

CHAPTER 7

Finances of PRIs

Finance of the PRIs and Constitutional Provisions

7.1 Certain revenue resources are statutorily assigned to the Panchayats under the Chhattisgarh Panchayat Raj Adhiniyam, 1993 to maintain their autonomous status. Section 77 of the Panchayat Act empowers GPs and JPs to impose both tax and non-tax levies with a further division of obligatory and optional levies under each category. Table 7.1 gives the details of internal resources of revenue of all the three tiers of PRIs.

7.2. The GPs have been vested power of levying various **obligatory taxes** such as *property tax, light tax, profession tax and tax from local markets*. In the category of **optional taxes**, the major taxes are *vehicle tax* and *water tax*. In the **obligatory non-tax** components, *market fees* and *fees from registration of cattle* and in the **optional non-tax** categories, there are *many fees* which the GPs can levy and collect.

7.3. The Janpad Panchayats have power of levying *tax on theaters and theatrical performances* and *development tax on agricultural land*. In the optional *non-tax revenues*, the JPs have power to levy *fees for any licenses and fees for use/occupation of land or other properties*. They have also power to *auction/lease ferry services* and impose *fines* on defaulters of payment tax.

7.4. The Zila Panchayats of the state have nominal powers with regard to levying and collecting *taxes* from various sources. Only they have power to increase the rate of *cess on land revenue* and can distribute the same among the JPs and GPs of their jurisdiction. With regard to *non-tax revenues* of the district Panchayat, these bodies have vested power to raise revenue from *water bodies (tanks)*, leasing out of *fish ponds (tanks)* etc.

The Commission recommends that in every village at least one pond should be kept reserve for Nistari purposes and should not be leased out for fishing purpose.

Table 7.1: Internal Resources of PRIs

Gram Panchayat (Section 77 and Schedules-I & II)
Obligatory Levies (Tax): Property tax on lands or buildings or both; Tax on Private Latrines; Light tax; Tax on persons exercising a profession or carrying on any trade or calling.
Obligatory Levies (Non-Tax): Market fees on persons exporting goods for sale in the Panchayat area; Fees on Registration of Cattle sold within the Panchayat area.
Optional Levies (Tax): Tax on building not covered by the property tax; Tax on Animals; Tax on non-motorized vehicles; Water Rate; Tax on persons carrying on the profession of purchaser, agent, Commission agent, weigh man or a measure in the Panchayat area; Temporary tax for special works of public utility; Tax for the construction or maintenances of public latrines.

Optional Levies (Non-Tax):Fees for the use of sarais, dharmasalas, rest houses, slaughter houses and encamping grounds; Drainage fees where system of drainage is introduced by the panchayats; Fees on entry of vehicles into the Panchayat area; Fees for bullock-cart stand and tonga stand; Fees for temporary structure or any projection over public place or temporary occupation thereof; Fees for grazing cattle over Panchayat.

Janpad Panchayat (Section 77 and Schedule-I)

Obligatory Levies (Tax): Tax on theatres or theatrical performances and other public entertainments; Development tax on agricultural land.

Obligatory Levies (Non-Tax): Nil.

Optional Levies (Tax): Nil.

Optional Levies (Non-Tax):Fees for licenses or permissions granted; Fees for use occupation of lands or other properties vested in or mentioned by the Janpad Panchayat.

Zila Panchayat (Section 74 (2))

Obligatory Levies (Tax): Nil.

Obligatory Levies (Non-Tax): Nil.

Optional Levies (Tax):Increase in the Cess on land from Rs.0.50 upto Rs. 10.00.

Optional Levies (Non-Tax): Nil.

Source: Chhattisgarh Panchayat Raj Adhiniyam 1993.

7.5 Besides the above, the sources of funds of local bodies also include the share in the State's own-tax revenue and grants through the Central and State Govt. schemes. The scope of the revenue resources expanded with the initiation of Tenth Finance Commission in recommending central grants to local bodies. 73rd and 74th amendment to the Constitution broadened the range of power and functions of local governments (transfer of fund, functions and functionaries from the state to local bodies). It also made provision for setting up of State Finance Commission (SFC) to rationalize state- local fiscal relations.

7.6 The transfer of financial resources to the PRIs from State Government can be seen in Tables 7.2.

Table 7.2: Transfers from State Government (Including SFC devolution)

Transfers from State government	GPs	JPs	ZPs
Assigned revenue	<ul style="list-style-type: none"> • Net proceeds of land revenue. • Cess on Land Revenue; • Royalty on minor minerals 	<ul style="list-style-type: none"> • Additional Duty on Transfer of Property; • Royalty on minor minerals; • Entertainment Tax 	
State grants & State Finance Commission devolution	<ol style="list-style-type: none"> 1. Gram Panchayaton ko Mulbhut Karyon hetu Anudan 2. Pradhanmantri 	<ol style="list-style-type: none"> 1. Manoranjan Kar Se Prapt Rashi se Panchayaton ko Anudan 2. Mudrank Shulk 	<ol style="list-style-type: none"> 1. Panchayat padadhikariyon ka Sammelan 2. Zila Panchayat Vikas

Gramodyog Yojana 3. Goun Khanij Mad 4. Atal Samarasta Bhawan 5. Shradhanjali Yojana 6. Mukhyamantri Samagra Gramin Vikas Yojana 7. Gaon Ki Galiyon Ka Aantarik Vidyutikaran 8. Rastriya Aajeevika Pariyojana (NRLP) 9. C.G. Rajya Kshetriya Gramin Vikas Pradhikaran 10. Mini Stadium 11. Mukhyamantri Panchayat Sashaktikaran 12. Sansad Aadarsh Gram Yojana 13. Vidhayak Aadarsh Gram Yojana 14. Panchayati Raj Sansathaon ka kshamta vikas 15. Hamar Chhattisgarh Yojna	3. Mukhyamantri Janpad Sashaktikaran Yojana (MJSY) 4. Janpad Panchayat Vikas Nidhi 5. Vivekanand Yuva Protsahan Yojana 6. Janpad and Gram Panchayat Padadhikariyon Ka Mandeya Evam Suvidhayen 7. Panchayati Raj Sansathao ka kshamta vikas 8. Mukhyamantri Panchayat Sashaktikaran	Nidhi 3. Zila Panchayat Samanya Prayojan 4. Panchayat Padadhikariyon Ka Prashikshan 5. Sachiviya Vyavastha 6. Zila Panchayat Padadhikariyon Ka Mandeya 7. Panchayat Sachivon Ka Vetan (Goun Khanij Mad) 8. Mukhyamantri Panchayat Sashaktikaran 9. Panchayati Raj Sansathao ka kshamta vikas
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Source: P & RD Department, Chhattisgarh.

7.7. The transfer of financial resources to the PRIs from Central Government can be seen in Tables 7.3.

Table 7.3: Transfers from Central Government

Transfers from Central Government	GPs	JPs	ZPs
Finance Commission grants	14 th Finance Commission	-	-
Centrally Assisted Schemes	Swachh Bharat Mission (SBM)		
	PMAY (Rural)	-	DRDA Administration
	NRLM	-	Shyama Prasad Mukharji Rurban Mission
	MGNREGA	-	-
	PMGSY	-	-
	Rashtriya Gram Swaraj Abhiyan		

Source: P & RD Department, Chhattisgarh.

Review of Rural Local Bodies Finances

7.8 Articles 243 I and 243 Y mandate State Finance Commissions to review the finances of the Local Governments. In this Section the Commission has tried to briefly analyse the PRIs finances in the state from year 2012 to year 2017.

7.9 Further it is attempted to find out the resource gap of the PRIs and how the 3rd SFC recommendations will help to address the issue.

7.10. Apart from analyzing the macro level data with regard to finance of the PRIs of the state, the Commission has incorporated field findings of the study conducted by Centre for Economic and Social Studies, Hyderabad.

Internal Sources of Funds of PRIs: Status of Finances GPs

Own revenues of GPs

7.11 Before analysing own revenues of GPs, it is to be remembered that Chhattisgarh is mainly a rural state with 58.22% of the area under Schedule V and 46.03% of the total panchayats in schedule area come under provisions of Panchayat (Extension to Schedule Areas) Act, 1996. Of the total 27 districts in the state, 13 are fully covered under PESA while 6 districts are partially covered. There are 14 Left Wing Extremism (LWE) affected districts of which 10 are fully PESA districts and the remaining 04 are partially covered under PESA. For these reasons, the potential of GPs for raising internal resources is limited.

7.12 From the sample studies conducted by the second State Finance Commission (2012-17) it has come to the conclusion that the annual average of own revenues of a GP is as low as Rs. 20,000; in predominantly tribal districts the internal resources are practically nil. During the year 2006 to year 2011 on an average, their own revenues did not constitute more than 2.25% of their total receipts. The GPs largely depend on their share in Govt's revenue and State grants to discharge a whole host of functions assigned to them.

7.13 This Commission also made an attempt to analyse the data of own revenues of GPs for the period 2014-15 to 2016-17. The composition of own revenues of GPs, shows that obligatory tax revenue constitutes a major share followed by Other Fees (non-tax revenue) and Optional Taxes (Table 7.4).

Table 7.4: Composition of Own Revenues of the GPs

Year	Obligatory Tax		Optional Tax		Other Fees		Total	
2014-15	173447839	44.21	74708032	19.04	144191249	36.75	392347120	100
2015-16	248896269	41.73	121606316	20.39	225893709	37.88	596396294	100
2016-17	350807759	47.31	135279757	18.24	255486246	34.45	741573762	100
3 YEAR AVG	257717289	44.42	110531368	19.22	208523734	36.36	576772392	100

Source: Directorate of Panchayat

Third State Finance commission Report

7.14. At an aggregate level own revenue per GP in the year 2014-15 is Rs. 35762.20 and increased to Rs. 54361.16 in year 2015-16 and further increased to Rs.67594.00 in year 2016-17 (Table 7.5).

Table 7.5: Own Revenue collection per GP

(In Rupees)

Description	Total Collections	Growth Percentage	Total no. of GPs	Collection per GP
all districts 2014-15	392347120	-	10971	35762.20
all districts 2015-16	596396294	52.00	10971	54361.16
all districts 2016-17	741573762	24.34	10971	67594.00
all districts 3 YEAR AVG 2014-17	576772392		10971	52572.45

Source: Directorate of Panchayat

7.15. The 3-year average of own revenue for the period (Year 2014-17) per GP is Rs. 52572.45. The breakup of annual average own revenues of GPs shows that obligatory tax revenue per GP is Rs. 23490.77 followed by other Fees (Rs. 19006.81) and Optional Taxes (Rs.10074.87).(Table 7.6)

Table 7.6: Category-wise Own Revenue collections per GP (3 YEAR AVG2014-17)

all districts	3 YEAR AVG2014-17	Total no. of GPs	Collections per GP
Obligatory Tax	257717289.00	10971	23490.77
Optional Tax	110531368.00	10971	10074.87
Other Fees	208523735.00	10971	19006.81
Total collections	576772392.00	10971	52572.45

Source: Directorate of Panchayat

7.16. The inter-district variation in the annual average own revenue per GP for year 2014 to year 2017 is quite wide ranging between Dantewada Rs. 19566 and Balod Rs. 711336. The annual average own revenue per GP remained less than Rs. 1.00 lakh in the GPs of 15 districts, ranged between Rs. 1.00 and 1.50 lakh in 4 districts and more than Rs. 1.50 lakh in 8 districts. In 5 districts the annual average own revenue per GP remained less than average of 'all districts'. (Table 7.7)

Table 7.7: Own Revenue per GP average 2014-17: Inter-district comparison

(In Rupees)

Sl. No.	District	Own Revenue per GP average 2014-17
1	Dantewada*#	19566
2	Bijapur*#	29410
3	Narayanpur*#	23579
4	Balarampur*#	34610
5	Kabirdham#	40359
6	Surajpur*	56137
7	Kondagaon*#	53704

8	Korba*	57609
9	Surguja*	58633
10	Raigarh**	62892
11	Bemetara	62029
12	Jangir Champa	66317
13	Sukma*#	74670
14	Jashpur*	107903
15	Mungeli	98931
16	Bastar*#	101150
17	Mahasamund#	120106
18	Korea*	77341
19	Gariyaband**#	169006
20	Baloda Bazar	143475
21	Bilaspur**	171603
22	Kanker*#	236219
23	Durg	241927
24	Dhamtari**#	351515
25	Rajnandgaon**#	308162
26	Raipur	428424
27	Balod**#	711336

Source: Directorate of Panchayat

Note: * fully covered by PESA; ** partially covered by PESA; # LWE (left wing extremism)

Own revenues of JPs

7.17 Table 7.8 shows the internal resources of revenue, demand, collection and balance at Janpad level in the state. Total Internal Resources per JP ranged between Rs.12,000 in year 2011-12 to Rs. 24,000 in year 2015-16. The year 2014-15 seems to be an exceptional both in demand as well as in collection. The proportion of Collection as Percentage of demand ranged between 51 percent in the year 2012-13 to 67 percent in year 2015-16, barring year 2014-15.

Table 7.8: Total Internal revenue resources of JPs during the year 2011-16

Year	Total Internal revenue resources of JPs during 2011-16 (Tax +Non Tax)			Collection as % of demand	Total Internal revenue resources per JP during 2011-16		
	Demand	Collection	Balance		Demand	Collection	Balance
2011-12	30.43	17.07	13.36	56.10	0.21	0.12	0.09
2012-13	37.58	19.28	18.30	51.30	0.26	0.13	0.13
2013-14	42.62	25.29	17.33	59.34	0.29	0.17	0.12
2014-15	115.97	95.85	20.12	82.65	0.79	0.66	0.13
2015-16	52.36	35.31	17.05	67.44	0.36	0.24	0.12
Avg 2011-16	55.79	38.56	17.23	69.11	0.38	0.26	0.12

Source: Data collection

Own revenues of ZPs

7.18 Zila Panchayats are not empowered to levy any obligatory tax. It is empowered to levy optional tax and to Increase the cess on land from Rs. 0.50 upto Rs.10.00.

The Commission recommends that to enhance the recovery the existing practice of involving SHGs and other groups in tax recovery process should be expanded further.

Fiscal Devolution and Status of Finance of PRIs

7.19. There are three major sources of finances of the PRIs such as (i) Own revenue, (ii) Transfers from the CFC and SFC, and (iii) Transfers from State and Central Governments through various schemes and programme (Agency Work).

Transfers from the Central Government

7.20. The PRIs of the state have also received funds from the Central Government for implementing various central sponsored schemes and programmes.

7.21. Central government grants includes the grants given by the Central Finance Commissions, and the grants given for the implementation of centrally sponsored schemes implemented by the Panchayats.

7.22. Table 7.9 shows the status of allocation to PRIs under 13th Finance Commission.

Table 7.9: 13th Finance Commission Grants to the PRIs (for the period 2010-15)

Component of Grant	10-11		11-12		12-13		13-14		14-15		Total allocation	Total release
	Allocation	Release	Allocation	Release	Allocation	Release	Allocation	Release	Allocation	Release		
General area basic grant	153.67	153.67	196.86	196.86	221.50	221.50	255.53	255.53	279.29	279.29	1106.85	1106.85
Special area basic grant	21.10	21.10	21.10	21.10	21.10	21.10	21.10	21.10	21.10	21.10	105.50	105.50
General area performance grant	0	0	67.16	56.53	151.8	109.82	174.48	244.89	190.30	82.87	583.78	494.12
Special area performance grant	0	0	10.50	0	21.10	10.55	21.10	52.48	21.10	10.02	73.80	73.05
Total	174.77	174.77	295.62	274.50	415.50	362.90	472.20	574.00	511.80	393.20	1869.93	1779.53

Source: Department of Panchayat and Rural Development, Chhattisgarh

Table 7.10 shows the status of allocation to PRIs of Chhattisgarh under 14th Finance Commission.

Table 7.10 14th Finance Commission Grants to the PRIs (for the period 2015-20)

(Rs. in Crore)

Component of Grant	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Basic grant	566.18	783.98	905.81	1047.86	1415.89	4719.72
Performance grant	0.0	102.84	116.37	132.16	173.05	524.42
Total	566.18	886.82	1022.18	1180.02	1588.94	5244.14

Source; Department of Panchayat and Rural Development, Chhattisgarh

Transfer of Revenue to the PRIs from State Government

7.23. The State Government has been providing financial assistance to the PRIs in the form of *revenue sharing (assigned and transfer)* of State revenues and grant-in-aid under SFC. Apart from these two sources, a number of schemes along with functionaries are transferred to the PRIs by various line departments of the State Government.

7.24. In the state, the government annually releases fund to PRIs to implement various schemes along with the salaries of the transferred functionaries.

7.25. As per section 71(1) and 75 of the State Panchayat Raj Adhiniyam, the State Government is levying a *cess on land revenue* and 1% *additional stamp duty* which is charged on instruments of sale, gifts etc. on immovable property. Assigning a share in the *royalty proceeds* from exploitation of *minor minerals* to the PRIs is another source. (Table 7.11)

Table 7.11: Revenue Assigned to PRIs

(Rs. In Crore)

Subjects (Taxes and Others)	2014-15	2015-16	2016-17	2017-18	Total
Budget provision from Infrastructure Development Fund	60.00	125.40	55.29	125.40	366.09
Grant from Royalty of Minor Minerals	149.00	250.00	235.35	226.42	860.77
Grant from Stamp and registration fee	45.00	50.00	60.00	65.00	220.00
Grants from Entertainment Tax	3.00	3.30	3.30	3.50	13.10
Total	257.00	428.70	353.94	420.32	1459.96

Source: Department of Panchayat and Rural Development, Government of Chhattisgarh, 2017

Revenue Transfer to PRIs under various Schemes by the State Government

7.26. The second SFC had recommended for transferring revenues to the PRIs for the implementation of various basic services in the rural areas of the state. It was also recommended for providing special financial assistance to GPs located in PESA area of the state.

7.27. As per the recommendations of the second SFC the PRIs have received Rs. 3941.00 crore during the year 2014-18 (Table 7.12)

Table 7.12: Revenue Transfer to PRIs

(Rs. In Crore)

Name of the Scheme	2014-15	2015-16	2016-17	2017-18	Total
Gram Panchayat ko Mulbhut Karyon hetu Anudan	300.00	300.00	300.00	200.00	1100.00
Mukhyamantri Samagra Grameen Vikas Yojana	300.00	600.00	570.00	360.00	1830.00
Mukhyamantri Janpad Sashktikaran Yojana	146.00	0.00	0.00	0.00	146.00
Mukhyamantri Panchayat Sashktikaran Yojana	0.00	92.00	0.00	1.00	93.00
Chhattisgarh Rajya Kshetriya Gramin Vikas Pradhikaran	52.00	52.00	52.00	62.00	218.00
Mini stadium	0.00	46.00	0.00	0.00	46.00
ETC/PTC Ka Sashktikaran	0.00	10.00	0.00	0.00	10.00
E-Panchayat	0.00	10.00	0.00	0.00	10.00
Zila/Gram Panchayat mein Vaikalpik Bhawan Vyavastha	0.00	10.00	0.00	0.00	10.00
Gaon Ki Galiyon Ka Aantarik Vidyutikaran	0.00	0.00	50.00	50.00	100.00
Sachiviya Vyavastha	0.00	0.00	90.00	95.00	185.00
Panchayati Raj Sansathao ka kshamta vikas	0.00	0.00	15.00	15.00	30.00
Zila Panchayat Vikas Nidhi	0.00	0.00	45.00	45.00	90.00
Janpad Panchayat Vikas Nidhi	0.00	0.00	0.00	73.00	73.00
Total	798.00	1120.00	1122.00	901.00	3941.00

Source: Department of Panchayat and Rural Development, Government of Chhattisgarh

7.28 Efforts should be made to consolidate various state schemes which are much more in numbers; many schemes have same or similar objectives and needs to be reviewed in terms of relevance.

The Commission recommends that government should minimize number of schemes, as it would control the extravagance of funds and give more clarity about the target and expected outcomes.

Grant-in-Aid

7.29. The State Government grant includes the normal grants of the state Panchayat and Rural Development Department, grants for implementation of state sponsored schemes, State Finance Commission devolution, grants given by various departments of the State Government for the implementation of their programmes, and state's contribution to centrally sponsored schemes implemented through Panchayats.

Expenditure of the PRIs

7.30. The finances of the PRIs also provides description of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management.

7.31. In this section an attempt has been made to understand the expenditure pattern of the PRIs like (i) component of regulatory and enforcement expenditures, (ii) operations and maintenance costs, (iii) interest payment and expenditure on services in weaker section areas settlement including area improvement and upgrading and adequacy of such expenditures.

7.32. Table 7.13 presents the nature and pattern of expenditure of the ZPs from the year 2011 to year 2016.

Table 7.13: Total expenditure of ZPs during the period 2011-16

(Rs. in lakhs)

Description	Expenditure of Zila Panchayat during the period 2011-2016				
	2011-12	2012-13	2013-14	2014-15	2015-16
Establishment, Wages, Pay Allowances	4182.01	4806.30	6722.45	2990.44	4003.12
Works under article 52 of Panchayat Raj Act	87037.04	133870.99	113914.65	124337.06	120505.07
Expenditure on Agency Works	5861.42	12928.59	17736.45	13355.50	20175.86
Payment of Loan and Interest	0.00	15.00	25.00	39.19	1035.00
Other Expenditure	3899.64	5404.31	4624.09	5473.53	3267.50
Total	100980.11	157025.19	143022.64	146195.72	148986.55

Source: Data collection.

7.33 Table 7.14 shows the expenditure of the JPs from the period of 2011 to 2016.

Table 7.14: Total expenditure of janpad panchayats during the period 2011-16

(Rs. in lakhs)

Description/Year	2011-12	2012-13	2013-14	2014-15	2015-16
Establishment, wages, salaries and allowances	3886.75	3411.66	3361.34	3399.47	3683.46
Under the given task of Panchayat Raj Act Section 50 (1) and (2)	13567.68	14893.16	17400.19	16788.11	13749.41
Expenditure on the task conferred under the section 51 of Panchayat Raj Act working as an agent of the State	19373.46	26480.25	30948.65	20499.50	21844.13
Expenditure on maintenance of assets and properties of Janpad Panchayat	881.39	255.13	363.97	364.95	458.18
Interest paid on Debts	9.16	0.00	0.00	0.00	0.00
Expenditure on any other head	6110.34	6898.15	7957.01	6769.96	5284.25
Total expenditure	43828.78	51928.35	60031.17	47821.98	45019.43

Source: Data collected by S.F.C. Chhattisgarh state

The Financial Status of Sample ZPs, JPs and GPs in Chhattisgarh

7.34. The study team of CESS, covered 20 gram panchayats from 10 Janpad panchayats in 5 districts of 5 divisions. Within the sample of 20 GPs, 8 were of PESA area and 12 of Non-PESA area.

7.35. Total internal resources of gram panchayats for the five year period indicate that PESA GPs are not in a position to generate enough resources both tax and non-tax as compared to non-PESA GPs (Table 7.15).

Table 7.15: Total Internal resources of sample Gram Panchayats for the period 2011-16

(Rs. in lakhs)

Year	PESA			NON PESA		
	Tax	Non tax	Total	Tax	Non tax	Total
2011-12	2.86	3.66	6.52	14.92	3.62	18.54
2012-13	3.17	3.32	6.49	17.02	3.63	20.65
2013-14	3.83	1.75	5.58	16.87	3.85	20.72
2014-15	4.85	1.89	6.74	17.19	4.89	22.08
2015-16	5.38	2.90	8.28	16.51	4.09	20.60
Total	20.09	13.52	33.61	82.51	20.08	102.59

Source: Data collection

7.36 The expenditure details of the sample GPs in PESA region indicate that large proportion of it went to executing the schemes transferred by central government followed by maintenance of road/buildings, expenditure on solid waste management. The expenditure on welfare activities was found meager.

Table 7.16: Total expenditure on activities of sample Gram Panchayats in PESA area

(Rs. in lakhs)

Description	2011-12	2012-13	2013-14	2014-15	2015-16	Total Grants	Mean Value
Administration/Establishment	1.26	1.51	1.51	1.56	3.03	8.87	1.77
Expenditure on drinking water	1.15	0.31	1.03	1.41	0.85	4.75	0.95
Expenditure on Lighting	0.00	0.00	0.00	0.00	0.07	0.07	0.014
Expenditure on hygiene	1.61	3.40	0.31	1.88	4.21	11.41	2.28
Expenditure on solid waste lifting	1.43	3.50	1.10	2.59	3.90	12.52	2.50
Expenditure on maintenance of road/building and other	0.42	2.86	3.10	3.32	21.88	31.58	6.31
Expenditure on schemes transferred by State Government	0.00	0.00	0.00	0.00	0.50	0.50	0.10
Expenditure on schemes transferred by Central Government	9.56	14.45	16.50	25.65	22.17	88.33	17.66
As interest expenses	0.83	2.10	3.53	11.58	4.68	22.72	4.54
Other revenue expenditure	0.00	0.00	0.00	0.00	0.01	0.01	0.002
Exp. on drinking water supply	0.00	1.70	0.00	0.38	1.65	3.73	1.24
Expenditure on roads	0.00	0.00	0.00	0.00	0.21	0.21	0.21
Expenditure on sewerage	0.00	0.14	0.00	0.00	0.00	0.14	0.14
Expenditure on Garbage	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenditure on Street light	0.00	2.31	0.76	2.23	0.00	5.30	1.76
Other expenditure	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenditure on Welfare activities	0.70	0.46	1.58	0.74	0.89	4.37	0.87
Grand Total Expenditure	16.98	32.74	29.42	51.34	64.05	194.53	38.91

Source: Data collected by S.F.C. Chhattisgarh

7.37 As against PESA region, in non-PESA GPs, bulk of the expenditure was spent on meeting for executing the schemes transferred by State Government followed by 'other' expenditure and for implementation of the schemes transferred by Central Government. As found in case of PESA GPs, in non-PESA GPs also expenditure on drinking water, street light and hygiene was found very less. (Table 7.17)

Table 7.17: Total expenditure on activities of sample Gram Panchayats in NON PESA area

(Rs. in lakhs)

Description	2011-12	2012-13	2013-14	2014-15	2015-16	Total Grants	Mean Value
Administration/Establishment	0.99	1.31	1.02	1.31	2.94	7.57	1.51
Expenditure on drinking water	1.10	0.65	4.24	0.45	5.64	12.08	2.41
Expenditure on Lighting	1.37	1.41	2.61	1.16	1.54	8.09	1.61
Expenditure on hygiene	1.68	0.96	0.59	1.69	9.01	13.93	2.78
Expenditure on solid waste lifting	0.00	0.00	0.25	1.66	1.60	3.51	0.70
Expenditure on maintenance of road/building and other	5.36	12.11	20.84	5.76	14.81	58.88	11.77
Expenditure on schemes transferred by State Government	14.10	53.97	21.10	64.07	28.77	182.01	36.40
Expenditure on schemes transferred by Central Government	9.95	1.95	39.85	52.24	100.02	204.01	40.80
As interest expenses	0.19	0.00	0.00	0.00	0.00	0.19	0.04
Other revenue expenditure	0.84	1.23	0.91	2.97	1.94	7.89	1.58
Exp. on drinking water supply	0.34	0.35	0.20	11.50	0.00	12.39	2.48
Expenditure on roads	0.49	0.29	0.00	0.10	0.00	0.88	0.18
Expenditure on sewerage	0.33	0.29	0.56	1.61	0.26	3.05	0.61
Expenditure on Garbage	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenditure on Street light	2.33	1.77	3.21	9.91	5.68	22.9	4.58
Other expenditure	10.31	16.94	34.80	18.22	27.60	107.87	21.57
Expenditure on Welfare activities	4.35	5.12	5.05	5.97	7.91	28.40	5.68
Total Expenditure	53.72	98.37	135.23	178.62	207.73	673.67	134.73

Source: Data collection

Comments

7.38 It comes out clearly that ZPs internal resources are precarious, as they do not have tax levying powers and they depends on state grants.

7.39 Despite of the fact that JPs have the powers to get some non-tax revenue as per the Act. Mobilisation of internal sources by the sample JPs in the study area is very disappointing. Out of 10 sample JPs only 2 JPs have collected negligible amount as internal resources.

7.40 In some cases, the GPs have faced various internal and external challenges while imposing and implementing taxes and fees. Such scenario has been disturbed the overall revenue generation agenda of the PRIs in the state.

7.41 Financial assistance being provided to the PRIs in the state in the form of Assigned Revenue, Revenue transfer from the State Government and Grant-in-Aids has been helpful to the PRIs in many ways. It is observed by the Commission that these grants should be based on area and population and there should be special grants for those areas which are affected by the LWE in the state.

7.42 There is no provision of funds made for the JPs and the ZPs under the 14th FC. Considering this scenario, this Commission recommends 15% of the total transfer for the JPs and 05% for the ZPs of the state. (Para 17.23 of this report)

7.43 The PRIs who have adequate sources for tapping own revenues such as Fish Ponds, Market Complex, Shops, Weekly Markets and such other sources, the State Government should provide special assistance for maintenance of these assets for certain periods. Further, those who do not have such assets or have few assets should encourage creating such assets through various schemes like MGNREGA and NRLM.

7.44 It was observed by the Commission that funds flow from the line departments to the PRIs have been delayed because of various reasons affecting their delivery of services. In some cases like MGNREGA, there observed a routine delay in paying wages to the workers. Similar scenario was also in the case of Swachha Bharat Mission (SBM).

7.45 The Commission has tried to collect data of resources, and to map all activities related to collection of revenue of PRIs. Whatever data received by the Commission is insufficient and ineffective so that it is very difficult to draw any conclusion out of it.
