after identifying the funds, function and functionaries to be devolved to the Panchayati Raj Institutions in the activity mapping the process should be started with the devolution of minimum funds, functions and functionaries out of them. The works to be devolved should be clearly defined and if it is not possible to

give complete control of the funds along with the personnel's related to the works, through lawful order/notification then initially partial control should be handed over to the Panchayats. (Paragraph 5.19)

7. **The Commission recommends making a time bound action plan to fill these gaps. The financial arrangements for this has been recommended in chapter 12. (Paragraph 7.54)**

8. **The commission recommends that a provision be made in the upcoming budget to provide Rs. 181.53 Crore available in Land Revenue cess and Registration Fees and Rs. 30 crore available in Rural Development Fund to the Panchayats under the Reserve Fund of Public Account as shown in the State Budget Paper. It should be ensured that these funds are received by the Panchayats regularly in future. (Paragraph 8.6)**

9. **The Commission recommends that after calculating 10 percent surcharge on excise duty for local bodies from the year 2010, the government should distribute the remaining amount to the local bodies based on availability of its resources and necessary provisions should be made in the upcoming budget for its regular payment. (Paragraph 8.8)**

10. Taxes or fees are being imposed by the Gram Panchayats on the basis of the rates prescribed in the Gram Panchayat Obligatory Taxes and Fees Rules, 1996. At present, based on the data collected by the Commission, the estimated income of the Gram Panchayats from their own sources is RS. 159.45 crore per year. The contribution of own revenue in the financial receipts of Gram Panchayats is only 3%, which needs to be increased, for this, the Commission has the following recommendations - **(Paragraph 8.30)**

    1. **Efforts should be made by public representatives and administrative staff of Panchayats to create awareness among citizens regarding tax payments through continuous discussions.**
    2. **Revision of the tax rates prescribed in the Gram Panchayat obligatory Taxes and Fees Rules. 1996 should be considered and the optimal Possibilities for increasing the tax rates and rationalizing them as per the need should be explored.**
    3. **In the Gram Panchayat obligatory Taxes and Fees Rules, 1996, the rates have been determined on the basis of minimum and maximum limits on the basis of which the Gram Panchayats determine the amount of taxation under the prescribed procedure and then impose the prescribed tax or fee. Taxes or fees are not being imposed by 40 percent of the Gram Panchayats in the state. Therefore, a provision should be made in the above rule that "If the tax or fee is**

not determined by the Gram Panchayat then the minimum rate of tax or fee mentioned in the rule will be automatically imposed and its recovery will be mandatory".

11. As of march 2022, the closing balance in rural Panchayati Raj Institutions is estimated to be Rs. 14559 crores. According to the data received from the Gram Panchayats, the contribution of the amount received from interest in non-tax revenue income is approximately so percent. **Therefore, the commission recommends that "rules should be made for the expenditure of interest amount received by Panchayati Raj Institutions. (Paragraph 8.56)**

12. Accounting and accounting maintenance in Panchayati Ra Institutions are not at standard level due to which relevant data is not obtained. Therefore, the **Commission recommends that "rules should be made by the Government for the classification of budget and accounting in Panchayat institutions, in which the method of classification of accounting should be in accordance with the classification made for the Government." For this an expert committee should be constituted by the government which should include the Accountant General. Director-state Audit and representatives of Panchayat and Finance Departments. (Paragraph 8.59)**

13. **A software should also be developed for budget and accounting in Panchayats,** so that uniformity quality, accuracy and transparency can be ensured in accounting and accounting maintenance and reliable data can be obtained for policy making. **(Paragraph 8.60)**

14. The commission recommends that **"Consideration should be given to limiting the number of Gram Panchayats and restructuring of Gram Panchayats should be done on the basis of population and financial feasibility. For PESA and non- PESA Gram Panchayats it would be appropriate to set different limits for reorganization on the basis of population".** Commission. It is noteworthy here that there are 6798 Gram Panchayats in the state of Odisha and 22695 Gram Panchayats in Madhya Pradesh whereas Chhattisgarh has 11664 Gram Panchayats which is proportionately higher. **(Paragraph 8.74)**

15. **Therefore, the commission recommends that work should be done by preparing a time-bound action plan to fill the existing gap in the indicators or standards set for the availability and quality of basic services. (Paragraph 9.27)**

16. **Therefore, the commission recommends that regular arrangements should be made for training of officers and employees of local bodies by reputed institutions. (Paragraph 9.82)**

17. The Commission recommends that **"distribution of the amount recommended by the State Finance Commission among the urban bodies should be ensured as per the distribution formula recommended by the State Finance Commission and the consent given by the government thereon or with appropriate amendments or changes". (Paragraph 10.12)**

18. The commission recommends that, **"It should be ensured that the amount received for transfer to urban bodies in the urban fund is transferred to the concerned departments within 15 days, and its responsibility should be given to the directorate of Urban Administration and Development". (Paragraph 10.13)**

19. The Commission recommends that **"The Establishment Expenditure should be reviewed and reduced". (Paragraph 10.32)**

20. The Commission recommends that **"the work of accounts maintenance in urban bodies should be re-institutionalized and for this, training of officers and employees should be ensured". (Paragraph 10.35)**

21. There is a need to make rules by the government for classification of budget and accounting in urban bodies. The Commission recommends that, **"a methodology for classification of accounting should be introduced by the Government, in which the method of classification of accounting is in accordance. with the classification made for governance. For this, an expert committee should be constituted by the government, which should include Accountant General, Finance Department, Director state Audit and representatives of Urban Administration and Development Department". (Paragraph 10.36)**

22. "A software for budget and accounting should also be developed in all the urban bodies of the state so that uniformity, quality, accuracy and transparency in accounting and account maintenance can be ensured and reliable data can be obtained for policy making". (Paragraph 10.37)

23. The number of pending years for audit is very high. Therefore, the Commission recommends that, **"Chhattisgarh State Audit Department should timely action on this". (Paragraph 10.39)**

24. At present, 81434 pending objections worth Rs. 8510.43 crore are pending for resolution; hence the Commission recommends the, **"objections should be resolved by setting a time limit". (Paragraph 10.41)**

25. The commission recommends that **"The target of receipts from own sources of Nagar Panchayats and Nagar Palikas should be set it 25 percent of the total receipts". (Paragraph 10.49)**

26. The Commission recommends that **"the ratio of Establishment Expenditure and Maintenance Expenditure in Revenue Expenditure should be fixed and on the basis of that, supervision of all the urban bodies should be done". (Paragraph 10.55)**

27. On the basis of the service benchmarks prescribed for urban bodies, the benchmarks related to Drinking Water and Sanitation suggested for monitoring of Gram Panchayats by the Ministry of Jal Shakti, Government if India and the service benchmarks suggested in the study sponsored by the State Finance Commission of Chhattisgarh, the Commission Recommends determining the ' Service Benchmarks' as per Table No. 12.3 for monitoring the citizen services provided by the Gram Panchayats. (Paragraph 12.08)

28. The State Finance Commission recommends that a high-level committee of national level experts and departmental officers be formed to prepare a study-based plan for developing sewage drainage facilities in the urban bodies of the State and in accordance with the recommendation of the committee, the implementation of the schemes and arrangement of funds should be done by the State Government in a phased manner. (Paragraph 12.27)

29. Therefore, the State Finance Commission Recommends that the receipts and expenditure of the Panchayati Raj Institutions and urban bodies and the citizen services provided by them should be regularly monitored against the prescribed benchmarks. Data regarding the status of civics amenities against the benchmark should also be made public through the website. (Paragraph 12.37)

30. The State Finance Commission recommends that **"for obtaining data, software of Panchayat and Urban Administration and Development directorate and State Finance Commission can be used. After feeding information by local bodies in the software, report is received in pre-determined format. With minimum effort by both the directorates, the software can be updated through Chips as per requirement. The software is available in Chips server". (Paragraph 12.38)**

31. The State Finance Commission recommends that in order to encourage the Gram Panchayats for taxation, an amount equivalent to the income received from their own sources should be provided to the Gram Panchayats in the form of performance grant. (Paragraph 12.45)

32. **Therefore, the State Finance Commission recommends that, like the Directorate of Urban Administration and Development Department, the Panchayat Directorate should also obtain information regarding the amount of additional stamp duty and minor mineral royalty from Commercial Tax (Registration) Department and Mineral Department respectively and include it in its budget and take action for transfer to the Panchayati Raj Institution. (Paragraph 12.49)**

33. The State Finance Commission Recommends that**, the 33 percent amount of the minor mineral royalty which is given to the Panchayat Directorate, should be provided to the concerned Panchayati Raj Institutions. (Paragraph 12.50)**

34. The State Finance Commission recommends **that the Panchayat Department, in Co-ordination with the Finance Department and Revenue Department, should estimate the amount of possible land revenue cess and then, its equivalent amount should be provided to the Gram Panchayats as compensation. (Paragraph 12.51)**

35. **The State Finance Commission Recommends that the amount collected from the imposed cess, which is given to the Rural Development Fund, should be distributed to the Gram Panchayats with immediate effect and its transfer should be started on regular basis. The amount of cess in last 5 Year is given in Table 12.16. (Paragraph 12.52)**

36. The Commission recommends that **"the amount of 10 percent surcharge should be transferred on regular basis". (Paragraph 12.53)**

37. the State Finance Commission recommends that **instead of the grant being given under 6heads in the above paragraph 12.54 (Sr. Number 3 to 8) to the urban bodies, an equivalent amount of 7.62 percent of State Goods and Service Tax should be provided in the form of assigned receipts. (Paragraph 12.54 & 12.55)**

38. The State Finance Commission recommends that **"10 percent of the State's Net Tax Income should be transferred to the local bodies". (Paragraph 12.58)**

39. The State Finance Commission Recommends that **"to fill the gap of requirement of Rs. 32933 Cr. of the local bodies, the same should be sought by the State Government from the 16Th Finance Commission and the this should be included by the State Government in its memorandum". (Paragraph 12.61)**

40. The State Finance Commission recommends that **out of the total recommended amount of 10 percent, 70% amount should be transferred to Panchayati Raj**

Institutions and 30 percent amount should be transferred to Urban Bodies. (Paragraph 12.65)

41. Therefore, the State Finance Commission recommends that the recommended amount should be distributed among the Panchayat Raj Institutions only on the basis of population. (Paragraph 12.73)

42. The State Finance Commission also recommends that **the area of Gram Panchayats in scheduled area is large and the population is less, hence keeping in mind that, adopting the population criteria should not harm the Gram Panchayats of scheduled areas therefore, in addition to the amount normally received by all Gram Panchayats, an additional amount of Rs. 2.5 lakh per Gram Panchayat should be provided to the Gram Panchayats of the scheduled area. (Paragraph 12.74)**

43. The State Finance Commissions recommends the following criteria for horizontal distribution of the recommended amount among the Urban Bodies. (Paragraph 12.75)

Criteria for Horizontal Distribution Between Urban Bodies

No.	Criteria	Weightage
1	Population	90
2	Area	10

44. The State Finance Commission recommends that **the amount to be devolved to Panchayati Raj Institutions on the recommendation of the Commission, should be divided among Gram Panchayat, Janpad Panchayat and Zila Panchayat in the ratio of 85 percent, 10 percent and 5 percent respectively. (Paragraph 12.77)**

45. State Finance Commission makes following Recommendations –

1. **Out of the total amount recommended by the commission for Panchayati Raj Institutions, 30 percent amount should be provided to the Panchayati Raj Institutions as untied fund, so that the Panchayati Raj Institutions can use this amount on the maintenance of basic citizen services.**

2. **60 percent of the recommended amount should be provided to Panchayati Raj Institutions for carrying out capital works. This amount may be in the form of tied fund. In the capital head, works related to solid waste management (sanitation and cleanliness), construction of internal roads / lanes. drain construction and street lighting only have been included in the capital**

expenditure grant by the Commission. Detailed instructions for expenditure under these heads should be issued from the department.

3. **From 5 percent of the amount recommended by the State Finance Commission, Additional amount should be provided to Gram Panchayats of scheduled area at the rate of Rs. 2.50 lakh per Gram Panchayat.**

4. **5 percent of the recommended amount should be given as performance grant to encourage Gram Panchayats to Increase their income from their own sources. (Paragraph 12.86)**

46. The State Finance Commission recommends that **out of the total amount recommended by commission for urban bodies, 30 percent amount should be provided as untied fund for maintenance expenditure, 65 percent amount should be provided as tied fund for capital works and the remaining 5 percent should be provided as performance grant. (Paragraph 12.88)**

47. The recommendation of State Finance Commission -

a. **According to the formula recommended by the commission, the amount to be shared with Gram Panchayats, Janpad Panchayats, Zila Panchayats, Municipal Corporation, Municipality and Nagar panchayats should be transferred directly through PFMS to a separate bank amount opened for this purpose.**

b. **Necessary detailed guidelines should be issued by the concerned department to ensure that the tied and untied funds recommended by the State Finance Commission is spent as per the rules and the rules of financial discipline should be strictly followed. (Paragraph 12.89)**

48. The State Finance Commission Recommends that **an amount equivalent to the amount received by the Panchayati Raj Institutions from their own sources in a year, should be provided as performance grant to that gram panchayat in the coming year. (Paragraph 12.91)**

49. The State Finance Commission recommends that **the amount increased by the urban bodies in their receipts from their own sources as compared to the previous year should be provided as performance grant to the urban bodies in the coming year. (Paragraph 12.93)**

50. The State Finance Commission recommends that **out of the total amount recommended by the State Finance Commission, Five percent should be provided to the Gram Panchayats under Convergence Head. This amount can be used only for convergence. The Panchayat Directorate should issue detailed guidelines regarding its use. (Paragraph 12.94)**

51. The State Finance Commission recommends that **the Panchayat and Urban Administration and Development Department should identify the rural and urban local bodies having such religious, cultural and historical heritage and assess the additional expenditure incurred by them and thus, the necessary fund should be provided to them in the form of assistance grant from the consolidated fund of the State. (Paragraph 12.95)**

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Annex. No. 12.7	Required Capital Expenditure for Additional Population of Urban Bodies
Annex. No. 12.8	Receipts of PRIs From Own Sources
Annex. No. 12.9	Actual Receipts of PRIs In Other Heads (Excluding Income from Own Sources)
Annex. No. 12.10	Projected Receipts of PRIs During 2025-26 To 29-30
Annex. No. 12.11	Total Income of Urban Bodies from Their Own Sources
Annex. No. 12.12	Actual Receipts of Local Bodies in Other Heads During 2017-18 To 2021-22
Annex. No. 12.13	Projected Receipts of Urban Bodies From 2025-26 To 2029-30 Under Various Heads
Annex. No. 12.14	Receipt of Taxes/Cess Payables as Assigned receipted to Local Bodies
Annex. No. 12.15	List of officials/Employees in Fourth State Finance Commission

"बिजनेस पोस्ट के अन्तर्गत डाक शुल्क के नगद भुगतान (बिना डाक टिकट) के प्रेषण हेतु अनुमत. क्रमांक जी.2-22-छत्तीसगढ़ गजट / 38 सि. से. भिलाई. दिनांक 30-05-2001."

पंजीयन क्रमांक
"छत्तीसगढ़/दुर्ग/09/2013-2015."

छत्तीसगढ़ राजपत्र

(असाधारण)
प्राधिकार से प्रकाशित

क्रमांक 419] रायपुर, शुक्रवार, दिनांक 30 जुलाई 2021 — श्रावण 8, शक 1943

वित्त विभाग
मंत्रालय, महानदी भवन, नवा रायपुर अटल नगर

अटल नगर, दिनांक 29 जुलाई 2021

अधिसूचना

कमांक 37/14/वित्त/विआप्र/चार/2021.— भारत के संविधान के अनुच्छेद 243–झ के खण्ड (1) सहपठित यथा संशोधित छत्तीसगढ़ राज्य वित्त आयोग अधिनियम, 1994 (क्रमांक 3 सन् 1994) की धारा 3 के द्वारा प्रदत्त शक्तियों को प्रयोग में लाते हुये, छत्तीसगढ़ के राज्यपाल, एतद्द्वारा, चतुर्थ राज्य वित्त आयोग का गठन करते हैं, जिसमें श्री सरजियस मिंज, अध्यक्ष होंगे।

2. आयोग के अध्यक्ष, ऐसी तारीख, जिस पर वे पदभार ग्रहण करते है, से 31 जुलाई, 2023 तक पद धारण करेंगे।

3. आयोग को सौंपे जाने वाले कार्यों के संबंध में पृथक से अधिसूचना जारी की जायेगी।

4. आयोग, उपरोक्त पैरा 3 में निर्दिष्ट अधिसूचना में उल्लिखित प्रत्येक विषय पर, 1 अप्रैल, 2025 से प्रारंभ होने वाली 5 (पांच) वर्ष की कालावधि के लिए अपनी रिपोर्ट 31 जुलाई, 2023 तक या उससे पूर्व उपलब्ध करायेगा। आयोग यह भी उपदर्शित करेगा कि किस आधार पर उसने निष्कर्ष निकाले हैं।

छत्तीसगढ़ के राज्यपाल के नाम से तथा आदेशानुसार,
आनंद मिश्रा, उप–सचिव.

अटल नगर, दिनांक 29 जुलाई 2021

कमांक 37/14/वित्त/विआप्र/चार/2021.— भारत के संविधान के अनुच्छेद 348 के खण्ड (3) के अनुसरण में, इसकी अधिसूचना कमांक 37, दिनांक 29 जुलाई, 2021 का अंग्रेजी अनुवाद राज्यपाल के प्राधिकार से एतद्द्वारा प्रकाशित किया जाता है।

छत्तीसगढ़ के राज्यपाल के नाम से तथा आदेशानुसार,
आनंद मिश्रा, उप–सचिव.

छत्तीसगढ़ शासन
वित्त विभाग,
'मंत्रालय'
महानदी भवन, नवा रायपुर अटल नगर

//आदेश//

अटल नगर, दिनांक 2 /02/2022

क्रमांक 87 /1037/2021/स्था./चार ::: राज्य शासन, एतद्द्वारा श्री सतीश पाण्डेय, सेवानिवृत्त अपर सचिव, (छत्तीसगढ़ राज्य वित्त सेवा अधिकारी) वित्त विभाग, मंत्रालय, नवा रायपुर को छत्तीसगढ़ सिविल सेवा (संविदा नियुक्ति) नियम, 2012 में प्रावधान अनुसार सचिव, छत्तीसगढ़ राज्य वित्त आयोग, रायपुर के पद पर एक वर्ष के लिए संविदा नियुक्ति प्रदान करता है।

छत्तीसगढ़ के राज्यपाल के नाम से
तथा आदेशानुसार

2/2/2022
(प्रेमा गुलाब एक्का)
उप सचिव,
छत्तीसगढ़ शासन, वित्त विभाग

पृ.क्र. 88 /1037/2021/स्था./चार, अटल नगर, दिनांक 2 /02/2022

प्रतिलिपि :–

01. माननीय राज्यपाल के सचिव, राजभवन सचिवालय, रायपुर
02. अपर मुख्य सचिव, मुख्यमंत्री सचिवालय, नवा रायपुर अटल नगर
03. सचिव, छत्तीसगढ़ शासन, सामान्य प्रशासन विभाग, मंत्रालय, नवा रायपुर अटल नगर
04. सचिव, छत्तीसगढ़ शासन, वित्त विभाग, मंत्रालय, नवा रायपुर अटल नगर
05. उप सचिव, छत्तीसगढ़ शासन, मुख्य सचिव कार्यालय, मंत्रालय, नवा रायपुर अटल नगर
06. अध्यक्ष, छत्तीसगढ़ राज्य वित्त आयोग, रायपुर
07. महालेखाकार, छत्तीसगढ़, रायपुर
08. संचालक, कोष, लेखा एवं पेंशन, छत्तीसगढ़, इन्द्रावती भवन, अटल नगर
09. संभागीय संयुक्त संचालक, कोष, लेखा एवं पेंशन, छत्तीसगढ़ रायपुर
10. अवर सचिव, छत्तीसगढ़ शासन, वित्त विभाग (वित्त आयोग प्रकोष्ठ), मंत्रालय, अटल नगर
11. वरिष्ठ कोषालय अधिकारी/कोषालय अधिकारी, नवा रायपुर/रायपुर
12. संबंधित अधिकारी ----------
13. आदेश फोल्डर

------- की ओर सूचनार्थ एवं आवश्यक कार्यवाही हेतु अग्रेषित

2/2/2022
उप सचिव,
छत्तीसगढ़ शासन, वित्त विभाग

छत्तीसगढ़ शासन
वित्त विभाग
–::मंत्रालय::–
महानदी भवन, नवा रायपुर अटल नगर
––––00––––

अधिसूचना

नवा रायपुर अटल नगर, दिनांक 23 मार्च, 2022

क्रमांक 27 / 14 / वित्त / विआप्र / चार / 2021 – यतः, भारत के संविधान के अनुच्छेद 243 झ सहपठित छत्तीसगढ़ राज्य वित्त आयोग अधिनियम, 1994 (क्र. 3 सन् 1994) की धारा 3 का अनुसरण करते हुए, अधिसूचना क्रमांक 37 / 14 / वित्त / विआप्र / चार / 2021, दिनांक 29 जुलाई, 2021 द्वारा चतुर्थ राज्य वित्त आयोग का गठन किया गया है।

अतएव, भारत के संविधान के अनुच्छेद 243 झ एवं 243 म द्वारा प्रदत्त शक्तियों को प्रयोग में लाते हुये, चतुर्थ राज्य वित्त आयोग, पंचायतों और नगरपालिकाओं की वित्तीय स्थिति की समीक्षा करेगा एवं निम्नलिखित के संबंध में अनुशंसा देगा–

1. (क) निम्नलिखित को शासित करने वाले सिद्धांतों के संबंध में–

(एक) राज्य द्वारा उद्ग्रहीत करों, शुल्कों, पथकरों तथा फीसों के ऐसे शुद्ध आगमों के राज्य तथा पंचायतों अथवा नगरपालिकाओं (जैसी भी स्थिति हो) के मध्य वितरण जो संविधान के भाग 9 और 9क के अधीन उनमें विभाजित किए जायें को तथा सभी स्तरों पर पंचायतों और नगरपालिकाओं (जैसी भी स्थिति हो), के बीच ऐसे आगमों के तत्संबंधी भाग के आबंटन को;

(दो) ऐसे करों, शुल्कों, पथकरों तथा फीसों के अवधारण को, जो पंचायतों और नगरपालिकाओं को समनुदिष्ट की जा सकेंगी या उनके द्वारा विनियोजित की जा सकेंगी; और

(तीन) राज्य की संचित निधि में से पंचायतों और नगरपालिकाओं के लिए सहायता अनुदान।

(ख) पंचायतों और नगरपालिकाओं की वित्तीय स्थिति को सुधारने के लिए आवश्यक अध्युपायों और अनुशंसाएं करने सहित निम्नलिखित के संबंध में–

(एक) पंचायतों एवं नगरपालिकाओं द्वारा संग्रहित कर एवं करेतर राजस्व व्यवस्था के युक्तियुक्तकरण, और संसाधन सृजित करने की नवीन संभावनाओं को

चिन्हांकित करने, विशेषतः ऐसे निकायों द्वारा प्रदान की जाने वाली सेवाओं पर उपयोगकर्ता प्रभार उद्‌गृहित करने, ताकि संचालन एवं संधारण व्यय की पूर्ति हो सके;

(दो) स्थानीय शासन के द्वारा वित्तीय संस्थाओं एवं बाजार ऋण लेने की संभावना, एवं इसके लिए उपयुक्त व्यवस्था;

(तीन) स्थानीय शासन की वित्तीय प्रबंधन की क्षमता का विकास;

(चार) स्थानीय शासन के राजकोषीय निष्पादन के अनुश्रवण को सुधारने;

(पांच) राजस्व में वृद्धि करने के लिए प्रोत्साहन देने; और

(छः) स्थानीय शासनों द्वारा व्यय में मितव्ययता और दक्षता हासिल करने।

(ग) स्थानीय शासन के स्वामित्व एवं उन्हें स्थानांतरित आस्तियों के संधारण की लागत को राज्य, पंचायतों एवं नगरपालिकाओं के मध्य बांटने की आवश्यकता;

(घ) नगरीय स्थानीय निकायों के विशेष संदर्भ में सार्वजनिक–निजी भागीदारी की संभावनाएं।

2. आयोग, उसकी अनुशंसाएं करने में, अन्य बातों के साथ–साथ निम्नलिखित को ध्यान में रखेगाः–

(एक) छत्तीसगढ़ राजकोषीय उत्तरदायित्व एवं बजट प्रबंधन अधिनियम, 2005 के परिप्रेक्ष्य में राज्य शासन पर होने वाली राजकोषीय मांगें;

(दो) स्थानीय निकायों के संबंध में पंद्रहवें वित्त आयोग की अनुशंसाएं; और

(तीन) केन्द्र प्रायोजित योजनाओं के अंतर्गत स्थानीय निकायों को दी जा रही निधियां।

3. आयोग यह बतायेगा कि किस आधार पर उसने निष्कर्ष निकाले हैं।

4. आयोग उपरोक्त प्रत्येक विषय पर 1 अप्रैल, 2025 से प्रारंभ होने वाली आगामी पांच वर्ष की कालावधि के लिए अपना प्रतिवेदन 31 जुलाई 2023 तक या उसके पूर्व उपलब्ध करायेगा।

छत्तीसगढ़ के राज्यपाल के नाम से
तथा आदेशानुसार

(पूजा शुक्ला)
उपसचिव
वित्त विभाग

क्रमांक 27 **/ 14 / वित्त / विआप्र / चार / 2021** – भारत के संविधान के अनुच्छेद 348 के खण्ड (3) के अनुसरण में, इसकी अधिसूचना क्रमांक 27, दिनांक 23 मार्च, 2022 का अंग्रेजी अनुवाद राज्यपाल के प्राधिकार से एतद्द्वारा प्रकाशित किया जाता है।

छत्तीसगढ़ के राज्यपाल के नाम से
तथा आदेशानुसार

(पूजा शुक्ला)
उपसचिव
वित्त विभाग

छत्तीसगढ़ शासन
वित्त विभाग
मंत्रालय,
महानदी भवन, नवा रायपुर अटल नगर
————00————

अधिसूचना

नवा रायपुर अटल नगर, दिनांक 28 जुलाई, 2023

क्र. 39/आर–14/वित्त/वि.आ.प्र/चार/2021 – भारत के संविधान के अनुच्छेद 243झ के खण्ड (1) सहपठित छत्तीसगढ़ राज्य वित्त आयोग अधिनियम, 1994 (क्र. 3 सन् 1994) की धारा 3 द्वारा प्रदत्त शक्तियों को प्रयोग में लाते हुए, छत्तीसगढ़ के राज्यपाल, एतद्द्वारा, इस विभाग की अधिसूचना क्र. 37/14/वित्त/विआप्र/चार/2021, दिनांक 29 जुलाई, 2021 एवं अधिसूचना क्र. 27/14/वित्त/विआप्र/चार/2021, दिनांक 23 मार्च, 2022 में निम्नलिखित संशोधन करते हैं, अर्थात् :–

संशोधन

उक्त अधिसूचना में, –

सरल क्रमांक 4 में, शब्द तथा अंक "31 जुलाई, 2023" के स्थान पर, शब्द तथा अंक "31 अक्टूबर, 2023" प्रतिस्थापित किया जाये।

छत्तीसगढ़ के राज्यपाल के नाम से
तथा आदेशानुसार,

(पूजा शुक्ला)
उप सचिव
वित्त विभाग

छत्तीसगढ़ शासन
वित्त विभाग
मंत्रालय,
महानदी भवन, नवा रायपुर अटल नगर

———00———

अधिसूचना

नवा रायपुर अटल नगर, दिनांक 15 जनवरी, 2024

क्र. 02/आर–14/वित्त/वि.आ.प्र/चार/2021 – भारत के संविधान के अनुच्छेद 243झ के खण्ड (1) सहपठित छत्तीसगढ़ राज्य वित्त आयोग अधिनियम, 1994 (क्र. 3 सन् 1994) की धारा 7 द्वारा प्रदत्त शक्तियों को प्रयोग में लाते हुए, छत्तीसगढ़ के राज्यपाल, एतद्द्वारा, इस विभाग की अधिसूचना क्र. 37/14/वित्त/विआप्र/चार/2021, दिनांक 29 जुलाई, 2021, अधिसूचना क्र. 27/14/वित्त/विआप्र/चार/2021, दिनांक 23 मार्च, 2022 तथा अधिसूचना क्र. 39/14/वित्त/विआप्र/चार/2021, दिनांक 28 जुलाई 2023 में निम्नलिखित अग्रतर संशोधन करते हैं, अर्थात् :–

संशोधन

उक्त अधिसूचना में, –

सरल क्रमांक 4 में, शब्द तथा अंक "31 अक्टूबर, 2023" के स्थान पर, शब्द एवं अंक "**31 जनवरी, 2024**" प्रतिस्थापित किया जाये।

छत्तीसगढ़ के राज्यपाल के नाम से
तथा आदेशानुसार,

(पूजा शुक्ला)
उप सचिव
वित्त विभाग

पृ.क. 03/14/वित्त/विआप्र/चार/2021 नवा रायपुर अटल नगर, दिनांक 15 जनवरी, 2024

प्रतिलिपि :–

1. राज्यपाल के प्रमुख सचिव, राजभवन, रायपुर;
2. प्रमुख सचिव, छत्तीसगढ़ विधानसभा सचिवालय, रायपुर;
3. अपर मुख्य सचिव, मुख्यमंत्री सचिवालय, नवा रायपुर अटल नगर ;
4. मुख्य सचिव के स्टॉफ ऑफिसर, मंत्रालय, नवा रायपुर अटल नगर;
5. रजिस्ट्रार जनरल/महाधिवक्ता/उपमहाधिवक्ता, छत्तीसगढ़ उच्च न्यायालय, बिलासपुर;
6. श्री सरजियस मिंज (गृह जिला–जशपुर), मकान नं. 09, मौलश्री विहार, वी.आई.पी. रोड, रायपुर, छत्तीसगढ़;
7. सचिव, छत्तीसगढ़ लोक सेवा आयोग/मानवाधिकार आयोग/राज्य निर्वाचन आयोग/लोक आयोग, रायपुर;
8. निज सचिव/निज सहायक, मंत्री/ राज्यमंत्री, छत्तीसगढ़, रायपुर;
9. प्रधान महालेखाकार, छत्तीसगढ़, रायपुर;
10. सचिव वित्त के निज सहायक, मंत्रालय, नवा रायपुर अटल नगर;
11. आयुक्त जनसंपर्क संचालनालय, नवा रायपुर अटल नगर ;
12. आवासीय आयुक्त, छत्तीसगढ़ भवन, नई दिल्ली;
13. राज्य सूचना आयुक्त, छत्तीसगढ़, नवा रायपुर अटल नगर ;
14. समस्त विशेष सचिव/संयुक्त सचिव/उप सचिव/अवर सचिव/शोध अधिकारी/विशेष कर्त्तव्यस्थ अधिकारी एवं समस्त शाखा वित्त विभाग मंत्रालय, नवा रायपुर अटल नगर;
15. संचालक, कोष लेखा एवं पेंशन, छत्तीसगढ़ नवा रायपुर अटल नगर ;
16. मुख्य लेखा अधिकारी, सामान्य प्रशासन विभाग, मंत्रालय, नवा रायपुर अटल नगर;
17. समस्त संभागीय संयुक्त संचालक, कोष लेखा एवं पेंशन, छत्तीसगढ़;
18. समस्त कोषालय अधिकारी, इंद्रावती/जिला कोषालय, छत्तीसगढ़;
19. समस्त प्राचार्य, लेखा प्रशिक्षण शाला रायपुर/बिलासपुर, छत्तीसगढ़;
20. संचालक शासकीय लेखन सामग्री एवं मुद्रण, नवा रायपुर अटल नगर ;
21. समस्त मान्यता प्राप्त कर्मचारी संघ छत्तीसगढ़;
22. प्रेस अधिकारी, प्रेस प्रकोष्ठ, मंत्रालय, नवा रायपुर अटल नगर;
23. संचालक वित्तीय प्रबंध एवं सूचना प्रणाली, रायपुर को वित्त विभाग की वेबसाइट http://finance.cg.gov.in में अपलोड करने हेतु;

– की ओर सूचनार्थ एवं आवश्यक कार्यवाही हेतु अग्रेषित।

(पूजा शुक्ला)
उप सचिव
वित्त विभाग

Annexure – 1.6

Details of Meetings Held with Local Bodies

No.	Place	Date
01	Bastar Division	12-13 April 2022
02	Bilaspur Division	28-29 April 2022
03	Sarguja Division	19-20 May 2022
04	Durg Division	16-17 June 2022
05	Raipur Division	07-08 July 2022
06	Rajnandgaon	14 October 2022
07	Jashpur	31 October 2022
08	Sarangadh - Raigadh	19-20 January 2022
09	Narayanpur	09 February 2022
10	Kanker	10 February 2022
11	Janpad Panchayat, Duldula Kunkuri	15 May 2022
12	Bacheli, Dantewada	22-23 August 2022

Annexure – 1.7

State Government Officials with whom the Commission discussed.

1- **Panchayat and Rural Development Deptartment** –

- Additional Chife Secretary, Panchayat and Rural Development Dept.
- Director, Directorate, Panchayat
- Director, Thakur Pyarelal State Institute at panchayat and Rural Development Deptartment
- Deputy Director, Panchayat Directorate

2- **Urban Administration and Development Department**

- Principal Secretary, Urbal Administration and Department
- Director, Urbal Administration and Department

3- **Finance Department** -

- Secretary, Finance Department
- Commissioner, Local Fund Audit

4- **Health Department, Women and Child Development Department**

- Additional Chife Secretary, Health and Family Welfare Department
- Deputy Director, Women and Child Development

5- **Public Health and Engineering Department**

- Chife Engineer, Public Health Engineering Department

6- **Excise Department**

- Director, Excise Department

7- **Stamps and registration Department**

- Director General, Stamps
- Joint Director, Finance, Stamps and Registration.

Annexure – 1.8

Participation in various Seminars by State Finance Commission

1. Participated in the Consultation workshop on the Subject of Need and Significance of Including Child indicators in the Devolution formulae by the State Finance Commissions, Undar the aegis of indian institute of Public Finance and Policy (NIPFP), New Delhi and UNICEF, Dated 22-04-2022.
2. Participated in the National seminar organized on the topic National Conclave on State Finance Commissions under the qegis of National Institute of Rural Development and Panchayati Raj, Hyderabad, Dated 29-30 November 2022.
3. A one-day workshop was participated on 08-08-2023 on the topic "Mainstreaming Children Priorities in Planning - Integrating Child Related Indicators into State Finance Commissions' Recommendations" aegis of indian Institute od Public Finance and Policy (NIPFP) and UNICEF
4. Participated in discussion with Center for Urban Studies, Indian Institute of Public Administration (IIPA) Delhi on 25-09-2023.

Calculating State Tax Collection Cost

(Rs. In Thousand)

S. No.	Year	Revenue Department 0029 Land Revenue		Transport 0041 Tax on Venicles		Energy 0043 Taxes and fee on Electricity		Commercial Tax 006 – State 0023 – Hotel Receipt 0028 – On Income and Expenditure 0030 – Stampand Registration 0040 – Sales, Trade etc. Tax 0042 – Tax on Goods and Pasanger 0045 – Other Taxes on Good & Services		Sum		Percentage of aollection cost to total receipts
		Tax Receipt	Collection On Cost	Tax Receipt	Collection On Cost	Tax Receipt	Collection On Cost	Tax Receipt	Collection On Cost	Total Tax Receipt	Total Collection On Cost	
1	2017–18	4464118	2434730	11800136	148316	16889545	79543	165793019	1818351	198946818	4480940	2.25
2	2018–19	4875714	2639385	12048504	184553	17902737	86959	179445584	1623344	214272539	4534241	2.12
3	2019–20	5515021	3016892	12748516	201559	18370037	90293	184544901	1750690	221178475	5059434	2.29
4	2020–21	9377141	2968425	11480655	173456	23414111	85087	184620060	1618707	228891967	4845675	2.12
5	2021–22	9000000	3946940	16000000	374802	27000000	114875	223000000	2370963	275000000	6807580	2.48
Average												2.25

Source – Buudget Papers of Chhattisgarh Government.

Annexure 3.2

Details of amounts actually transferred directly to local bodied from the state's own tax revenue, in the form of assigned receipts

(Rs. In Thousand)

S. No.	Year	Rural Local Body	Urban Local Body			Total	Grand Total
		Transfer against recovery of stamp duty	Fees, Transfers and other receipts	Grant from entry tax	Grant from F.L. License Fees		
1	2017–18	0	690000	12042000	355000	13087000	13087000
2	2018–19	247209	490151	7915240	127557	8532948	8780157
3	2019–20	554430	713450	10000000	171000	10884450	11438880
4	2020–21	605658	763391	10000000	171000	10934391	11540049
5	2021–22	700000	1024537	9680000	188100	10892637	11592637
Total		**2107297**	**3681529**	**49637240**	**1012657**	**54331426**	**56438723**

Source – Budget Papers of Chhattisgarh Government

Annexure 3.3

Assessment of the amount to be transferred to local bodies on the recommendation of the State Finance Commission

(Rs. In Thousand)

S. No.	Year	State's own Tax Revenue	Collection Cost	Direct transfer to local bodies in the from of assigned receipts from state's own tax revenue	State's own net tax revenue	Amount Eligible for transfer to local bodies on the recommendation of the SFC	Percentage	Actual	
1	**2017-18**	198946818	4480940.00	13087000	181378878.00	14510310.24	8	1387.27	7.65
2	**2018-19**	214272539	4534241.00	8780157	200958141.00	16076651.28	8	1138.83	5.67
3	**2019-20**	221178475	5059434.00	11438880	204680161.00	16374412.88	8	1069.20	5.22
4	**2020-21**	228891967	4845675.00	11540049	212506243.00	19125561.87	9	1059.54	4.99
5	**2021-22**	270837300	6807580.00	11592637	252437083.00	22719337.00	9	1331.71	5.19
Total		**1134127099**	**25727870.00**	**56438723.00**	**1051960506.00**	**88806273.27**		**5986.55**	

*2017-2018 to 2019—2020, at the rate of 8% as per the recommendation of the 2nd SFC.

*2020—2021 to 2021—2022, at the rate of 8% as per the recommendation of the 3rd SFC.

Source – Budget Papers of Chhattisgarh Government

तृतीय राज्य वित्त आयोग की अनुशंसाओं पर राज्य शासन की कृत कार्यवाही प्रतिवेदन (ATR)

1.	4.35	आयोग की अनुशंसा है कि पेसा क्षेत्र में स्थापित समितियों के साथ ग्राम पंचायत एवं ग्राम सभा के मध्य प्रभावी समन्वय के लिये राज्य शासन द्वारा आवश्यक दिशा–निर्देश/आदेश जारी किये जाने चाहिये।	आयोग की अनुशंसा पर सहमति दी गई है।	पंचायत एवं ग्रामीण विकास विभाग	पेसा अधिनियम, 1996 के क्रियान्वयन हेतु बनाये जा रहे छत्तीसगढ़ पंचायत उपबंध (अनुसूचित क्षेत्रों पर विस्तार) नियम, 2021 में छत्तीसगढ़ पंचायत राज अधिनियम, 1993 की धारा 46 के अंतर्गत गठित स्थायी समितियों को ग्राम सभा के मार्गदर्शन, पर्यवेक्षण एवं नियंत्रण में कार्य करने का प्रावधान रखा गया है। इसके अतिरिक्त किसी भी विभाग द्वारा ग्राम पंचायत स्तर पर किसी अन्य समितियों के गठन नहीं कर सकने का प्रावधान रखा गया है।
2.	4.40	छत्तीसगढ़ के मुख्य सचिव की अध्यक्षता में एक अंर्तविभागीय समिति की बैठक दिनांक 15.12.2016 को रखी गई थी, जिसमें पंचायती राज संस्थाओं को प्रत्यायोजित किये जाने वाले कार्यों की समीक्षा की गई। यह पाया गया कि पंचायतों को दिये जाने वाले अनुसूचित 29 विषयों को अधिकांश शासकीय विभागों द्वारा हस्तांतरित नहीं किया गया है। कुछ विभागों द्वारा पहल की गई है, परन्तु उनके द्वारा कोष और पदाधिकारियों का हस्तांतरण अब तक नहीं किया गया है। अतः आयोग का यह मत है कि पंचायत एवं ग्रामीण विकास विभाग के द्वारा अधिसूचित कार्यकलाप चित्रण का पूरी विदत्त के साथ पालन किया जाय। आयोग की अनुशंसा है कि छत्तीसगढ़ शासन द्वारा मुख्य सचिव की अध्यक्षता में संबंधित विभागों के सचिवों की एक उच्चाधिकार प्राप्त समिति का गठन किया जाय, जो पंचायती राज संस्थाओं को निधियों कार्यों एवं कर्मियों के प्रत्यायोजन/अंतरण की पूरी प्रक्रिया को इस तरह देखे कि जिससे स्थानीय	आयोग की अनुशंसा पर सहमति दी गई है।	पंचायत एवं ग्रामीण विकास विभाग	अधिकारों का विकेन्द्रीकरण के संबंध में 29 विभागों को पत्र का लेख किया गया है। वर्तमान समय में विभागों द्वारा पंचायत एवं ग्रामीण विकास विभाग के साथ समन्वय पूर्ण रूप से अनुसूचित क्षेत्र के लिये 29 विषयों को हस्तांतरित नहीं किया जा रहा है।

		शासन प्रणाली को सशक्त बनाने के लिये उपचारात्मक और सुधारात्मक कदम उठाने के सुझाव दे सके।			
3.	4.41	आयोग अनुशंसा करता है कि छत्तीसगढ़ शासन कार्यकलाप चित्रण की प्रक्रिया को समयबद्ध रीति से पूर्ण करने हेतु आवश्यक कदम उठाएं।	आयोग की अनुशंसा पर सहमति दी गई है।	पंचायत एवं ग्रामीण विकास विभाग	ग्राम पंचायत स्तर पर ग्राम पंचायत विकास योजना के माध्यम से ग्राम पंचायतों के 29 विषयों से संबंधित प्राथमिकता के गतिविधियों का चयन कर लक्ष्य पूर्ति का प्रयास किया जा रहा है।
4.	5.16	आंतरिक अंकेक्षण तथा करारोपण अधिकारियों के पद रिक्त होने से पंचायती राज संस्थाओं द्वारा उनकी सेवाओं का उपयोग संभव नहीं हो पाता है। आयोग की अनुशंसा है कि रिक्त पदों की पूर्ति की जाय एवं उन्हें समुचित प्रशिक्षण एवं आधारभूत सहायता उपलब्ध कराई जाय।	आयोग की अनुशंसा पर सहमति दी गई है।	पंचायत एवं ग्रामीण विकास विभाग	वर्तमान में आंतरिक अंकेक्षण तथा करारोपण अधिकारी के 1667 स्वीकृत पद के विरूद्ध 830 पद ही भरे हुए है। पंचायत एवं समाज कल्याण विभाग से पृथक होकर पंचायत संचालनालय के गठन पश्चात् छत्तीसगढ़ पंचायत तृतीय श्रेणी (कार्यपालिक) सेवा भर्ती नियम नहीं बन पाने के कारण उक्त पदों की पूर्ति नहीं की जा सकी है। भर्ती नियम के प्रस्ताव वर्ष 2020 से सामान्य प्रशासन विभाग/वित्त विभाग में लंबित है।
5.	5.27	आयोग की अनुशंसा है कि प्रत्येक ग्राम पंचायत में कम से कम एक अतिरिक्त कर्मी। की नियुक्ति की जानी चाहिये, जिसे लेखों एवं कम्प्यूटर का प्रारंभिक ज्ञान हो।	वित्तीय भार के दृष्टिगत चरणबद्ध प्रक्रिया में पंचायतों के राजस्व अर्जन के आधार पर सहमति दी गई है।	पंचायत एवं ग्रामीण विकास विभाग	पूर्व में राजीव गांधी पंचायत सशक्तिकरण योजनांतर्गत प्रदेश के 7043 ग्राम पंचायतों में 5000/– रूपये प्रतिमाह के मानदेय में पंचायत सहायक सह डाटा एन्ट्री ऑपरेटर की भर्ती की गई थी। उक्त योजना समाप्त होने के पश्चात् बजट के अभाव में उक्त पदों को निरंतर नहीं किया जा सका। वर्तमान में आरजीएसए योजनांतर्गत प्रत्येक विकासखण्ड में डाटा एन्ट्री ऑपरेटर रखे जाने हेतु प्रतिमाह 50,000/–

					रूपये का बजट प्रावधान किया गया है।
6.	5.28	आयोग की अनुशंसा है कि कुछ पंचायतों में पायलेट परियोजना के रूप में ग्राम सभा की कार्यवाही की ''वायस रिकार्डिंग'' की जा सकती है। इससे ग्राम सभा के क्रियाकलापों में विश्वास और पारदर्शिता बढ़ेगी।	आयोग की अनुशंसा पर सहमति दी गई है।	पंचायत एवं ग्रामीण विकास विभाग	ग्राम सभा आयोजन हेतु राज्य/जिला स्तर से जारी किये जाने वाले निर्देशों के तहत् ग्राम सभा की कार्यवाही का वायस रिकार्डिंग हेतु निर्देश जारी किया जा सकता है।
7.	5.33	आयोग की अनुशंसा है कि पंचायती राज संस्थाओं को और अधिक कोषों का आबंटन पारदर्शी तथा मानक आधार पर किया जाना चाहिए।	निर्धारित कोषों का पारदर्शी तथा मानक आधार पर आबंटन हेतु सहमति दी गई है।	• वित्त विभाग • पंचायत एवं ग्रामीण विकास विभाग	आयोग की अनुशंसा है कि अधिनिर्णय अवधि वर्ष 2017–18 से वर्ष 2021–22 में पंचायती राज संस्थाओं लिए 6.91 प्रतिशत स्वयं के शुद्ध कर राजस्व का अंतरण किये जाने का अनुशंसा है जो वर्तमान मे अनुदान राशि त्रिस्तरीय पंचायती राज संस्थाओं को प्राप्त नहीं हो रहा है। उसे आयोग के अनुशंसा के आधार पर प्रदाय किया जाना चाहिए। इसके साथ ही पारदर्शीता हेतु केन्द्र शासन के योजनाओं के भांति राज्य वित्त आयोग के अनुशसा से त्रिस्तरीय पंचायती राज संस्थाओं को प्राप्त राशि को पीएफएमएस के माध्यम से हस्तांतरित किया जाना चाहिए।
8.	6.9	तृतीय राज्य वित्त आयोग पुनः अनुशंसा करता है कि लोक स्वास्थ्य यांत्रिकी विभाग द्वारा नल–जल योजना हेतु दिये जाने वाले अनुदान को प्रत्येक दो वर्ष में एक बार पुनरीक्षित किया जाय एवं वर्ष में दो बार अनुदान उपलब्ध कराया जाय। राज्य शासन अनुशंसा के अनुपालन को भी सुनिश्चित कराएँ।	वर्ष में दो बार अनुदान देने का पालन किया जा रहा है। दो–दो वर्ष में एक बार पुनरीक्षण की अनुशंसा को मान्य किया गया है।	लोक स्वास्थ्य यांत्रिकी विभाग	
9.	6.30	आयोग की अनुशंसा है कि सभी 146 जनपद पंचायतों को अधोसंरचना विकास एवं स्थानीय आवश्यकताओं के लिये अधिनिर्णय अवधि में	आयोग की अनुशंसा पर सहमति दी गई है।	• वित्त विभाग	आयोग की अनुशंसा के आधार पर जनपद पंचायत विकास निधि योजना वर्ष 2017–18 से प्रारंभ की

		रूपये 20.00 लाख का वार्षिक सहायता अनुदान दिया जाय। 75 प्रतिशत सहायता अनुदान अधोसंरचना संबंधी कार्यो के लिये एवं 25 प्रतिशत सहायता अनुदान स्थानीय आवश्यकताओं के लिये अनाबद्ध रखा जाय। राज्य सरकार अनाबद्ध सहायता अनुदान के लिये उचित दिशा–निर्देश जारी करें।		• पंचायत एवं ग्रामीण विकास विभाग	गई, जिसमें प्रति जनपद पंचायत 50.00 लाख रूपये का प्रावधान किया गया है। वर्तमान में प्रति जनपद पंचायत 20.00 लाख रूपये की राशि प्रदान की जा रही है। वर्ष 2022–23 से इस योजना के स्वरूप को परिवर्तित करते हुए जनपद अध्यक्ष के लिए 5.00 लाख, उपाध्यक्ष के लिए 3.00 लाख जनपद सदस्य के लिए 2.00 लाख रूपये निधि का प्रावधान रखते हुए उक्त मद में 65.42 करोड़ का बजट आबंटन दिया गया है।
10.	7.4	आयोग की अनुशंसा है कि प्रत्येक गॉव में कम से कम एक तालाब निस्तारी प्रयोजन के लिये आरक्षित रखा जाना चाहिए और मत्स्य पालन के उद्देश्य के लिये पट्टे पर नहीं दिया जाना चाहिए।	आयोग की अनुशंसा पर सहमति दी गई है।	पंचायत एवं ग्रामीण विकास विभाग	वर्तमान में प्रत्येक गाँव में एक तालाब निस्तारी के प्रयोजन के लिए आरक्षित रखने के पश्चात् ही शेष तालाब को लीज अथवा पट्टे पर दिया जाता है।
11.	7.18	आयोग की अनुशंसा है कि कर वसूली की वर्तमान प्रक्रिया में स्व–सहायता समूह एवं अन्य समूह को जोड़े जाने की परम्परा को और विकसित किया जाना चाहिए।	आयोग की अनुशंसा पर सहमति दी गई है।	पंचायत एवं ग्रामीण विकास विभाग	छत्तीसगढ़ पंचायत राज अधिनियम, 1993 की धारा–77 के अनुसार ग्राम पंचायतों में अनिवार्य, वैकल्पिक एवं अन्य फीस आरोपित किये जाने का प्रावधान है। वर्तमान में उक्त करों की वसूली ग्राम – पंचायतों के माध्यम से की जा रही है। उक्त करों की वसूली की प्रक्रिया को और अधिक प्रभावशाली बनाने के लिए ग्राम पंचायत स्तर पर गठित स्व–सहायता समूहों को जिम्मेदारी देने पर विचार किया जा रहा है।
12.	7.28	आयोग अनुशंसा करता है कि शासन योजनाओं की संख्या न्यूनतम करे जिससे कोषों का अपव्यय नियंत्रित किया जा सके और लक्ष्य एवं संभावित परिणामों में स्पष्टता आ सके।	आयोग की अनुशंसा पर सहमति दी गई है।	• वित्त विभाग • पंचायत एवं ग्रामीण	वित्तीय वर्ष 2023–24 के लिये पंचायत पदाधिकारियों का प्रशिक्षण, पंचायत पुरस्कार योजनाओं को बंद करने हेतु बजट में प्रावधान किया

				विकास विभाग	गया है। क्योंकि त्रिस्तरीय पंचायत राज संस्थाओं को पुरस्कार एवं प्रशिक्षण हेतु केन्द्र प्रवर्तित योजना रास्ट्रीय ग्राम स्वराज अभियान योजना अन्तर्गत किया जा रहा है।
				• नगरीय प्र ाासन विभाग	राज्य शासन द्वारा वर्तमान में 25 राज्य प्रवर्तित योजना से संचालित की जा रही है। समीक्षा उपरांत उद्देश्य पूर्ण होने पर इन योजनाओं को समाप्त करने पर विचार किया जायेगा।
13.	10.17	आयोग की अनुशंसा है कि राज्य को पंचायतों के लिये ई–गवर्नेंस के परिप्रेक्ष्य में योजना तैयार करनी चाहिए एवं ई–लोकल गवर्नेंस प्रणाली की प्रक्रिया को सुदृढ़ करने के लिये एक समग्र योजना बनानी चाहिए।	समग्र योजना बनाने की अनुशंसा को मान्य किया गया है।	पंचायत एवं ग्रामीण विकास विभाग	वर्तमान में त्रिस्तरीय पंचायती राज संस्थाओं को सुदृढ़ एवं पारदर्शी करने हेतु भारत सरकार द्वारा तैयार ई–ग्राम स्वराज पोर्टल का उपयोग किया जा रहा है. जिसमें ग्राम पंचायतों की मूलभूत जानकारी, वार्षिक कार्ययोजना निर्माण, कार्यो की वित्तीय एवं भौतिक प्रगति, ऑडिट आदि समस्त कार्य किये जा रहे है।
14.	11.8	आयोग की यह अनुशंसा है कि नगर पंचायतों का गठन 10,001 से 30,000 तक जनसंख्या वाले नगरों, नगर पालिक परिषद का गठन 30,001 से 2,00,000 जनसंख्या तक एवं नगर पालिक निगम का गठन 2,00,000 से अधिक जनसंख्या वाले नगरों में किया जाये।	आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	विभाग द्वारा जारी अधिसूचना दिनांक 28/02/2003 के अनुरूप नगरीय निकायों का गठन 2001 की जनसंख्या पर आधारित था। वर्तमान में जनगणना वर्ष 2021 के आंकड़े प्राप्त होने पर विचार किया जायेगा, उच्च स्तर पर पूर्व में जारी अधिसूचना के सशोधन हेतु प्रस्तावित किया जायेगा।
15.	11.8	आयोग की यह भी अनुशंसा है कि पंचायत शब्द के उपयोग से होने वाले भ्रम को दूर करने के	आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	सहमत है विचारण में लिया जा सकता है, पूर्व में प्रशासकीय

		लिए 'नगर पंचायत' का नाम 'नगर परिषद' किया जाए			अनुमोदन पश्चात छ.ग. न.पा. अधिनियम 1961 में सशोधन हेतु विधि विभाग से परिमार्जन पष्चात् वरिष्ठ सचिव समिति के समक्ष प्रस्ताव रखा गया था, इसके पश्चात् आगामी कार्यवाही नहीं की गयी।
16.	11.19	नगरीय स्थानीय निकायों के प्रशासन में अपर्याप्त एवं अप्रशिक्षित कर्मियों के कारण गंभीर प्रभाव पड़ रहा है। आयोग की अनुशंसा है कि राज्य शासन इस दिशा में सुधारात्मक कदम उठाते हुए प्रत्येक स्तर पर पर्याप्त एवं कुशल कर्मियों की व्यवस्था करे।	आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	विभाग के अधिकारियों को छ.ग. प्रशासन अकादमी ठाकुर प्यारेलाल ग्रामीण विकास संस्थान निमोरा क्षेत्रीय पर्यावरण एवं अध्ययन केन्द्र लखनऊ आ.ई. एल.एस.जी.डी. एवं आस्की हैदराबाद सहित देश के प्रतिष्ठित संस्थानों में प्रशिक्षण दिलाया जाता है साथ ही एरपोजर टूर पर जनप्रतिनिधियों एवं अधिकारियों/ कर्मचारियों को भेजा जाता है। व्यापम और लोक सेवा आयोग के माध्यम से भर्ती की कार्यवाही की जाती है।
17.	11.20	आयोग की यह अनुशंसा है कि वर्तमान संवर्ग को व्यवस्थित किया जाए। जहां आवश्यकता हो वहां नये संवर्ग का गठन किया जाए यथा–लेखा, राजस्व, पर्यावरण, इंजीनियरिंग एवं नगरीय नियोजन जिससे नगरीय प्रशासन में पेशेवर दृष्टिकोण अपनाया जा सके।	आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	विभाग में राज्य नगर पालिका सेवा (कार्यपालन), राज्य नगर पालिका सेवा (यांत्रिकी) और राज्य नगर पालिका सेवा (स्वास्थ्य) का गठन है। नगर निवेशक का पद नगर तथा ग्राम निवेश विभाग के अधिकारियों से प्रतिनियुक्ति से भरा जाता है। सहायक नगर निवेशक का पद सीधी भर्ती और प्रतिनियुक्ति से भरा जाता है। लेखा, राजस्व, पर्यावरण संवर्ग के गठन हेतु विचार किया जायेगा ।
18.	11.21	छत्तीसगढ़ शासन द्वारा राजपत्र में अधिसूचना दिनांक 11 मई 2011 छत्तीसगढ़ नगर पालिका राजस्व (विनिमायक आयोग की स्थापना)	आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	सम्पत्तिकर निर्धारण हेतु कलेक्टर गाइड लाईन के अनुसार करने के लिए नवीन नियम 2021 में

		अधिनियम 2011 जारी किया गया है, परन्तु अब तक यह कार्यशील नहीं हो सका है। आयोग अनुशंसा करता है कि छत्तीसगढ़ नगर पालिका राजस्व विनिमायक आयोग को कार्यशील किया जावे।			प्रभावशील किया गया है पहले भवन/भूमियों के वार्षिक भाड़ा मूल्य के आधार पर किया जाता था।
19.	12.17	आयोग का यह अवलोकन है कि तेजी से विकसित हो रहे छत्तीसगढ़ के नगर जैसे – रायपुर, बिलासपुर, भिलाई, दुर्ग, जगदलपुर, रायगढ़, अम्बिकापुर में बहुमंजलीय इमारतों की भारी कमी है। ऊंची लागत की भूमि का उचित आर्थिक उपयोग नहीं हो पा रहा है। उन्नत अधोसंरचना, सेवा प्रदाय करना, सस्ती परिवहन सेवा उपलब्ध कराने के लिए सम्पूर्ण तंत्र की कार्यक्षमता का सर्वोत्तम उपयोग करना आवश्यक होगा। आयोग की यह अनुशंसा है कि सभी बड़े शहरों में कुर्सी क्षेत्रफल (फ्लोर स्पेस इंडेक्स) सभी प्रयोजनों हेतु बढ़ाया जाना चाहिए।	आवास एवं पर्यावरण विभाग के अभिमत से सहमत। अनुशंसा मान्य किया गया है।	नगरीय प्र ाासन विभाग	नगरीय निकायों में बहुमंजिला इमारतों एवं कुर्सी क्षेत्रफल (फ्लोर स्पेस इंडेक्स) के लिए नगर तथा ग्राम निवेश के मापदण्डों (भूमि विकास नियम) के अनुसार अनुज्ञा दी जाती है।
20.	13.6	शैक्षणिक संस्थाओं, सार्वजनिक पूजा स्थल या सार्वजनिक परोपकारी, विधवा या अवयस्क या निःशक्तजन, मानसिक रूप से अक्षम, स्वतंत्रता संग्राम सेनानी, सेना के सदस्य एवं उनकी विधवाएं, दृष्टिहीन, परित्यक्त महिलाएं एवं मानसिक रूप से असंतुलित, छत्तीसगढ, विद्युत मंडल द्वारा लगाये गये खम्भे और ऐसे अन्य मामले जिनमें राज्य शासन ने छूट देने का निर्णय लिया हो, को कर से छूट प्राप्त है। कुछ प्रकरणों में यह छूट शर्तों के साथ है। आयोग अनुशंसा करता है कि शासन को नगर पालिक निगम अधिनियम एवं नगर पालिका परिषद अधिनियम में प्रावधानित छूटों पर पुर्नविचार करना चाहिए और 14 वें वित्त आयोग की अनुशंसा अनुसार उन्हें हटाने या तर्कसंगत बनाने पर विचार किया जाना चाहिए।	विभागीय अभिमत के आधार पर आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	अधिनियम में प्रावधानित छूट तर्कसंगत है।

21.	13.10	आयोग अनुशंसा करता है कि सम्पत्ति कर का भुगतान करने के लिए नगरीय स्थानीय निकायों द्वारा क्रेडिट कार्ड/डेबिट कार्ड/नेट बैंकिंग/यू.पी.आई. ऐप स्वीकार किया जाना चाहिए। प्रारंभ में यह प्रणाली नगर पालिक निगमों में लागू की जा सकती है कालांतर में इसे अन्य नगरीय स्थानीय निकायों में भी लागू किया जा सकता है।	विभागीय अभिमत के आधार पर आयोग की अनुशंसा क्रमशः प्रभावशील करने की सहमति दी गई है।	नगरीय प्र ाासन विभाग	65 निकायों में ऑनलाईन भुगतान की सुविधा उपलब्ध है। पेमेंन्ट गेटवे द्वारा भुगतान लिया जाता है, शेष निकायों में भी की जाने की प्रकिया प्रगति पर है।
22.	13.10	आयोग अनुशंसा करता है कि समय पर और अग्रिम सम्पत्ति कर का भुगतान करने वालों के लिए प्रोत्साहन योजना प्रारंभ किया जाना चाहिए और इसका विस्तृत प्रचार एवं प्रसार किया जाना चाहिए। इससे प्रभावी एवं अधिक कर राजस्व की वसूली संभव हो सकेगी।	विभागीय अभिमत के आधार पर आयोग की अनुशंसा पर विचार करने की सहमति दी गई है।	नगरीय प्र ाासन विभाग	नगर पालिक निगमों में यह व्यवस्था लागू है, छ.ग. नगर पालिक निगम अधिनियम 1956 की धारा 137 में निगमों को संपत्तिकर में छूट बाबत अधिकार दिये गये हैं।
23.	13.16	आयोग यह अनुशंसा करता है कि अधिकतम दोहन की संभावना वाले बड़े नगरीय स्थानीय निकायों में विज्ञापन/हौंडिंग कर का उपयोग राजस्व बढ़ाने में किया जाए। नगरीय प्रशासन एवं विकास विभाग द्वारा नगरीय स्थानीय निकायों के लिए विज्ञापन कर लगाने हेतु दिशा–निर्देश तैयार किया जाए।	आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	प्रदेश में होर्डिंग पॉलिसी लागू है, उपविधि को अंगीकृत कर सकते हैं। विज्ञापन कर का पृथक से प्रावधान नहीं है। होर्डिंग पॉलिसी में विज्ञापन फीस सम्मिलित है।
24.	13.29	आयोग यह अनुशंसा करता है कि स्थानीय नगरीय निकायों को अपनी क्रेडिट रेटिंग कराने के लिए प्रोत्साहित किया जाए, जिससे उन्हें अपनी ऋण पात्रता की सीमा मालूम हो तथा वे वित्तीय बाजार से ऋण लेने के लिए योग्य बन सके।	विभागीय अभिमत के आधार पर आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	9 अमृत शहरों के लिये वर्ष 2016–17 में इकरा (Intional Information and Credit Rating Agency) से क्रेडिट रेटिंग कराई गई थी।
25.	13.31	आयोग अनुशंसा करता है कि पर्याप्त संख्या में लेखापालों की पदस्थापना सभी नगरीय स्थानीय निकायों में की जाए और एक निश्चित समय–सीमा में अधिकारियों की आंतरिक क्षमता का विकास किया जाए।	आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	व्यापम के माध्यम से 84 लेखापाल की भर्ती की गई है तथा पुनः रिक्त 50 लेखापाल भर्ती के लिए सहमति ली गई है।
26.	13.32	आयोग अनुशंसा करता है कि नगरीय स्थानीय निकायों को परिसंपत्तियों का स्कंध लेने के लिए एकबार ऐसा अभ्यास करना चाहिए जिसमें सभी	आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	सहमत निरंतर अद्यतन कराया जा रहा है।

		नगरीय स्थानीय निकायों के लिए एक मानक प्रारूप बनाया जा सके। इस प्रारूप में संपत्तियों की भौतिक स्थिति, संख्यांक और उनका पूरा विवरण सम्मिलित होगा। इसके संचालन के लिए एक मानक प्रक्रिया अपनाई जानी चाहिए, जिससे ऐसे स्कंधों का अभिलेखीकरण एवं व्यवस्थापन का कार्य प्रत्येक नगरीय निकाय में निश्चित समयावधि में अद्यतन किया जा सके। ऐसे अभिलेख को बनाए रखने और उसे अद्यतन करने की जिम्मेदारी निर्दिष्ट अधिकारी को दी जानी चाहिए।			
27.	13.36	आयोग यह अनुशंसा करता है कि भूमि से हो सकने वाली आय यथा–परिवर्तन (व्यपवर्तन) शुल्क, सुधार शुल्क, विकास शुल्क आदि के स्त्रोत का विवरण दर्शाते हुए उपलब्ध भूमि की सूची बनाई जाए। कुर्सी क्षेत्रफल (फ्लोर स्पेस इंडेक्स) पर एक निर्धारित सीमा के ऊपर शुल्क आदि का निर्धारण संपूर्ण योजना के दिशा–निर्देशों के अंतर्गत रहते हुये इसे एक पारदर्शी एवं उत्तरदायी तंत्र के रूप में स्थापित किया जाना चाहिए जिससे भूमि मूल्यांकन आधारित स्त्रोत का शहरी अधोसंरचना की परिसंपत्तियों के निर्माण में उपयोग किया जा सके।	आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	भूमि से हो सकने वाली आय यथा परिवर्तन शुल्क, सुधार शुल्क, विकास शुल्क आदि से संबंधित विषय नगर तथा ग्राम निवेश से संबंधित है । विभाग समन्वय के अनुशंसा पर कार्यवाही हेतु सहमत है।
28.	13.40	आयोग यह अनुशंसा करता है कि वार्ड एवं मोहल्ला समितियों को प्रोत्साहित किया जाए। ऐसी समितियाँ जिन्होनें सम्पत्ति कर की चालू मांग के 90 प्रतिशत तक वसूली में योगदान दिया हो के लिए उस राशि का 20 से 25 प्रतिशत तक सुरक्षित रखा जाये। यह राशि इन मोहल्ला समितियों द्वारा सुझाये गये अधोसंरचना या अन्य सुविधाओं के क्रियान्वयन हेतु उपयोग में लाई जा सकेगी। नागरिक समुदायों में इससे सक्रिय एवं प्रभावी भागीदारी को बढ़ावा मिलेगा तथा न सिर्फ आय के साधनों को गतिशील	आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	

		बनाने में वरन् विकास हेतु किये जा रहे प्रयासों में भी सहायता मिलेगी। आयोग का यह मत है कि इससे सक्रिय भागीदारी की संस्कृति पैदा होगी जो दीर्घकाल में सतत् विकास में सहायक होगी।			
29.	15.7	आयोग की अनुशंसा है कि संचालक, नगरीय प्रशासन और विकास द्वारा सर्वोत्तम कार्य प्रणालियों का अभिलेखीकरण एवं नगरीय स्थानीय निकायों द्वारा उनका अंगीकरण सुनिश्चित किया जाना चाहिए।	आयोग की अनुशंसा पर सहमति दी गई है।	नगरीय प्र ाासन विभाग	
30.	16.4	आयोग की अनुशंसा है कि चरणबद्ध तरीके से स्थानीय निकायों के सभी कार्यक्षेत्रों में ई–गवर्नेंस का उपयोग अविलंब प्रारंभ किया जाए। सभी संबंधित अधिकारियों को ई–गवर्नेंस में प्रशिक्षित किया जाए। जिससे प्रभावी डाटा प्रबंधन, योजना और विकास कार्यों की गति बढ़ेगी तथा नागरिकों के साथ बेहतर अंर्तसंबंध स्थापित होंगे, जो प्रभावी समुदायिक भागीदारी का मार्ग प्रशस्त करेगा।	चरणबद्ध तरीके से ई–गवर्नेंस की प्रणाली कर उपयोग प्रारंभ करने की सहमति दी गई है।	नगरीय प्र ाासन विभाग	
31.	16.7	आयोग अनुशंसा करता है कि पंचायती राज संस्थाओं में संचालित सभी केन्द्रीय एवं राज्य शासन की योजनाओं में सामाजिक अंकेक्षण प्रक्रिया को लागू किया जाना चाहिए। अंकेक्षण प्रतिवेदन जिला पंचायत की वेबसाईट के माध्यम से जनसुलभ होना चाहिए।	आयोग की अनुशंसा से सहमति दी गई है।	पंचायत एवं ग्रामीण विकास विभाग	
32.	16.8	आयोग की अनुशंसा है कि सामाजिक–आर्थिक विकास के लिए एकीकृत जिला विकास योजना बनाई जानी चाहिए और इसे राज्य की विकास योजना के साथ समन्वित किया जाना चाहिए	आयोग की अनुशंसा पर सहमति दी गई है।	पंचायत एवं ग्रामीण विकास विभाग	
	16.9	यह आयोग पूर्व के आयोगों की अनुशंसा को दोहराता है कि अधिनियम के प्रावधानों के अनुसार वार्ड समितियों का गठन कर इन्हें सक्रिय किया जाना चाहिए।		नगरीय प्र ाासन विभाग	छ.ग. न.पा.नि. अधिनियम की धारा 67 तथा न.पा. अधिनियम की धारा 124 'ख' में जिला विकास योजना तथा वार्षिक योजना बनाने हेतु प्रावधान है, सामाजिक आर्थिक

					विकास के लिय पत्र दिनांक 28/12/2021 एकीकृत जिला विकास योजना तथा पत्र दिनांक 08/11/2021 के द्वारा वार्षिक – योजना बनाने के निर्देश दिये गये हैं ।
33.	16.10	आयोग अनुशंसा करता है कि नगरीय स्थानीय स्थानीय निकायों को अधोसंरचना विकसित करने और आय अर्जित करने वाली योजनाओं के लिए भविष्य में उपलब्ध कराई जा सकने वाली रिक्त भूमि को चिन्हांकित, सूचीबद्ध एवं दस्तावेजीकरण कर जिला प्रशासन द्वारा एक भूमि बैंक बनाया जाना चाहिए जिससे भूमि की मांग आने पर स्थानीय निकायों को भूमि प्रदान करने की प्रक्रिया तत्काल प्रारंभ की जा सके।	आयोग की अनुशंसा पर सहमति दी गई है।	राजस्व विभाग	
34.	16.11	आयोग अनुशंसा करता है कि सामान्यतः अंतरिम अनुमानों से बचने के लिये उचित समय पर, अगले वित्त आयोग की अधिनिर्णय अवधि के प्रारंभ होने से कम से कम दो वर्ष पूर्व राज्य वित्त आयोग का गठन किया जाना चाहिये।	तृतीय राज्य वित्त आयोग की इन अनुशंसाओं को आयोग के निदेश पद (टीओआर) में निर्धारित अवधि 2017–18 से 2021–22 के स्थान पर अवधि 2020–21 से आगामी पांच वर्षो के लिये लागू किया जाना प्रस्तावित है क्योंकि (क) 13वें केन्द्रीय वित्त आयोग ने अपने प्रतिवेदन में यह सुनिश्चित करने की आवश्यकता बताई है कि एसएफसी रिर्पोटों का सामंजस्य (synchronous) राष्ट्रीय वित्त आयोग की रिपोर्ट के साथ हो। (ख) साथ ही तृतीय राज्य वित्त आयोग का अधिनिर्णय अवधि (2017–18 से 2021–22) में से वर्ष 2017–18 बीत चुका है, और वर्तमान वित्त वर्ष 2019–20 का बजट पारित होकर लगभग आधे वित्त वर्ष तक कार्यन्वित हो चुका है। अतः उपरोक्त के प्रकाश में तृतीय राज्य वित्त आयोग की राज्य शासन द्वारा मान्य अनुशंसाओं को पंद्रहवें वित्त आयोग की कालावधि की समवर्ती अवधि 1 अप्रैल, 2020 से 31 मार्च, 2025 पांच वर्ष की कालावधि के लिये मान्य करने की आवश्यकता होगी। **साथ ही** यह कालावधि मान्य होने की स्थिति में द्वितीय राज्य वित्त आयोग की **अधिनिर्णय अवधि 2012–17 के लिये** राज्य शासन द्वारा मान्य अनुशंसाओं को वित्तीय वर्ष 2017–18, 2018–19	पंचायत एवं ग्रामीण विकास विभाग	आयोग की अनुशंसा है कि अधिनिर्णय अवधि वर्ष 2017–18 से वर्ष 2021–22 में पंचायती राज संस्थाओं लिए 6. 91 प्रतिशत स्वयं के शुद्ध कर राजस्व का अंतरण किये जाने का अनुशंसा है जो वर्तमान में अनुदान राशि त्रिस्तरीय पंचायती राज संस्थाओं को प्राप्त नहीं हो रहा है। उसे आयोग के अनुशंसा के आधार पर प्रदाय किया जाना चाहिए।
35.	16.12	आयोग अनुशंसा करता है कि राज्य वित्त आयोग के गठन के साथ ही वित्त विभाग के वित्त आयोग प्रकोष्ठ में कार्यरत वर्ग 2, 3 और 4 कर्मचारियों को राज्य वित्त आयोग कार्यालय में संलग्न किया जाना चाहिये।		वित्त विभाग	

			और 2019–20 के लिये विस्तारित किये जाने के प्रस्ताव पर सहमति व्यक्त की गई है।		
36.	17.18	तृतीय राज्य वित्त आयोग यह अनुशंसा करता है, कि राज्य के स्वयं के शुद्ध कर राजस्व का 9 प्रतिशत भाग स्थानीय निकायों को दिए जाए।	तृतीय राज्य वित्त आयोग की इन अनुशंसाओं को आयोग के निदेश पद (टीओआर) में निर्धारित अवधि 2017–18 से 2021–22 के स्थान पर अवधि 2020–21 से आगामी पांच वर्षो के लिये लागू किया जाना प्रस्तावित है क्योंकि (क) 13वें केन्द्रीय वित्त आयोग ने अपने प्रतिवेदन में यह सुनिश्चित करने की आवश्यकता बताई है कि एसएफसी रिर्पोटों का सामंजस्य (synchronous) राष्ट्रीय वित्त आयोग की रिपोर्ट के साथ हो। (ख) साथ ही तृतीय राज्य वित्त आयोग का अधिनिर्णय अवधि (2017–18 से 2021–22) में से वर्ष 2017–18 बीत चुका है, और वर्तमान वित्त वर्ष 2019–20 का बजट पारित होकर लगभग आधे वित्त वर्ष तक कार्यन्वित हो चुका है। अतः उपरोक्त के प्रकाश में तृतीय राज्य वित्त आयोग की राज्य शासन द्वारा मान्य अनुशंसाओं को पंद्रहवें वित्त आयोग की कालावधि की समवर्ती अवधि 1 अप्रैल, 2020 से 31 मार्च, 2025 पांच वर्ष की कालावधि के लिये मान्य करने की आवश्यकता होगी। **साथ ही** यह कालावधि मान्य होने की स्थिति में द्वितीय राज्य वित्त आयोग की **अधिनिर्णय अवधि 2012–17 के लिये** राज्य शासन द्वारा मान्य अनुशंसाओं को वित्तीय वर्ष 2017–18, 2018–19 और 2019–20 के लिये विस्तारित किये जाने के प्रस्ताव पर सहमति व्यक्त की गई है।	नगरीय प्र ाासन एंव विकास विभाग	नगरीय निकायों को वर्तमान में राज्य के शुध्द कर से प्राप्त आय का 80 प्रतिशत में द्वितीय राज्य वित्त आयोग की अनुशंसा अनुसार 1.85 प्रतिशत उपलब्ध कराया जा रहा है। तृतीय राज्य वित्त आयोग की अनुशंसा अनुसार स्थानीय निकायों को आबंटन प्रदाय किया जाए।
37.	17.19	आयोग की अनुशंसा है कि अधिनिर्णय अवधि वर्ष 2017–18 से वर्ष 2021–22 में पंचायती राज संस्थाओं और नगरीय स्थानीय निकायों के लिए क्रमशः 6.91 प्रतिशत एवं 2.09 प्रतिशत स्वयं के शुद्ध कर राजस्व का अंतरण किया जाए।		नगरीय प्र ाासन एंव विकास विभाग	तृतीय राज्य वित्त आयोग की अनुशंसा अनुसार स्थानीय निकायों को यदि 9 प्रतिशत शुध्द कर का भुगतान किया जाता है तो नगरीय निकायों को प्राप्त होने वाले 2.09 प्रतिशत का आबंटन वित्तीय वर्ष 2020–21 से किया जाना उचित होगा।

Annexure 6.1

Number of Panchayati Raj Institution in the State				
S. No.	Name of District	Number of Panchayati Raj Institution		
		Zila Panchayt	Janpad Panchayat	Gram Panchayat
1	Raipur	1	4	416
2	Mahasamund	1	5	551
3	Dhamtari	1	4	370
4	Durg	1	3	304
5	Rajnandgaon	1	9	814
6	Kabirdham	1	4	468
7	Bastar	1	7	433
8	Narayanpur	1	2	104
9	Dantewada	1	4	143
10	Bijapur	1	4	170
11	Kanker	1	7	454
12	Bilaspur	1	4	483
13	Gaurela-Pendra-Marwahi	1	3	166
14	Korba	1	5	412
15	Janjgir-Champa	1	9	657
16	Raigarh	1	9	774
17	Sarguja	1	7	439
18	Jashpur	1	8	444
19	Korea	1	5	363
20	Baloda Bazar	1	6	644
21	Gariyaband	1	5	336
22	Bemetara	1	4	429
23	Balod	1	5	435
24	Mungeli	1	3	370
25	Kondagaon	1	5	383
26	Sukma	1	3	153
27	Surajpur	1	6	481
28	Balrampur	1	6	468
Total		**28**	**146**	**11664**

Source – Panchayati Raj and Rural Development Department of Chhattisgarh

Annexure 6.2

Average Population of Zila Panchayat, According to Census 2011		
S. No.	**Zila Panchayt**	**Population**
1	Dhamtari	661882
2	Bijapur	213558
3	Balod	722569
4	Bemetara	721192
5	Balrampur - Ramanujganj	695808
6	Baloda Bazar – Bhatapara	1298534
7	Kabirdham	730267
8	Kanker	682135
9	Kondagaon	530512
10	Korea	478150
11	Korba	723121
12	Mahasamund	913614
13	Mungeli	641468
14	Bilaspur	1002797
15	Raipur	860687
16	Raigarh	1219077
17	Rajnandgaon	1264614
18	Sarguja	703424
19	Sukma	242718
20	Surajpur	710753
21	Durg	607015
22	Dantewada	221274
23	Janjgir-Champa	1394646
24	Jashpur	780263
25	Narayanpur	116962
26	Gariyaband	557199
27	Gaurela-Pendra-Marwahi	304135
28	Bastar	611189
Total		1,96,09,563

Source – Panchayati Raj and Rural Development Department of Chhattisgarh

Annexure 6.3

छत्तीसगढ़ राज्य की जिलेवार अनुसूचित (पेसा) जनपद/ग्राम पंचायत की जानकारी

क्र.	क्षेत्र	जिले का नाम	कुल जनपद पंचायत	पेसा जनपद पंचायत	पेसा ग्राम पंचायत	जनपद पंचायतवार पेसा ग्राम पंचायतों की संख्या															
1	सम्पूर्ण अनुसूचित क्षेत्र वाले जिला	नारायणपुर	2	2	104	नारायणपुर – 68	ओरछा – 36														
2		सुकमा	3	3	153	सुकमा – 33	छिन्दगढ़ – 59	कोन्टा – 61													
3		दंतेवाड़ा	4	4	143	दंतेवाड़ा – 38	गीदम – 46	कटेकल्याण – 26	कुआकोण्डा– 33												
4		बीजापुर	4	4	170	बीजापुर – 36	भैरमगढ़ – 60	भोपालपट्टनम – 35	उसूर – 39												
5		कोण्डागांव	5	5	383	कोण्डागांव – 125	बड़ेराजपुर – 49	माकड़ी – 67	केशकाल – 69	फरसगांव – 73											
6		कोरबा	5	5	412	कोरबा – 74	करतला – 78	कटघोरा – 53	पाली – 93	पोड़ी उपरोड़ा – 114											
7		कोरिया	5	5	383	बैकुण्ठपुर – 88	सोनहत – 42	खड़गवां – 77	मनेन्द्रगढ़ – 72	भरतपुर – 84											
8		सूरजपुर	6	6	481	सूरजपुर – 108	भैयाथान – 78	ओड़गी – 74	रामानुजनगर – 74	प्रेमनगर – 46	प्रतापपुर – 101										
9		बलरामपुर	6	6	468	बलरामपुर – 75	रामचन्द्रपुर – 91	पाड़ब्फनगर – 95	शंकरगढ़ – 60	कुसमी – 77	राजपुर – 70										
10		बस्तर	7	7	433	बस्तर – 88	बास्तानार – 34	लोहण्डीगुडा – 49	बकावण्ड – 93	जगदलपुर – 71	तोकापाल – 52	दरभा – 46									
11		कांकेर	7	7	454	कांकेर – 64	कोयलीबेड़ा – 103	अन्तागढ़ – 56	चारामा – 64	भानुप्रतापपुर – 52	नरहरपुर – 71	दुर्गकोन्दल – 44									
12		सरगुजा	7	7	439	अम्बिकापुर – 101	लखनपुर – 74	उदयपुर – 59	तुण्ड्रा – 77	बतौली – 42	मैनपाट – 44	सीतापुर – 42									
13		जशपुर	8	8	444	जशपुर – 44	कांसाबेल – 40	बगीचा – 93	फरसाबहार – 58	कुनकुरी – 51	दुलदुला– 30	पत्थलगांव – 84	मनोरा – 44								
14		गौ.पे.मा.	3	3	166	मरवाही – 74	पेण्ड्रा – 41	गौरेला – 51													
15	आंशिक अनुसूचित क्षेत्र वाले जिला	बालोद	5	1	60	डौण्डी – 60															
16		धमतरी	4	1	102	नगरी – 102															
17		बिलासपुर	4	0	85	कोटा – 85															
18		मरियाबंद	5	3	210	मरियाबंद – 62	मैनपुर – 74	छुरा – 74													
19		राजनांदगांव	9	3	185	मोहला – 57	मानपुर – 59	चौकी – 69													
20		रायगढ़	9	5	377	खरसिया – 81	घरघोड़ा – 42	घरघोड़ा – 42	तमनार – 61	रैरंगा – 75	धरमजयगढ़ – 118										
योग			108	85	5632																

स्रोत :– पंचायती राज एवं ग्रामीण विकास विभाग छत्तीसगढ़ भाासन से प्राप्त जानकारी

Annexure 6.4

Number of Urban Local Bodies at the District level

(As on 01.07.2022)

S. No.	Name of District	Number of Urban Local Bodies			
		Nagar Nigam	Nagar Palika	Nagar Panchayat	Total
1	Raipur	2	3	7	12
2	Baloda Bazar	0	2	5	7
3	Gariyaband	0	1	3	4
4	Dhamtari	1	0	5	6
5	Mahasamund	0	3	3	6
6	Durg	4	4	3	11
7	Balod	0	2	6	8
8	Rajnandgaon	1	1	2	4
9	Bastar	1	0	1	2
10	Bilaspur	1	2	4	7
11	Korba	1	2	2	5
12	Raigarh	1	1	5	7
13	Sarguja	1	0	2	3
14	Mahendragarh-Chirmiri-Bharatpur	1	1	3	5
15	Bemetara	0	1	7	8
16	Khairagarh-Chhuikhadan-Gandai	0	1	2	3
17	Kabirdham	0	1	5	6
18	Kondagaon	0	1	2	3
19	Narayanpur	0	1	0	1
20	Kanker	0	1	5	6
21	Dentewada	0	3	2	5
22	Sukma	0	1	2	3
23	Bijapur	0	1	2	3
24	Mungeli	0	1	3	4
25	Janjgir	0	3	6	9
26	Sakti	0	1	5	6
27	Sarangarh – Bilaigarh	0	1	4	5
28	Jashpur	0	1	4	5
29	Balrampur	0	1	4	5
30	Surajpur	0	1	5	6
31	Korea	0	2	0	2
32	Mohla-Manpur-Chowki	0	0	1	1
33	Gaurela-Pendra-Marwahi	0	0	2	2
	Total	**14**	**44**	**112**	**170**

Source – Urban administration and Development Department of Chhattisgarh

Annexure 6.5

Population of Nagar Nigam According to Census 2011

S. No.	Name of District	Nagar Nigam	Population
1	Raipur	Raipur	1048120
2		Birgaon	96294
3	Dhamtari	Dahmtari	89860
4	Durg	Drug	267465
5		Bhilai	516862
6		Risali	108838
7		Bhilai Charoda	98008
8	Rajnandgaon	Rajnandgaon	163114
9	Bastar	Jagdalpur	125463
10	Bilaspur	Bilaspur	514144
11	Korba	Korba	363390
12	Raigarh	Raigarh	166034
13	Sarguja	Ambikapur	125392
14	Mahendragarh-Chirmiri-Bharatpur	Chirmiri	85317
	योग		**37,68,301**

Source – Urban administration and Development Department of Chhattisgarh

Annexure 6.6

Population of Nagar Palika Parishad According to Census 2011

S.no.	Name of District	Nagar palika Parishad	Population
1	Raipur	Tilda Newra	32331
2		Gobranawapara	29315
3		Arang	19091
4	Gariyabandh	Gariyaband	10426
5	BalodaBazar	Baloda Bazar	26632
6		Bhatapara	57512
7	Mahasamund	Mahasamund	54413
8		Bagbahra	19529
9		Saraipali	20043
10	Drug	Jamul	25878
11		Kumhari	35054
12		Ahiwara	20384
13		Amleshwar	10489
14	Balod	Balod	23648
15		Dalli Rajhara	44363
16	Bemetara	Bemetara	28536
17	Rajnandgaon	Dongargarh	37372
18	Khairagarh-Chhuikhadan-Gandai	Kabirdham	22564
19	Kabirdham	Kabirdham	44205
20	Kondagaon	Kondagaon	30921
21	Narayanpur	Narayanpur	22106
22	Kanker	Kanker	27541
23	Dantewada	Kirandul	18887
24		Bade Bacheli	21435
25		Dantewada	13633
26	Sukma	Sukma	13926
27	Bijapur	Bijapur	16129
28	Bilaspur	Takhatpur	19968
29		Ratanpur	24636
30	Mungeli	Mungeli	31250
31	Korba	Dipka	27158
32		Katghora	22690
33	Janjgir	Janjgir-Naila	40561
34		Champa	45256
35		Akaltara	22712
36	Sakti	Sakti	21955
37	Raigarh	Kharsia	18939
38	Sarangard - Bilaigarh	Sarangarh	24798
39	Jaspur	Jashpur Nagar	25422
40	Balrampur	Balrampur	4456
41	Surajpur	Surajpur	20189
42	Mahendragarh-Chirmiri-Bharatpur	Manendragarh	33071
43	Korea	Baikunthpur	29182
44		Shivpurcharcha	23514
	Total		**11,62,120**

Source – Urban administration and Development Department of Chhattisgarh

Annexure 6.7

Population of Nagar Panchayat according to census 2011

S.no	Name of Distt.	Name of Nagar Panchayat	Population	S.no.	Name of Distt.	Name of Nagar Panchayat	Population
1	Raipur	Abhanpur	14432	57	Dantewada	Narharpur	4509
2		Kharora	9236	58		Gidam	7440
3		Mana Camp	11953	59		Barsur	6636
4		Kunra	8857	60	Sukma	Dornapal	7238
5		Mandir Hasoud	16086	61		Konta	6882
6		Samoda	6907	62	Bijapur	Bhairamgarh	9026
7		Chandrakuri	3341	63		Bhopalpattanam	4445
8	Gariyabandh	Rajim	14092	64	Bilaspur	Kota	18405
9		Fingeshwar	9752	65		Bodri	17481
10		Chhura	6079	66		Bilha	11048
11	Baloda Bazar	Simga	16027	67		Malhar	8505
12		Lawan	8984	68	Gaurela-Pendra-Marwahi	Gaurela	18165
13		Kasdol	14071	69		Pendra	14120
14		Palari	8567	70	Mungeli	Lormi	15156
15		Tundra	8211	71		Pathriya	6349
16	Dhamtari	Kurud	13783	72		Sargaon	7484
17		Magarlod	6280	73	Korba	Pali	5514
18		Nagri	13308	74		Chhuri kala	8239
19		Bhekhara	7547	75	Janjgir	Balauda	13630
20		Aamadi	6600	76		Kharod	10193
21	Mahasamund	Pithora	8428	77		Shivrinarayan	9714
22		Basna	10345	78		Saragaon	7225
23		Tumgaon	7394	79		Nawagarh	8118
24	Drug	Dhamdha	9961	80		Rahaud	6160
25		Patan	10133	81	Sakti	Naya Baradwar	8840
26		Utai	8752	82		Adbhar	7272
27	Balod	Gunderdehi	8614	83		Jaijepur	7946
28		Dondi	8042	84		Dabhara	7854
29		Dondilohara	6045	85		Chandrapur	7688
30		Gurur	3775	86	Raigarh	Dharamjaygarh	14354
31		Arjunda	4851	87		Gharghoda	9455
32		Chilakasa	6160	88		Lailunga	8208
33	Bemetra	Thankhamriya	8373	89		Pusor	4744
34		Saja	5257	90		Kirodimal Nagar	13102
35		Devkar	6358	91	Sarangarh Bilaigarh	Sariya	6927
36		Berla	5165	92		Baramkela	5600
37		Parpodi	3741	93		Bilaigarh	5544
38		Nawagarh	10541	94		Bhatagaon	10371
39		Maro	6596	95	Jashpur	Pathaigaon	16613
40	Khairagarh-Chhuikhadan-Gandai	Gandai	13278	96		Kotba	6805
41		Chhuikhadan	7093	97		Bagicha	10427
42	Mohla Manpur Chowki	Ambagarh Chouki	9889	98		Kunkuri	13846
43	Rajnandgaon	Dongargarh	14693	99	Sarguja	Sitapur	9361
44		Chhuria	4509	100		Lakhanpur	6270
45	Kawardha	Pandariya	16165	101	Balrampur	Ramanujganj	11893
46		Balod	5689	102		Kusmi	7447
47		Pandatarai	7008	103		Rajpur	4838
48		Sahaspur lohara	7017	104		Wadrafnagar	6048
49		Pipariya	4859	105	Surajpur	Bishrampur	11367
50	Bastar	Bastar	10174	106		Pratpur	5635
51	Kondagaon	Keshkal	10779	107		Bhatgaon	11204
52		Pharasgaon	6306	108		Jarhi	7228
53	Kanker	Bhanupratpur	8125	109		Prem nagar	4954
54		Charama	9707	110	Mahendragarh-Chirmiri-Bharatpur	Jahgrakhand	7680
55		Pakhanjur	10201	111		Khongapani	17400
56		Antagarh	6777	112		Nai Ledri	5333
Total							**10,08,849**

Source: Urban Administration and Development Deptt. C.G. Gov.

Annexure 7.1

Sample Size approved by fourth SFC

S. No.	District	Gram Panchayats			Non-Scheduled GPs			Scheduled Gps		
		Total	Sample Size	Percentage	Total	Sample Size	Percentage	Total	Sample Size	Percentage
1	Bastar	433	132	30.48	–	–	–	433	132	30.48
2	Bilaspur	483	145	30.02	398	145	36.4	85	–	–
3	Dantewada	143	83	58.04	–	–	–	143	83	58.04
4	Dhamtari	370	234	63.24	268	175	65.30	102	59	57.84
5	Durg	304	160	52.63	304	160	52.63	–	–	–
6	Janjgir Champa	657	378	57.53	657	378	57.53	–	–	–
7	Jashpur	444	204	45.95	–	–	–	444	204	45.95
8	Kanker	454	138	30.40	–	–	–	454	138	30.40
9	Kabirdham	468	332	70.94	468	332	70.94	–	–	–
10	Korba	412	176	42.72	–	–	–	412	176	42.72
11	Korea	363	169	46.56	–	–	–	363	169	46.56
12	Mahasamund	551	312	56.62	551	312	56.62	–	–	–
13	Raigarh	774	511	66.02	397	294	74.06	377	217	57.56
14	Raipur	416	206	49.52	416	206	49.52	–	–	–
15	Rajanandgaon	814	408	50.12	629	302	48.01	185	106	57.30
16	Surguja	439	251	57.15	–	–	–	439	251	57.18
17	Bijapur	170	92	54.12	–	–	–	170	92	57.12
18	Narayanpur	104	86	82.69	–	–	–	104	86	82.69
19	Sukma	153	48	31.37	–	–	–	153	48	31.37
20	Kondagaon	383	163	42.56	–	–	–	383	163	42.56
21	BalodaBazar	644	290	45.03	644	290	45.03	–	–	–
22	Gariyabandh	336	100	29.76	126	38	30.16	210	62	29.52
23	Balod	435	370	85.06	375	319	85.07	60	51	85.00
24	Mungali	370	202	54.59	370	202	54.59	–	–	–
25	Surajpur	481	279	58.00	–	–	–	481	279	58.00
26	Balrampur	468	219	46.79	–	–	–	468	219	46.79
27	Bemetara	429	162	37.76	429	162	37.76	–	–	–
28	Gaurela Pendra Marvahi	166	100	60.24	–	–	–	166	100	60.24
Total		**11664**	**5950**	**51.01**	**6032**	**3315**	**54.95**	**5632**	**2635**	**46.78**

Source: Fourth State Finance Commission

Annexure 7.2

Availability of Private and Public toilets in Panchayat areas

Sn	Districts	Status of Gram Panchayats at State level		Status of Non-Scheduled Gram Panchayats		Status of Scheduled Gram Panchayats	
		Percentage of household with Private toilets	Percentage of availability of Public toilets in GPs	Percentage of household with Private toilets	Percentage of availability of Public toilets in GPs	Percentage of household with Private toilets	Percentage of availability of Public toilets in GPs
1	Bastar	94.13	79.55	—	—	94.13	79.55
2	Bilaspur	87.13	73.10	87.09	73.10	—	—
3	Dantewada	65.36	96.39	—	—	65.36	96.39
4	Dhamtari	94.58	97.44	93.33	98.29	98.82	94.92
5	Durg	97.06	98.13	97.06	98.13	—	—
6	Janjgir Champa	50.96	65.34	50.96	65.34	—	—
7	Jashpur	98.67	92.16	—	—	98.67	92.16
8	Kanker	94.23	81.88	—	—	94.23	81.88
9	Kabirdham	88.31	78.61	88.31	78.61	—	—
10	Korba	90.38	78.98	—	—	90.38	78.98
11	Korea	89.29	68.64	—	—	89.29	68.64
12	Mahasamund	96.45	79.49	96.45	79.49	—	—
13	Raigarh	86.25	68.30	84.68	59.86	88.40	79.72
14	Raipur	94.30	74.27	94.30	74.27	—	—
15	Rajanandgaon	96.68	80.39	96.39	80.13	97.54	81.13
16	Surguja	89.70	89.24	—	—	89.70	89.24
17	Bijapur	41.06	52.17	—	—	41.06	52.17
18	Narayanpur	72.54	79.07	—	—	72.54	79.07
19	Sukma	55.49	81.25	—	—	55.49	81.25
20	Kondagaon	94.46	65.64	—	—	94.46	65.64
21	BalodaBazar	88.02	86.90	88.02	92	—	—
22	Gariyabandh	92.92	89.00	93.47	97.37	92.53	83.87
23	Balod	95.44	73.51	95.26	71.79	96.60	84.31
24	Mungali	83.43	78.71	83.43	78.71	—	—
25	Surajpur	94.46	82.80	—	—	94.46	82.80
26	Balrampur	88.66	58.45	—	—	88.66	58.45
27	Bemetara	93.20	81.48	93.20	81.48	—	—
28	Gaurela Pendra Marvahi	86.73	87.00	—	—	86.73	87.00
Total		**85.02**	**78.22**	**82.63**	**77.56**	**88.82**	**79.05**

Source: Fourth State Finance Commission

Status of tap water scheme in rural panchayat area

S.no.	District	Status of Gram Panchayat of state level					Status of Non-Schedule GPS					Status of Schedule GPS				
		Percentage of GPS with Top Water	Percentage of GPS where Top Water is available but not operation	Reasons, why top water scheme is not operational			Percentage of GPS with Top Water	Percentage of GPS where Top Water is available but not operation	Reasons, why top water scheme is not operational			Percentage of GPS with Top Water	Percentage of GPS where Top Water is available but not operation	Reasons, why top water scheme is not operational		
				Non-payment of electricity bill	Unavailability of maintenance amount	Other Reason			Non-payment of electricity bill	Unavailability of maintenance amount	Other Reason			Non-payment of electricity bill	Unavailability of maintenance amount	Other Reason
1	Bastar	71.2	26.6	48	36.0	24	–	–	–	–	–	71.2	26.6	48	36	24
2	Bilaspur	46.2	25.4	82.3	52.9	35.3	46.2	25.4	82.3	52.9	35.3	–	–	–	–	–
3	Dantewada	28.9	41.7	30	30	80	–	–	–	–	–	28.9	41.7	30	30	80
4	Dhamtari	87.6	14.6	46.7	40	30	94.3	11.5	52.6	47.4	26.3	67.8	27.5	36.4	27.3	36.4
5	Durg	76.2	21.3	15.4	23.1	76.9	76.2	21.3	15.4	23.1	76.9	–	–	–	–	–
6	Janjgir Champa	57.9	45.2	37.4	34.3	46.5	57.9	45.2	37.4	34.3	46.5	–	–	–	–	–
7	Jashpur	34.8	26.8	31.6	36.8	73.7	–	–	–	–	–	34.8	26.8	31.6	36.8	73.7
8	Kanker	13.5	53.8	51.4	28.6	37.1	–	–	–	–	–	47.1	53.8	51.4	28.6	37.1
9	Kabirdham	50	43.4	45.8	52.8	37.5	50	43.4	45.8	52.8	37.5	–	–	–	–	–
10	Korba	31.2	61.8	29.4	47.1	52.9	–	–	–	–	–	31.2	61.8	29.4	47.1	52.9
11	Korea	20.7	137.1	14.6	12.5	89.6	–	–	–	–	–	20.7	137.1	14.6	12.5	89.6
12	Mahasamund	66	20.9	48.8	34.9	32.6	66	20.9	48.8	34.9	32.6	–	–	–	–	–
13	Raigarh	69.5	24.5	55.1	46.4	23.2	58.2	22.8	53.8	56.4	30.8	51.1	27	56.7	33.3	13.3
14	Raipur	69.4	32.9	17	21.3	25.5	69.4	32.9	17	21.3	25.5	–	–	–	–	–
15	Rajanandgaon	84.8	22.5	41	34.6	32	86.4	24.1	34.9	27	27	80.2	17.6	66.7	66.7	53.3
16	Surguja	23.5	84.7	60	60	50	–	–	–	–	–	23.5	84.7	60	60	50
17	Bijapur	13.9	112	67.9	53.6	39.3	–	–	–	–	–	27.2	112	67.9	53.6	39.3
18	Narayanpur	26.7	47.8	100	54.5	45.4	–	–	–	–	–	26.7	47.8	100	54.5	45.4
19	Sukma	29.2	35.7	20	91.7	0	–	–	–	–	–	29.2	35.7	20	100	0
20	Kondagaon	20.9	61.8	61.9	28.6	23.8	–	–	–	–	–	20.9	61.8	61.9	28.6	23.8
21	BalodaBazar	40.3	35	17.0	43.9	26.8	40.3	35	46.3	43.9	26.8	–	–	–	–	–
22	Gariyabandh	66	21.2	28.6	21.4	64.3	84.2	28.1	22.2	22.2	55.6	54.8	14.7	40	20	80
23	Balod	68.9	29.4	32	26.7	42.7	72.1	28.3	32.3	24.6	41.5	49.0	40.0	30	40	50
24	Mungali	44.5	38.9	20	14.3	31.4	44.5	38.9	20	14.3	31.4	–	–	–	–	–
25	Surajpur	21.1	88.1	17.3	48.1	44.2	–	–	–	–	–	21.1	88.1	17.3	48.1	44.2
26	Balrampur	23.7	26.9	50	42.9	42.8	–	–	–	–	–	23.7	26.9	50	42.9	42.8
27	Bemetara	53.1	29.1	16	8	44	53.1	29.1	16	8	44	–	–	–	–	–
28	Gaurela Pendra Marvahi	30	26.1	42.9	42.9	28.6	&	&	&	&	&	30	23.3	42.9	42.9	28.6
Total		50.6	34.2	39.6	36.7	41.5	62.6	28.9	37.2	33.8	37.3	35.5	46	43	40.7	47.4

Source – Public Health and Engineering Deptt. Govt. Of C.G.

Annexure 7.4

Set of Criteria for water Quality

Sn	Criteria	Unit	Accepatable range	Permissible limit
1	Ph Value	-	6.5—8.5	No relaxation
2	Completely Dissolved Solids	Mg/L	500	2000
3	Dirt	NTU	1	5
4	Chloride	Mg/L	250	1000
5	Absolute alkalinity	Mg/L	200	600
6	Absolute Salinity	Mg/L	200	600
7	Sulphate	Mg/L	200	400
8	Iron	Mg/L	1.0	No relaxation
9	Absolute arsenic	Mg/L	0.01	No relaxation
10	Fluoride	Mg/L	1.0	1.5
11	Nitrate	Mg/L	45	No relaxation
12	Complete Caliform bacteria	Should not be detectable in any 100 ml sample		

Source: Public health and engineering Deptt. C.G. Govt.

Annexure 7.5

Progress of Jal Jivan Mission					
SN	**District**	**Total Number of rural households till (01-04-2023)**	**Number of households with PWS Connection till (01-04-2023)**	**Total Domestic Connection reported till (24-08-2023)**	**Percentage of total household connection with PWS Connection till (24-08-2023)**
1	Sarangarh Bilaigarh	162580	32411	62554	38.48
2	Jashpur	212778	60063	89017	41.84
3	Korba	206953	56060	88296	42.66
4	Balarampur	197552	55766	90039	45.58
5	Sukma	66312	20426	30646	46.21
6	Sarguja	185930	54632	87208	46.9
7	Gaurala Pendra Marwahi	84537	24297	39842	47.13
8	Bijapur	56225	21356	26620	47.35
9	Mohla Manpur Chowki	64593	23385	31044	48.06
10	Kanker	151065	60095	74328	49.2
11	Surajpur	164515	53419	81268	49.4
12	Bastar	169463	57977	84928	50.12
13	Bilaspur	246673	91653	125583	50.91
14	Dantewada	50732	19582	25880	51.01
15	Manendragarh Chirimiri	83350	29471	44204	53.03
16	Raigarh	242821	99815	129404	53.29
17	BalodaBazar	231664	87992	124347	53.68
18	Korea	51910	22187	28461	54.83
19	Narayanpur	30331	13062	17832	58.79
20	Gariyabandh	153558	70101	90991	59.26
21	Mahasamund	239342	96615	141915	59.29
22	Kondagaon	125593	50260	77791	61.94
23	Kabirdham	199294	99551	125048	62.75
24	Bemetara	177440	90051	114603	64.59
25	Balod	176182	80935	114696	65.1
26	Chhuikhadan Gandai	74169	35892	49393	66.6
27	Sakti	156663	77959	107790	68.8
28	Janjgir Champa	207156	103695	143921	69.47
29	Mungeli	166869	81004	118274	70.88
30	Rajnandgaon	156789	92936	113815	72.59
31	Durg	155801	89339	117233	75.25
32	Raipur	190001	124801	143947	75.76
33	Dhamtari	153734	115339	131807	85.74
Total		**4992575**	**2092127**	**2872725**	**57.54**

Source: Information received form the review meeting by the Finance Commission with PHE Deptt. Govt of C.G. (Dated 25-08-2023)

Annexure 7.6

Drainage and Solid Waste Disposal in rural panchayat area.

{Data in (%)}

S. No.	District	Status of GP at the state level		Status of Non-Scheduled GP		Status of Scheduled GP	
		Percentage of GP having drainage system	Percentage of GP having there is a system for taking away solid waste from home	Percentage of GP having drainage system	Percentage of GP having there is a system for taking away solid waste from home	Percentage of GP having drainage system	Percentage of GP having there is a system for taking away solid waste from home
1	Bastar	6.06	19.7	–	–	65.9	19.7
2	Bilaspur	67.6	40.7	67.6	40.7	–	–
3	Dantewada	31.3	19.3	–	–	31.3	19.3
4	Dhamtari	73.9	35.9	82.9	41.1	47.5	20.3
5	Durg	85.6	57.5	85.6	57.5	–	–
6	Janjgir Champa	65.1	21.4	65.1	21.4	–	–
7	Jashpur	68.1	32.8	–	–	68.1	32.8
8	Kanker	44.9	33.3	–	–	44.9	33.3
9	Kabirdham	13.5	25	61.1	25	–	–
10	Korba	59.7	29.5	–	–	59.7	29.5
11	Korea	27.2	23.1	–	–	27.2	23.1
12	Mahasamund	57	19.5	57	19.5	–	–
13	Raigarh	66.3	34	71.8	34	59	34.1
14	Raipur	69.5	36.4	79.1	36.4	–	–
15	Rajanandgaon	72.8	18.9	74.5	17.5	67.9	22.6
16	Surguja	61	12.3	–	–	61	12.3
17	Bijapur	6.5	4.3	–	–	6.5	4.3
18	Narayanpur	13.9	32.6	–	–	20.9	32.6
19	Sukma	16.7	14.6	–	–	16.7	14.6
20	Kondagaon	19.6	9.8	–	91ט7	19.6	9.8
21	BalodaBazar	51	34.8	51	34.8	–	–
22	Gariyabandh	56	22	17.0	18.4	45.2	24.2
23	Balod	72.7	26.5	73.7	24.4	66.7	39.2
24	Mungali	58.9	15.8	58.9	15.8	–	–
25	Surajpur	43.7	22.2	–	–	43.7	22.2
26	Balrampur	34.2	26.9	–	–	34.2	26.9
27	Bemetara	59.3	22.8	59.3	22.8	–	–
28	Gaurela Pendra Marvahi	48	22	–	–	48	22
Total		**58**	**26.1**	**67.3**	**28.1**	**46.2**	**23.5**

Source - Fourth Finance Commission

Annexure 7.7

Status of Street light in Panchayat area

S. No.	District	Status of GP at the state level						Status of Non-Scheduled GP						Status of Scheduled GP					
		Percentage of GP with Street	Percentage of GP where street light available but not perational	Reason of Non-Operation				Percentage of GP with Street	Percentage of GP where street light available but not perational	Reason of Non-Operation				Percentage of GP with Street	Percentage of GP where street light available but not perational	Reason of Non-Operation			
				Non-Payment of electricity bill	Unavailability of Maintenance Amount	Other Reason	More than one Reason			Non-Payment of electricity bill	Unavailability of Maintenance Amount	Other Reason	More than one Reason			Non-Payment of electricity bill	Unavailability of Maintenance Amount	Other Reason	More than one Reason
1	Bastar	56.1	23.5	3.2	74.2	16.1	6.4	–	–	–	–	–	–	56.1	23.5	3.2	74.2	16.1	6.4
2	Bilaspur	26.2	29	19	64.3	14.3	2.4	26.2	29	19	64.3	14.3	2.4	–	–	–	–	–	–
3	Dantewada	10.8	67.5	3.6	5.4	85.7	5.4	–	–	–	–	–	–	10.8	67.6	3.6	5.4	85.7	5.4
4	Dhamtari	77.3	4.3	0	30	40	30	82.9	1.7	0	0	66.7	33.3	61	11.9	0	42.8	28.6	28.6
5	Durg	91.9	1.9	0	66.7	33.3	0	91.9	1.9	0	66.7	33.3	0	–	–	–	–	–	–
6	Janjgir Champa	57.9	16.4	6.4	22.6	33.9	37.1	57.9	16.4	6.4	22.6	33.9	37.1	–	–	–	–	–	–
7	Jashpur	33.3	24	18.4	46.9	26.5	8.2	–	–	–	–	–	–	33.3	24	18.4	46.9	26.5	8.2
8	Kanker	13.5	12.3	11.8	47.1	41.2	0	–	–	–	–	–	–	37	12.3	11.8	47.1	41.2	0
9	Kabirdham	21.4	32.5	10.2	25.9	36.1	27.8	21.4	32.5	10.2	25.9	36.1	27.8	–	–	–	–	–	–
10	Korba	65.9	20.4	8.3	27.8	41.7	22.2	–	–	–	–	–	–	65.9	20.4	8.3	27.8	41.7	22.2
11	Korea	17.7	48.5	2.4	19.5	73.2	4.9	–	–	–	–	–	–	17.7	48.5	2.4	19.5	73.2	4.9
12	Mahasamund	54.5	7	4.5	40.9	31.8	22.7	54.5	7	4.5	40.9	31.8	22.7	–	–	–	–	–	–
13	Raigarh	69.5	11	0	71.4	12.5	16.1	75.2	12.2	0	75	5.6	19.4	61.7	9.2	0	65	25	10
14	Raipur	74.3	7.8	12.5	56.2	18.7	12.5	74.3	7.8	12.5	56.2	18.7	12.5	–	–	–	–	–	–
15	Rajanandgaon	54.9	15.2	11.3	32.3	32.3	24.2	56	13.2	12.5	42.5	32.5	12.5	51.9	20.7	9.1	13.6	31.8	48.4
16	Surguja	49	27.5	11.6	49.3	18.8	20.3	–	–	–	–	–	–	49	27.5	11.6	49.3	18.8	20.3
17	Bijapur	13.9	28.3	3.8	11.5	53.8	30.8	–	–	–	–	–	–	30.4	28.3	3.8	11.5	53.8	30.8
18	Narayanpur	45.3	40.7	0	48.6	48.6	2.9	–	–	–	–	–	–	45.3	40.7	0	48.6	48.4	2.9
19	Sukma	31.2	25	0	91.7	8.3	0	–	–	–	–	–	–	31.2	25	0	81.7	8.3	0
20	Kondagaon	36.8	11.7	26.3	21	15.8	36.8	–	–	–	–	–	–	36.8	11.7	26.3	21	15.8	36.8
21	BalodaBazar	56.9	3.8	17.0	36.4	18.2	27.3	56.9	3.8	18.2	36.4	18.2	27.3	–	–	–	–	–	–
22	Gariyabandh	45	15	13.3	40	40	6.7	57.9	21	12.5	50	37.5	0	37.1	11.3	14.3	28.6	42.9	14.3
23	Balod	88.4	4.3	6.2	18.7	37.5	37.5	89.7	4.1	7.7	15.4	49.0	38.5	80.4	5.9	0	33.3	33.3	33.3
24	Mungali	25.7	18.3	8.1	75.7	2.7	13.5	25.7	18.3	8.1	75.7	2.7	13.5	–	–	–	–	–	–
25	Surajpur	31.9	50.2	5.7	40	35	19.3	–	–	–	–	–	–	31.9	50.2	5.7	40	33	12.3
26	Balrampur	16.9	56.2	32.5	48.8	10.6	8.1	–	–	–	–	–	–	16.9	56.2	32.5	48.6	10.6	8.1
27	Bemetara	80.2	3.1	20	40	20	20	80.2	3.1	20	40	20	20	–	–	–	–	–	–
28	Gaurela Pendra Marwahi	33	26.1	11.4	74.3	14.3	0	–	–	–	–	–	–	33	35	11.4	74.3	14.3	0
	Total	51.2	20.1	10.6	40.9	32.4	16.1	60	12.2	9.6	42.6	26.1	21.7	40.3	29.3	11.1	40	35.6	13.2

Source - Fourth Finance Commission

Annexure 7.8

Anganwadi and Mitanni in Panchayat area

Sn	District	Status of GP at state level			Status of Non-Scheduled GP			Status of Scheduled GP		
		Average number of anganwadi per GP	Percentage of more than one Anganwadi in GP	Percentage fo GP having Mitanin facility	Average number of anganwadi per GP	Percentage of more than one Anganwadi in GP	Percentage fo GP having Mitanin facility	Average number of anganwadi per GP	Percentage of more than one Anganwadi in GP	Percentage fo GP having Mitanin facility
1	Bastar	4.5	99.2	96.2	–	–	–	4.5	99.2	96.2
2	Bilaspur	6.1	93.8	98.6	3.0	93.8	98.6	–	–	–
3	Dantewada	7.8	97.6	95.2	–	–	–	7.8	97.6	95.2
4	Dhamtari	2.6	92.3	94.0	2.5	92	93.7	3.1	93.2	94.9
5	Durg	3.0	93.7	96.9	–	–	–	–	–	–
6	Janjgir Champa	2.9	90.7	97.3	2.9	90.7	97.3	–	–	–
7	Jashpur	8.7	100.0	97.1	–	–	–	8.7	100	97.1
8	Kanker	4.2	99.3	97.8	–	–	–	4.2	99.3	97.8
9	Kabirdham	3.5	98.2	93.7	3.5	98.2	93.7	–	–	–
10	Korba	13.5	100.0	99.4	–	–	–	5.6	100	99.4
11	Korea	4.4	97.0	95.9	–	–	–	4.4	97.0	95.9
12	Mahasamund	4.6	96.8	96.8	4.6	96.8	96.8	–	–	–
13	Raigarh	3.7	96.9	95.9	3.0	95.6	96.6	4.7	98.6	94.9
14	Raipur	4.0	92.2	98.1	4.0	92.2	98.1	–	–	–
15	Rajanandgaon	69.5	97.3	95.6	3.3	96.4	99.0	4.5	100	85.5
16	Surguja	5.5	99.2	97.6	–	–	–	5.5	99.2	97.6
17	Bijapur	6.0	100.0	88.0	–	–	–	6.0	100	88.0
18	Narayanpur	4.2	93.0	83.7	–	–	–	4.2	93.0	83.7
19	Sukma	13.9	100.0	95.8	–	–	–	5.9	100	95.8
20	Kondagaon	4.6	98.2	97.5	–	–	–	4.6	98.2	97.5
21	BalodaBazar	2.7	86.2	97.6	91.7	86.2	97.6	–	–	–
22	Gariyabandh	3.6	97.2	94.0	3.5	100	94.7	3.7	95.2	93.5
23	Balod	3.7	97.3	17.0	3.5	96.9	99.1	4.7	100	92.0
24	Mungali	2.7	93.1	97.5	2.7	93.1	97.5	–	–	–
25	Surajpur	4.3	96.1	96.1	–	–	–	4.3	96.1	96.1
26	Balrampur	6.1	98.6	95.9	–	–	–	6.1	98.6	95.9
27	Bemetara	3.3	83.3	100.0	3.3	83.3	100	–	–	–
28	Gaurela Pendra Marvahi	5.0	100.0	92.0	–	–	–	5.0	100	92.0
Total		**4.2**	**95.6**	**96.3**	**3.3**	**93.5**	**97.2**	**5.3**	**98.3**	**95.1**

Source: Fourth State Finance Commission

Availability of Schools in Panchayat Ares

(Data in %)

S.No.	District	Status of Gram Panchayt at School Level				Status of Non-Schedule Gram Panchayt				Status of Schedule Gram Panchayt			
		Gram Panchayt, Only Primary School	Gram Panchayt, Only Primary & Middle School	Gram Panchayt, Only Primary, Middle & High School	Gram Panchayt, Only Primary, Middle, High & Higher Secondary School	Gram Panchayt, Only Primary School	Gram Panchayt, Only Primary & Middle School	Gram Panchayt, Only Primary, Middle & High School	Gram Panchayt, Only Primary, Middle, High & Higher Secondary School	Gram Panchayt, Only Primary School	Gram Panchayt, Only Primary & Middle School	Gram Panchayt, Only Primary, Middle & High School	Gram Panchayt, Only Primary, Middle, High & Higher Secondary School
1	Bastar	6.1	62.9	13.6	12.9	–	–	–	–	6.1	62.9	13.6	12.9
2	Bilaspur	15.2	44.8	22.8	15.9	15.2	44.8	22.8	15.9	–	–	–	–
3	Dantewada	7.2	55.4	21.7	8.4	–	–	–	–	7.2	55.4	21.7	8.4
4	Dhamtari	4.7	51.3	17.9	25.2	4.0	46.9	18.9	29.1	6.8	64.4	15.2	13.6
5	Durg	26.9	41.2	11.9	18.1	26.9	41.2	11.9	18.1	–	–	–	–
6	Janjgir Champa	5.8	54.2	19.3	17.7	5.8	54.2	19.3	17.7	–	–	–	–
7	Jashpur	17.2	52.4	17.2	11.8	–	–	–	–	17.2	52.4	17.2	11.8
8	Kanker	3.6	44.9	19.6	21.0	–	–	–	–	3.6	44.9	19.6	21.0
9	Kabirdham	13.5	58.7	14.5	12.3	13.5	58.7	14.5	12.3	–	–	–	–
10	Korba	11.4	59.1	17.6	9.7	–	–	–	–	11.4	59.1	17.6	9.7
11	Korea	11.8	51.5	21.3	13.6	–	–	–	–	11.8	51.5	21.3	13.6
12	Mahasamund	19.2	49.4	13.1	17.3	19.2	49.4	13.1	17.3	–	–	–	–
13	Raigarh	12.3	57.7	15.3	12.5	15.3	60.5	10.5	12.6	8.3	53.9	21.7	12.4
14	Raipur	69.5	52.4	11.2	15.0	17.5	12.4	11.2	15.0	–	–	–	–
15	Rajanandgaon	17.4	47.8	15.2	17.4	19.9	47.0	15.2	15.6	1.4	50.0	15.1	22.6
16	Surguja	6.4	59.0	23.5	8.8	–	–	–	–	6.4	59.0	23.5	8.8
17	Bijapur	37.0	37.0	14.1	7.6	–	–	–	–	37.0	37.0	14.1	7.6
18	Narayanpur	13.9	60.5	9.3	12.8	–	–	–	–	13.9	60.5	9.3	12.8
19	Sukma	31.2	58.3	6.2	4.2	–	–	–	–	31.2	58.3	6.2	4.2
20	Kondagaon	6.1	54.0	20.2	91.7	–	–	–	–	6.1	54.0	20.2	15.3
21	BalodaBazar	16.9	45.2	16.5	19.7	16.9	45.2	16.5	19.7	–	–	–	–
22	Gariyabandh	7.0	61.0	17.0	13.0	7.9	55.3	18.4	15.8	6.4	64.5	16.1	11.3
23	Balod	20.5	44.0	13.0	21.1	21.9	43.3	11.6	21.9	12.0	48.0	22.0	16.0
24	Mungali	31.2	33.7	21.8	9.4	31.2	33.7	21.8	9.4	–	–	–	–
25	Surajpur	14.3	55.2	15.0	10.7	–	–	–	–	14.3	55.2	15.0	10.7
26	Balrampur	14.6	59.8	10.5	13.2	–	–	–	–	14.6	59.8	10.5	13.2
27	Bemetara	22.2	40.1	17.9	19.1	22.2	40.1	17.9	9.1	–	–	–	–
28	Gaurela Pendra Marvahi	10.0	54.0	19.0	14.0	–	–	–	–	10.0	54.0	19.0	14.0
	Total	**14.6**	**51.6**	**16.3**	**15**	**16.9**	**48.8**	**15.4**	**17**	**11.6**	**55**	**17.4**	**12.6**

Source - Fourth State Finance Commission

Annexure 8.1

"बिजनेस पोस्ट के अन्तर्गत डाक शुल्क के नगद भुगतान (बिना डाक टिकट) के प्रेषण हेतु अनुमत. क्रमांक जी. 2-22-छत्तीसगढ़ गजट/38 सि. से. भिलाई, दिनांक 30-5-2001."

पंजीयन क्रमांक
"छत्तीसगढ़/दुर्ग/09/2010-2012."

छत्तीसगढ़ राजपत्र

(असाधारण)
प्राधिकार से प्रकाशित

क्रमांक 312] रायपुर, मंगलवार, दिनांक 7 दिसम्बर 2010—अग्रहायण 16, शक 1932

छत्तीसगढ़ विधान सभा सचिवालय

रायपुर, दिनांक 7 दिसम्बर, 2010 (अग्रहायण 16, 1932)

क्रमांक-12504/वि. स./विधान/2010 .—छत्तीसगढ़ विधान सभा की प्रक्रिया तथा कार्य संचालन संबंधी नियमावली के नियम 64 के उपबंधों के पालन में छत्तीसगढ़ आबकारी (संशोधन) विधेयक, 2010 (क्रमांक 25 सन् 2010) जो दिनांक 7 दिसम्बर, 2010 को पुरःस्थापित हुआ है, को जनसाधारण की सूचना के लिए प्रकाशित किया जाता है.

हस्ता./-
(देवेन्द्र वर्मा)
सचिव.

छत्तीसगढ़ विधेयक

(क्रमांक 25 सन् 2010)

छत्तीसगढ़ आबकारी (संशोधन) विधेयक, 2010

छत्तीसगढ़ आबकारी अधिनियम, 1915 (क्रमांक 2 सन् 1915) को और संशोधित करने हेतु विधेयक.

भारत गणराज्य के इकसठवें वर्ष में छत्तीसगढ़ विधानमण्डल द्वारा निम्नलिखित रूप में यह अधिनियमित हो :-

संक्षिप्त नाम, विस्तार तथा प्रारंभ. 1. (1) यह अधिनियम छत्तीसगढ़ आबकारी (संशोधन) अधिनियम, 2010 कहलायेगा.

(2) इसका विस्तार सम्पूर्ण छत्तीसगढ़ राज्य में होगा.

(3) यह 01 अप्रैल 2011 से प्रवृत्त होगा.

धारा 25 का संशोधन. 2. छत्तीसगढ़ आबकारी अधिनियम, 1915 (क्रमांक 2 सन् 1915) की धारा 25 की उप-धारा (2) के खण्ड (चार) के पश्चात् निम्नलिखित नया खण्ड अन्तःस्थापित किया जाए, अर्थात् :-

" (पांच) आबकारी शुल्क योग्य वस्तुओं के लिए, विहित शुल्क (ड्यूटी) पर 10 % अधिभार देय होगा, जिसका अंतरण ग्रामीण तथा नगरीय निकायों को जनसंख्या के आधार पर किया जायेगा. "

उद्देश्यों और कारणों का कथन

1. "छत्तीसगढ़ आबकारी अधिनियम, 1915 (क्रमांक 2 सन् 1915) की धारा 25 के अधीन आबकारी शुल्क योग्य वस्तुओं पर शुल्क (ड्यूटी) अधिरोपित किया जाता है. राज्य शासन द्वारा लिए गए निर्माण के अनुसार, स्थानीय निकायों के संसाधन में वृद्धि करने हेतु आबकारी शुल्क योग्य वस्तुओं के लिए, विहित शुल्क (ड्यूटी) पर 10 % अधिभार देय होगा, जिसका अंतरण ग्रामीण तथा नगरीय निकायों को जनसंख्या के आधार पर किया जाएगा. "

2. अतः यह विधेयक प्रस्तुत है.

अमर अग्रवाल
वाणिज्यिक कर मंत्री
(भारसाधक सदस्य)

रायपुर

दिनांक 30 नवम्बर, 2010

" संविधान के अनुच्छेद 207 (3) के अधीन राज्यपाल द्वारा अनुशंसित "

उपाबंध

छत्तीसगढ़ आबकारी अधिनियम, 1915 (क्रमांक 2 सन् 1915) की धारा-25 का सुसंगत उद्धरण-

* * * * * * * * * * * * * * *

धारा-25 आबकारी कर योग्य वस्तुओं पर शुल्क :-

उप-धारा (1) :- यदि राज्य सरकार ऐसा निर्देश दे तो यथास्थिति आबकारी शुल्क या कोई प्रतिशुल्क औषधीय और प्रसाधन निर्मितियां (उत्पाद-शुल्क) अधिनियम, 1955 (क्रमांक 16 सन् 1955) की अनुसूची में तत्समय विनिर्दिष्ट औषधीय तथा प्रसाधन निर्मितियों से भिन्न आबकारी शुल्क योग्य समस्त ऐसी वस्तुओं पर उद्ग्रहित किया जाएगा.

(ए) जिनका आयात किया गया हो, या

(बी) जिनका निर्यात किया गया हो, या

(सी) जिनका परिवहन किया गया हो, या

(डी) जो धारा 13 के अधीन मंजूर की गई किसी अनुज्ञप्ति के अधीन विनिर्मित की गई हों, खेती में उपजाई गई हों अथवा संग्रहित की गई हों, या

(ई) जो इस अधिनियम के अधीन स्थापित की गई किसी आसवनी में या इस अधिनियम के अधीन अनुज्ञप्त की गई किसी आसवनी या मद्य निर्माण शाला में विनिर्मित की गई हो ;

परन्तु राज्य सरकार के लिये यह विधिपूर्ण होगा कि; वह आबकारी शुल्क योग्य किसी भी वस्तु को किसी ऐसे शुल्क से, जिसके लिये कि, वह इस अधिनियम के अधीन दायित्वाधीन हो छूट दे.

उप-धारा (2) :- उप-धारा (1) के अधीन शुल्क का अधिरोपण :-

(एक) उस स्थान के, जहां किसी आबकारी शुल्क योग्य वस्तु को ले जाया जाना है, या

(दो) आबकारी शुल्क-योग्य वस्तु की शक्ति (स्ट्रेन्थ) और उसकी क्वालिटी के, या

(तीन) आबकारी शुल्क-योग्य वस्तु का विभिन्न प्रयोजनों के लिये उपयोग के अनुसार विभिन्न दरों से किया जा सकेगा, या

(चार) ऐसे सिद्धान्तों पर, जो कि विहित किये जाएं, आधारित आबकारी शुल्क-योग्य वस्तुओं के मूल्य के.

* * * * * * * * * * * * * * *

देवेन्द्र वर्मा
सचिव.
छत्तीसगढ़ विधान सभा.

संचालक, मुद्रण तथा लेखन सामग्री, छत्तीसगढ़ द्वारा शासकीय क्षेत्रीय मुद्रणालय, राजनांदगांव से मुद्रित तथा प्रकाशित -2010

ଓଡିଶା ସରକାର
ପଞ୍ଚାୟତି ରାଜ ଓ ପାନୀୟ ଜଳ ବିଭାଗ

GOVERNMENT OF ODISHA
PANCHAYATI RAJ & DRINKING WATER
DEPARTMENT

Odisha Lokseva Bhawan
Sachivalaya Marg, Bhubaneswar-751 001
e.mail: prsecy@nic.in

No. 7252 / Date 05.06.2020
PR-SFC-POLICY-0002-2020

From
Shri Deoranjan Kumar Singh, IAS
Principal Secretary to Government.

To
All Collectors
All Project Directors, DRDAs

Sub:- Guidelines on Utilization of Devolution of funds recommended by the 5th State Finance Commission to 3 Tier PRIs for the period from 2020 - 21 to 2025 - 26 (6 years).

Madam / Sir,

I am directed to say that, on the recommendations of the 5th State Finance Commission and the Action Taken Report (ATR) thereof laid before the Odisha Legislative Assembly, the distribution of devolution of funds to 3 tier PRIs has been allowed in the ratio of 60:30:10 in favour of the Gram Panchayat, Panchayat Samiti and Zilla Parishad respectively to be utilised on community felt need based projects. These projects are to be included in the GPDP of the Gram Panchayat, Annual Action Plan of the Panchayat Samiti and Annual Action Plan of the Zilla Parishad for the particular year. For proper monitoring of the expenditure, the 5 PES Application must be used which is integrated with PRIASOFT, PFMS and IFMS.

TOTAL DEVOLUTION OF FUNDS TRANSFER TO THE 3 TIER PRIs FOR THE PERIOD 2020-26.

(Rs. in crore)

PRIs	Total (Per Year)	Total Allocation (2020-21 to 2025-26)
Gram Panchayats	549.05	3294.30
Panchayat Samitis	274.53 (Tied 50% i.e. Rs.137.265 + Untied 50% i.e. Rs.137.265)	1647.18
Zilla Parishads	91.51	549.06
Grand Total	915.09	5490.54

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V. MODE OF TRANSFER OF DEVOLUTION OF FUNDS AT Z.P. LEVEL:

The fund to be devolved to all Zilla Parishads comes to Rs. 549.06 crore for the period from 2020-21 to 2025-26 @ Rs.91.51 Cr. per annum. The distribution has been made to Zilla Parishads considering number of Panchayat Samities in the districts (i.e. @ Rs.29,14,331.00 per Panchayat Samiti x nos. of Panchayat Samiti in a Zilla Parishad). The allocation under Devolution of Funds on SFC to Zilla Parishad shall be transmitted to the approved SFC Account integrated in PRIASOFT with PFMS and IFMS.

5TH SFC DEVOLUTION TO THE ZILLA PARISHAD :

The funds under this head provided to the Zilla Parishad may be utilized as per local needs prioritising the works as detailed below:

1. For achieving the drinking water saturation plan of the district, new PWS/ augmentation of existing PWS (FHTC to rural household) may be taken up in convergence with other State Govt. Schemes like BASUDHA/ RIDF/ SFC, to meet O&M Cost of PWS in operation in District etc. Work may also be taken up with depositing money in the DWSM Account for making proper convergence planning.
2. Payment of Energy bill of Mega PWS operated in the District,
3. Sanitation and water supply works to the Govt. institutions transferred to Panchayati Raj & Drinking Water Department like District Headquarter Hospital, Sub-Divisional Hospitals, CHC / PHC, District Veterinary Hospital, +2 College etc.
4. Solid waste and liquid waste management in different Panchayat Samities.
5. New Construction and Maintenance of Govt. Higher Secondary Schools (Grades up to XII)
6. Repair and maintenance of Sub-Divisional Hospital.
7. Repair and maintenance of District Headquarter Hospital.
8. Other need based community driven projects as decided by the Zilla Parishad.

FUND ALLOCATION

Name of Scheme: **15th FC**

UNTIED Fund					
Year	No. of block	Rate	Total Allocation	No. of ZP member	Allocation per ZP member
202..-2.	5	2201272	1,10,06,360.00	14	7,86,168.57
Total			**1,10,06,360.00**		

TIED Fund					
Year	No. of block	Rate	Total Allocation	No. of ZP member	Allocation per ZP member
202. -2	5	3301910	1,65,09,550.00	14	11,79,253.57
Total			**1,65,09,550.00**		

Name of Scheme: **5th SFC**

DEVOLUTION FUND					
Year	No. of block	Rate	Total Allocation	No. of ZP member	Allocation per ZP member
202. -2.	5	2914331	1,45,71,655.00	14	10,40,832.50
Total			**1,45,71,655.00**		

Annexure 12.1

Data Required For Calculation Of Benchmarks And Information About Calculation Of Benchmarks

S. No.	Indicators	Unit	Data Requirement	Calculation Formula
1	2	3	4	5
1	Water Supply in All Habitations	Percentage	-No. of habitations in GPs -No. of habitations with water supply service	No of habitations with tap water facility / Total No. of habitations in GPs x 100
2	Tap water connection in all houses	Percentage	-No. of houses & houses with tap water in GPs	No. of houses with tap water / Total no. of houses x 100
3	Per capita water supply	Percentage	-Capacity of water tank in GPs -Population of GPs	Water tank capacity in GP / Population of GP
4	Daily & Regular supply of water	Percentage	Time of daily water supply	No. of days with timely water supply / Total days of water supply x 100
5	Monthly Payment of electricity bill related to water supply	Percentage	Information of electricity bill payment	No. of months with electricity bill payment / 12 Months x 100

Source – 4Th SFC Chhattisgarh

6	Clean water supply	Percentage	Data of water testing	No. of passed tests	/	No. of total tests	x	100
7	Cost recovery of water supply service	Percentage	-Maintenance expenses on water supply -Received amount from water tax	Water tax collection	/	Maintenance expenses on water supply	x	100
8	Availability of toilets in all houses of GPs	Percentage	-No. of houses with toilets -Total no. of houses	Houses with toilets	/	Total no. of houses	x	100
9	Usable toilets	Percentage	-No. of households with no toilets -No. of households with toilets	Houses with no toilets	/	Houses with toilets	x	100
10	Collection of garbage from all houses	Percentage	-Houses with garbage collection facility -Total no. of houses	Houses with garbage collection facility	/	Total no. of houses	x	100
11	Rational Disposal of collected garbage		Data related to garbage separation	Segregated waste	/	Total amt. of waste	x	100

12	Cost of solid waste management	Percentage	-Amount collected from sanitation tax -Maintenance expenses on sanitation tax	Sanitation tax collection	/	Maintenance expenses on sanitation tax	x	100
13	Availability of drains on both sides of all internal roads	Percentage	-Length of paved roads -Paved roads with both side range	Roads with both side drains	/	Total length of paved roads	x	100
14	State light facility in all paved & unpaved roads	Percentage	-Total length of paved/unpaved roads -Roads with street lights	Roads with street lights	/	Total length of paved unpaved roads	x	100
15	Regular monthly payment of street lights electricity bill	Percentage	-Monthly payment of street lights electricity bill	No. of months with electricity bill payment	/	12 months	x	100
16	Recovery of maintenance expenses on street lights	Percentage	-Recovery of maintenance expenses on street lights -Recovery amount of lighting tax	Collection with lighting tax	/	Total maintenance expenses on street lighting	x	100

Annexure 12.2

Estimated population of Chhattisgarh

Year	Total population	Urban		Rural	
		Population	Percentage	Population	Percentage
2011	25545000	5937000	23.24	19608000	76.76
2021	29493000	7810000	26.48	21683000	73.52
2025	30867000	8568000	27.76	22299000	72.24
2026	31211000	8763000	28.08	22448000	71.92
2027	31512000	8948000	28.40	22564000	71.60
2028	31814000	9135000	28.71	22679000	71.29
2029	32116000	9324000	29.03	22792000	70.97
2030	32417000	9515000	29.35	22902000	70.65

Source: Report of the Technical Group on Population Projection, National Commission on Population, Ministry of Health and Family Welfare, Govt. of India, July 2020

Annexure 12.3

Calculation of required capita expenditure for gram panchayats

1- Per Capita street light expenditure				
Per GP requirement of total street lights	=	Per GP average length of roads	x	Distance between two electricity poles
	=	12350 meters (12.35 KM.)	**/**	50 Meter
	=	**247**		
Per GP total fund requirement	=	No. of street lights units	x	Per unit estimated cost
	=	247	x	1500
	=	**Rs. 370500**		
Per capita expenditure	=	Per GP required expenses	x	Per GP average population
	=	370500	**/**	1681
	=	**Rs. 220**		
2- **Per capita solid waste management expenditure**				
Per capita solid waste management expenditure	=	**Rs. 70** **(During 2017-18 to 2021-22, average capital expenditure of Rs. 70 has been done by GPs on solid west management. This estimation has been adopted for estimating the amt. for the award period)**		
3- Per capita expenditure on roads				
Per GP average unpaved roads	=	7.07 KM.		
Estimated Length of unpaved roads in GPs	=	No. of GPs	x	Per GP average length of unpaved roads
	=	11664	x	7-07 KM
	=	**82464.48 KM**		

Fund required for paving of unpaved roads	=	Estimated length of unpaved roads	x	Per KM Cost of CC road (3 M Wide X 6 Inch Thick)
	=	82464.48	x	Rs. 25 Lakh
	=	**Rs. 20616.12 Crore**		
Per capita cost of paving unpaved roads/streets	=	Total cost of paving unpaved roads	**/**	Rural population of CG as per census 2011
	=	Rs. 20616.12 Cr.	**/**	19608000
	=	**Rs. 10514**		
4- Per capita drain construction expenditure				
Per GP requirement of drain construction	=	7.07 KM on both sides of roads There are 7.07 KM unpaved roads in each GP which has to be paved		
Required length of drains	=	Total no. of GPs	x	Per GP average requirement of drain construction
	=	11664	x	7.07
	=	82464.48 KM.		
Fund required	=	Total length of drains	x	Per KM construction cost
	=	82464.48 Km	x	Rs. 20 Lakh per KM
	=	**Rs.16492.80 Cr.**		
Per capita required amount	=	Total required fund for drain construction	**/**	Rural population of CG as per census 2011
	=	Rs. 16492.80 Cr.	**/**	19608000
	=	**8411 Rs.**		

Cost of Paving Unpaved Roads in Urban Bodies

(Amt. In Rs., Length in KM.)

SR. No.	Name Of Urban Body	Estimated Length Of Unpaved Roads	Estimated Length Of Paved Roads	Estimated Length Of Roads	Construction Cost For Pavement Of Unpaved Roads	Estimated Construction Cost For Unpaved Roads
1	Nagar Nigam	1232	4838	6070	5.50	6776.00
2	Nagar Palika	166	1726	1892	5.50	912.15
3	Nagar Panchayat	505	2503	3008	5.50	2778.29
Total		**1903**	**9067**	**10970**		**10466.44**

Construction Cost of Roads Without Drains

(Amt. In Cr. Rs., Length in KM.)

SR. No.	Name of Urban Bodie	Estimated Length of Roads	% Of Roads with Drains	% Of Roads Without Drains	Length of Roads Without Drains	Per KM Construction Cost	Cost of Outstanding Drains
1	Nagar Nigam	6070	87.25	12.75	774	3.50	2321.78
2	Nagar Palika	1892	73.70	26.30	498	3.50	1492.79
3	Nagar Panchayat	3008	54.71	45.29	1362	3.50	4086.97
Total		**10970**	**76.65**	**23.35**	**2634**		**9218.45**

Annexure 12.6

Cost of Street lighting In Roads Without Street Lights

(Amt. In Rs., Length in KM.)

SR. No.	Name Of Urban Bodie	Estimated Length Of Roads	% Of Roads With Street Lights	% Of Roads With out Street Lights	Length Of Roads With out Street Lights	Per KM. No. Of Street Lights	No. Of Total Required Street Lights	Cost On Each Street Lights	Total Cost Of Required Street Lights
1	Nagar Nigam	6070	79.74	20.26	1230	25	30750	2000	61500000
2	Nagar Palika	1892	76.83	23.17	438	25	10950	2000	21900000
3	Nagar Panchayat	3008	77.51	22.49	676	25	16900	2000	33800000
Total		**10970**	**78.61**	21.39	**2344**		**58600**		**117200000**

1 Per KM. Estimated 25 Poles/Lights

Annexure 12.7

Required Capital Expenditure for Additional Population of Urban Bodies

(Amt. In Rs.,)

Per Capita Capital Expenditure	Total Population Of Urban Bodies In 2011	Estimated Population In 2025	Additional Population Between 2021 To 2025	Required Capital Expenditure For Additional Population
27257	5937000	95,15,000	35,78,000	9752,55,00,000

Source – 4Th SFC Chhattisgarh

Annexure 12.8

Receipts of PRIs From Own Sources

(Amt. In Cr Rs.,)

SR. No.	Description	2017-18	2018-19	2019-20	2020-21	2021-22	Sum	Average Of 5 Years	Own Source Average Income	Total Estimated Receipt
1	Gram Panchayat	29.45	31.47	34.04	33.77	34	162.73	32.55	0.01	63.78
2	Janpad Panchayat	3.8	3.2	4.00	2.28	3.7	16.98	3.40	0.03	4.96
3	Zila Panchayat	0.2	0.05	0.06	0.06	0.06	0.43	0.09	0.00	0.13
	Total	**33.45**	**34.72**	**38.10**	**36.11**	**37.76**	**180.14**	**36.03**	**0.04**	**68.86**

Source – 4Th SFC Chhattisgarh

Annexure 12.9

Actual Receipts of PRIs In Other Heads (Excluding Income from Own Sources)

(Amt. In Cr. Rs.,)

SR. No..	Description	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Total	Average Annual Receipts
1	Assigned Receipts	274.77	61.81	183.17	176.13	314.17	**1010.05**	**202.01**
2	Grants	-	-	-	-	-	-	-
3	Receipts On The Recommendation Of SFC	945.72	839.07	748.47	617.93	880.26	**4031.44**	**806.29**
4	Receipts On The Recommendation Of CFC	1022.18	1047.86	1415.89	1454.00	1075.00	**6014.93**	**1202.99**
	Total	**2242.67**	**1948.74**	**2347.53**	**2248.06**	**2269.43**	**11056.42**	**2211.28**

Source – 4Th SFC Chhattisgarh

Annexure 12.10

Projected Receipts of PRIs During 2025-26 to 29-30

(Amt. In Cr. Rs.,)

SR. No.	Description	Average Annual Receipts In 5 Years (2017 To 22)	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Sum (2025-26 To 2029-30)
1	Income From Own Sources	68.86	75.75	83.32	91.65	100.82	110.90	121.99	134.19	147.61	**615.50**
2	Assigned Receipts	202.01	222.21	244.43	268.88	295.76	325.34	357.87	393.66	433.03	**1805.66**
3	Grants										
	Total	**270.87**	**297.96**	**327.75**	**360.53**	**396.58**	**436.24**	**479.86**	**527.85**	**580.63**	**2421.17**
4	Receipts On The Recommendation Of SFC	806.29	886.92	975.61	1073.17	1180.49	1298.54	1428.39	1571.23	1728.35	**7207.00**
5	Receipts On The Recommendation Of CFC	1202.99	1323.29	1455.62	1601.18	1761.30	1937.43	2131.17	2344.29	2578.72	**10752.90**
	Total	**2280.15**	**2508.17**	**2758.98**	**3034.88**	**3338.37**	**3672.20**	**4039.42**	**4443.37**	**4887.70**	**20381.07**

Source – 4Th SFC Chhattisgarh

Total Income of Urban Bodies from Their Own Sources

(Amt. In Cr. Rs.)

SR. No.	Description	Income from Own Sources						No. Of Sample Bodies	Average Income Local Bodies from Own Sources	Total No. Of Bodies	Total Estimated Income from Own Sources
		2017–18	2018–19	2019–20	2020–21	2021–22	Total	5 Years Average				
1	Nagar Nigam	279.89	287.23	275.03	303.73	359.08	1504.96	300.992	7	43.00	14	601.98
2	Nagar Palika	44.99	41.58	37.21	48.49	48.13	220.4	44.08	26	1.70	44	74.60
3	Nagar Panchayat	22.27	22.37	18.87	23.58	24.64	111.73	22.346	49	0.46	112	51.08
Total		**347.15**	**351.18**	**331.11**	**375.8**	**431.85**	**1837.09**	**367.418**	**82**	**45.15**	**170**	**727.66**

Source – 4Th SFC Chhattisgarh

Actual Receipts of Local Bodies in Other Heads During 2017-18 To 2021-22
(Excluding Income from Own Sources)

(Amt. In Cr. Rs.)

SR. No.	Description	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Total	Annual Average Receipts
1	Assigned Receipts	75.55	49.02	71.98	77.42	102.45	**376.42**	**75.28**
2	Grants	1275.56	840.14	1048.97	1048.97	1010.31	**5223.96**	**1044.79**
	Total (1+2)	1351.11	889.16	1120.95	1126.40	1112.76	**5600.38**	**1120.08**
3	Receipts on The Recommendation Of SFC	441.55	299.76	320.73	441.62	451.45	**1955.11**	**391.02**
4	Receipts on The Recommendation Of CFC	243.80	282.04	451.56	403.50	530.00	**1910.90**	**382.18**
	Total Amt.	**2036.46**	**1470.95**	**1893.25**	**1971.52**	**2094.21**	**9466.39**	**1893.28**

Source – 4Th SFC Chhattisgarh

Annexure 12.13

Projected Receipts of Urban Bodies From 2025-26 To 2029-30 Under Various Heads

(Amt. In Cr. Rs.)

SR. NO.	Description	Average Annual Receipts In 5	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	Total (2025-26 To 2029-30)
1	Income From Own Sources	727.66	800.43	880.47	968.52	1065.37	1171.90	1289.09	1418.00	1559.80	**6504.17**
2	Assigned Receipts And Grants	1120.07	1232.08	1355.29	1490.82	1639.9	1803.88	1984.27	2182.7	2400.97	**15209.98**
3	Receipts On The Recommendation Of SFC	391	430.10	473.11	520.42	572.46	629.71	692.68	761.95	838.14	**3494.94**
4	Receipts On The Recommendation Of CFC	382.18	420.40	462.44	508.68	559.55	615.50	677.06	744.76	819.24	**3416.11**
	Total	**2620.91**	**2883.00**	**3171.30**	**3488.43**	**3837.27**	**4221.00**	**4643.10**	**5107.41**	**5618.15**	**23426.94**

Source – 4Th SFC Chhattisgarh

Annexure 12.14

Receipt of Taxes/Cess Payables as Assigned receipted to Local Bodies

(Amt. In Cr. Rs.)

S. No.	Particular	Actual					Mid term		Projected value based on 10% annual increase					Sum
		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
1	Stamp Fee	69	73.74	126.79	136.9	172.45	189.7	208.67	229.54	252.49	277.74	305.51	336.06	369.67	1541.47
2	GST	4386.56	8203.41	7894.82	7925.01	9483.48	11795.96	13565.35	15600.15	17940.18	20631.21	23725.89	27284.77	31377.49	120959.54
3	72% Amount Of GST									1529.68	1682.64	1850.91	2036	2239.6	9338.83
4	Surcharge of Excise Duty	281.88	318.81	323.04	246.18	261.27	287.4	316.14	347.75	382.53	420.78	462.86	509.14	560.06	2335.36
5	Rural Development fund	30	30	30	30	30	30	30	30	30	30	30	30	30	150
Total		**4767.44**	**8625.95**	**8374.65**	**8338.1**	**9947.2**	**12303.06**	**14120.16**	**16207.44**	**2194.69**	**2411.16**	**2649.28**	**2911.2**	**3199.33**	**13365.66**

Source – 4Th SFC Chhattisgarh

Annexure 12.15

List of Officials/Employees in Fourth State Finance Commission

1. Mr. Serjius Minj, Chairman
2. Mr. Satish Pandey, Secertary
3. Dr. J.s. Virdi, Joint Secretary
4. Ms. Payal Gupta, Research Officer
5. Mr. M.N. Rajurkar, PS to Chairman
6. Mr. Madhav hardevi, Writter
7. Mr. Ashok Kawade, Assi. Grade 2
8. Mr. Jaynendra Vaishnav Assi. Grade 3
9. Mr. Amit Pansari, Computer Operator
10. Mr. Girish Sahoo, Computer Operator
11. Mr. Shubham Pansari, Computer Operator
12. Mr. Deepak Jolhe, Driver
13. Mr Pramod Sahu, Driver
14. Mr. Gangadhar sahu, Driver
15. Mr. Chandrashekhar Verma, Peon
16. Mr. Ganeshwar Patel, Peon
17. Mr. Kaushik Bihari, Peon
18. Mr. Sandip Diwakar, Peon
19. Mr. Baisakhu Ram, Peon

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