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Research Paper Economics



Revenue and Expenditure Pattern of Municipal Corporations of Punjab

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ABSTRACT

Municipal Corporations in Punjab, which are statutorily responsible for provision and maintenance of basic infrastructure and services in cities are under fiscal stress. To even operate and maintain existing services, let alone augment them has become difficult. There has been little or no increase in their revenue base as a consequence their expenditure has also suffered. In this short paper an effort has been made to raise the issue relating to decreasing revenue and expenditure of Ludhiana, Amritsar, Jalandhar and Patiala municipal corporations. Faced with such a situation municipal corporation barring a few exceptions are becoming increasingly dependent on the higher levels of government for their operation and maintenance requirements. Besides the restriction to a small resource base, poor planning process, lack of periodical revision of municipal tax rates/user charges, and poor information system and records management are some of the basic weaknesses in the present municipal administration.

Keywords :

INTRODUCTION

With the passage of time, the problems of local self-government have become varied and complex and the sphere of responsibility of the local self-government has also increased. At the dawn of the twentieth century only 12.46 per cent of the total population of pre-partition united Punjab was urban. At the beginning of the twenty-first century the urban population of Punjab has increased to 33.95 per cent, against 27.78 per cent for the country as a whole. Punjab is now the fifth major urbanized state of India after Tamil Nadu (43.86 per cent), Maharashtra (42.40 per cent), Gujarat (37.35 per cent) and Karnataka (33.98 per cent). This has resulted in high population density in urban areas. A number of towns/ urban agglomerations have come up during 1991-2001 and distance between towns has decreased due to growth of new towns and expansion of urban area limits. The disproportionate increase in population in these towns has created huge deficiencies in such civic services, as water supply, sewerage, solid waste management and urban infrastructure, such as housing, transport and roads. Land is becoming scarce in towns and consequently the problem of housing is acquiring serious proportions. Provision of urban basic amenities and up gradation of existing infrastructure for additional urban population has become a challenging task.

* The author is a research scholar in the Department of Economics, Punjabi University Patiala and this paper is based on his Ph.D research work. He is thankful to Prof. O.P Miglani and Prof. Janak Raj Gupta for their Valuable guidance.

The major concern at present is the critical gap in demand and supply of basic civic services in growing urban areas. The strategies for urban development need to target hundred per cent coverage of urban population with supply of safe drinking water, upgraded sewerage facility, 100 per cent lifting, disposal and treatment of garbage and better housing facilities. The slum and shanty settlements in and on the periphery of towns become a major burden for the municipal corporations. The goals of urbanization strategy involve strengthening of urban local bodies by transferring funds and functions, adequate/ sustainable provision of urban infrastructure/basic civic services, such as water supply, sewerage, solid-waste management, roads, street lights, drainage, environment conservation, housing, land development and transport infrastructure.

Objectives of the Study

The major thrust of this paper is to examine the pattern of revenue and expenditure of the municipal corporations in Punjab. An attempt has also been made to work out the per capita revenue and expenditure of the related municipal corporations.

Methodology

The paper is based on the secondary data collected from various government publications particularly, budgets of municipal corporations of Punjab and municipal statistics of Punjab. The period of the study is from the year 2002-03 to 2009-10. Simple average and percentages have been worked out to examine the pattern of revenue and expenditure of municipal corporations of Punjab. Four municipal corporation have been studied i.e Ludhiana, Jalandhar, Amritsar and Patiala, The new corporation Bathinda was not studied as it cam into existence in 10 april 2003 and the sufficient data were not available.Secondary data were collected from municipal corporation's journals, official records, brouchers, books, etc. In order to studywork out the per capita revenue and expenditure, we have worked out their population for different years based on the relevant census data 2001 and taking the growth rate relating to 1991-2001.Population figures for different years are shown in Appendix-1.

Revenue Structure of Selected Municipal Corporations in Punjab

The resources of Municipal Corporations of Punjab comprise internal sources (tax and non-tax revenues) and external sources (borrowings and grants-in-aid/share in state taxes and transfers from the Central Government). In terms of taxes and fees though a number of tax and non-tax sources have been mentioned in Punjab municipal corporation act 1976, yet presently the main sources are: octroi, house tax, and water supply and sewerage charges, excise duty are the major sources of revenue. Although revenue collection is increasing year by year yet its not sufficient to spend for the citizen services.

As shown in Table 1.1 Municipal Corporation Ludhiana on an average collected 74.48 per cent from taxes i.e share of vat/ octroi, house tax, excise duty, advertisement tax, etc. From fee and other charges i.e water supply and sewerage bill, building fee, slaughter, scavenging fee, composition and MTP fee etc. the MC collected 14.22 per cent. The main revenue

source of municipal corporation was octroi/vat share, which contributed 54.86 per cent to total revenue. Average annual house tax share was 15.35 per cent, water supply and sewerage share was 8.04 per cent. Average annual collection share from excise duty was 3.60 per cent.

Table : 1.1

REVENUE BUDGET OF MUNICIPAL CORPORATION LUDHIANA IN DIFFERENT YEAR (Rs. Lacs)

		2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		Overall Avg
		Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	
A	**Taxes**																	
1	Octroi /Share of VAT	11,093.83	51.09	11,402.88	57.41	12,255.30	57.45	13,510.19	50.50	13,510.73	43.13	19,060.69	90.34	16,600.00	47.43	18,393.35	44.37	50.18
2	Octroi on Electricity	899.07	4.14	972.84	4.87	1,015.37	4.76	1,015.92	3.93	1,013.56	3.23	1,325.30	3.76	2,200.00	6.29	2,679.46	6.48	4.68
3	House Tax	3,335.26	15.36	3,442.58	17.24	3,550.58	16.67	3,766.73	14.07	4,128.38	13.18	3,030.39	16.01	5,100.00	14.57	6,110.40	14.09	15.35
4	Excise Duty	275.00	1.19	69.34	0.35	-	-	2,370.25	8.89	3,552.08	11.34	1,322.18	4.42	500.00	1.43	482.28	1.17	3.60
5	Advertisement tax	15.74	0.07	12.18	0.06	11.10	0.05	42.43	0.16	306.32	0.98	336.91	1.26	380.00	1.09	510.22	1.23	0.63
6	Show / Entertainment Tax	6.88	0.03	5.60	0.03	4.32	0.02	3.89	0.01	2.46	0.01	1.99	0.01	3.00	0.00	0.49	0.00	0.01
8	Licence Fee Vehicle	9.01	0.04	10.68	0.05	10.71	0.05	11.54	0.04	10.12	0.03	10.68	0.04	11.00	0.03	19.02	0.05	0.04
	Sub-Total A	**15,618.07**	**71.93**	**15,916.10**	**79.72**	**16,851.58**	**79.00**	**20,774.55**	**77.60**	**22,523.37**	**71.90**	**22,927.97**	**76.63**	**24,792.00**	**70.84**	**28,283.22**	**68.18**	**74.48**
B	**Fees & Charges**																	
1	Building Fee & Development Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	142.08	0.47	150.00	0.43	1,262.49	3.05	0.49
2	Advances & Deposit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	151.25	0.37	0.05
3	Slaughter House Fee	0.30	0.04	7.35	0.04	5.31	0.02	0.00	0.00	2.15	0.01	4.31	0.01	2.00	0.01	1.70	0.00	0.02
4	Water & Sewerage Charges	1,834.15	8.45	2,251.08	11.78	1,871.62	8.77	2,432.57	7.97	2,250.19	7.18	2,624.67	8.77	2,000.00	5.71	2,358.16	5.70	8.04
5	Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	281.60	0.69	0.09
6	License fee u/s 343	121.81	0.56	89.00	0.45	56.78	0.45	108.91	0.41	141.83	0.45	0.00	0.00	0.00	0.00	112.05	0.27	0.32
7	Composition Fee octroi	802.71	3.70	307.22	1.54	308.13	1.44	300.19	1.12	304.65	0.97	487.67	1.64	330.00	0.86	580.98	1.40	1.58
8	Others Misc. Income	529.37	2.43	770.73	3.86	883.95	4.13	930.65	3.40	2,986.63	9.58	740.93	2.48	1,038.00	2.94	1055.03	0.25	3.63
	Sub-Total B	**3,295.98**	**15.18**	**3,525.38**	**17.66**	**3,163.81**	**14.83**	**3,852.92**	**12.90**	**5,685.45**	**18.15**	**3,999.16**	**13.37**	**3,480.00**	**9.94**	**4,856.26**	**11.74**	**14.22**
C	**Income from Municipal Property**																	-
1	Rent on Land & Markets (property)	25.65	0.12	18.14	0.09	20.15	0.09	13.45	0.04	13.75	0.04	34.37	0.05	20.00	0.06	34.63	0.08	0.07
2	Tehbazari	146.78	0.67	165.32	0.83	196.11	0.92	188.37	0.70	247.49	0.78	257.52	0.86	275.00	0.79	264.96	0.64	0.77
3	Sale of Property	195.70	0.90	124.77	0.63	209.16	0.98	92.95	0.35	55.27	0.18	56.39	0.19	50.00	0.14	1,563.58	3.78	0.98
4	Recovery of Loan	134.06	0.62	179.73	0.90	159.74	0.75	160.86	0.63	157.91	0.50	180.42	0.60	180.00	0.51	192.96	0.47	0.62
	Sub-Total C	**501.69**	**2.31**	**497.96**	**2.49**	**585.16**	**2.74**	**462.73**	**1.73**	**472.43**	**1.51**	**508.70**	**1.70**	**525.00**	**1.50**	**2,056.11**	**4.97**	**2.37**
D																		-
1	Devolution/Share of Taxes (Including INSURM)	1,193.35	5.29	26.25	0.13	0.00	0.00	968.87	3.62	2,240.65	7.16	1,345.48	4.50	5,000.00	14.29	5,565.42	13.45	6.30
2	HUDCO Loans	744.39	3.29	0.00	0.00	731.02	3.43	1,111.71	4.15	400.00	1.28	1,137.59	3.80	1,200.00	3.43	685.00	1.66	3.63
	Sub-Total D	**2,297.74**	**10.58**	**26.25**	**0.13**	**731.02**	**3.43**	**2,080.58**	**7.77**	**2,640.65**	**8.44**	**2,483.07**	**8.30**	**6,200.00**	**17.72**	**6,248.42**	**15.11**	**8.93**
																		-
	G-Total (A+B+C+D)	**21,713.48**	**100.00**	**15,965.69**	**100.00**	**21,331.57**	**100.00**	**26,770.78**	**100.00**	**31,324.89**	**100.00**	**29,918.90**	**100.00**	**34,997.00**	**100.00**	**41,364.01**	**100.00**	**100.00**

As shown in Table 1.2 Municipal Corporation Amritsar on an average collected 59.86 per cent from taxes i.e share of of vat/octroi, house tax, excise duty, advertisement tax, etc. Collection from fee and other charges i.e water supply sewerage bill, building fee, slaughter, scavenging fee, composition fee etc. were 21.41 per cent. The main revenue source of municipal corporation was octroi/vat share, which contributed 47.34 per cent to total revenue of the corporation. MC average annual house tax share was 6.97 per cent, water supply and sewerage share was 11.23 per cent. Average annual collection share from excise duty was 5.13 per cent and share of municipal property was 10.46 per cent.

Table : 1.2

REVENUE BUDGET OF MUNICIPAL CORPORATION AMRITSAR IN DIFFERENT YEAR (Rs. Lacs)

		2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		Overall Avg
		Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	
A	**Taxes**																	
1	Octroi /Share of VAT	4,261.55	55.85	4,837.82	54.23	4,655.70	52.87	4,801.71	24.83	4,562.43	42.05	5,501.99	25.86	6,344.60	52.41	7,339.64	50.62	44.84
2	Octroi on Electricity	255.00	3.34	236.00	2.65	250.00	2.84	256.45	1.33	243.23	2.24	274.02	1.29	362.37	3.00	477.73	3.29	2.50
3	House Tax	517.37	6.78	560.19	6.28	633.41	7.19	656.11	3.39	729.44	6.72	998.69	4.69	1,292.64	10.68	1,411.10	9.73	6.97
4	Excise Duty	158.57	2.08	161.81	1.99	171.41	1.95	2,310.71	11.95	1,393.11	12.84	624.52	2.94	218.40	1.80	814.86	5.62	5.13
5	Advertisement tax	6.99	0.09	9.41	0.11	11.37	0.13	18.71	0.10	55.97	0.50	120.84	0.57	112.36	0.93	102.65	0.71	0.35
6	Show / Entertainment Tax	2.92	0.04	2.72	0.03	2.59	0.03	3.27	0.02	3.04	0.03	0.47	0.00	0.49	0.00	0.11	0.00	0.02
7	Licence Fee Vehicle	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.96	0.08	0.01
	Total	**5,202.31**	**68.18**	**5,577.95**	**65.51**	**5,724.39**	**65.00**	**8,046.76**	**41.61**	**6,985.22**	**64.38**	**7,520.53**	**35.35**	**8,331.80**	**68.83**	**10,157.05**	**70.05**	**59.86**
B	**Fees & Charges**																	
1	Building Fee & Development Charges	141.15	1.85	140.90	1.65	157.27	1.79	259.88	1.34	465.86	4.29	388.85	1.83	164.75	1.36	1,597.47	11.02	3.14
3	Scavenging Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51.47	0.35	0.04
4	Slaughter House Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.09	0.03	0.00
5	Water & Sewerage Charges	841.86	11.03	1,372.16	16.11	1,442.27	16.38	1,719.80	8.89	1,051.07	9.69	1,215.03	5.71	1,426.35	11.78	1,480.39	10.21	11.23
6	Other fees of MIP public development charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	License fee u/s 343	7.11	0.09	5.80	0.07	7.05	0.08	10.50	0.05	16.40	0.15	18.55	0.09	19.32	0.16	19.33	0.13	0.10
8	Composition Fee	276.01	3.62	316.90	3.72	288.37	3.27	468.70	2.42	163.33	1.51	388.95	1.83	775.77	6.41	758.49	5.23	3.50
9	Road Cutting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44.34	0.31	0.04
10	Charges from Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47.30	0.33	0.04
11	Others Misc. Income	294.37	3.86	442.46	5.20	194.08	2.29	150.22	0.78	534.61	4.92	370.45	1.74	956.64	7.74	1.50	0.01	3.31
	Total	**1,560.50**	**20.45**	**2,278.19**	**26.76**	**2,089.04**	**23.72**	**2,609.10**	**13.49**	**2,230.67**	**20.56**	**2,381.83**	**11.20**	**3,323.03**	**27.45**	**4,004.28**	**27.62**	**21.41**
C	**Income from Municipal Property**																	
1	Rent on Land & Markets (property)	94.10	1.23	126.15	1.48	122.31	1.39	101.12	0.52	102.94	0.95	106.40	0.50	110.13	0.91	96.98	0.67	0.96
2	Tehbazari	75.44	0.99	77.92	0.92	77.10	0.88	77.18	0.40	92.77	0.86	100.74	0.47	90.17	0.74	102.52	0.71	0.74
3	Sale of Property	202.32	2.65	434.75	5.24	393.04	3.64	5,205.52	47.96	411.48	3.79	473.10	2.22	250.40	2.07	139.19	0.96	8.75
4	Recovery of Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**371.83**	**4.87**	**638.86**	**7.74**	**953.37**	**11.28**	**5,684.80**	**44.00**	**607.19**	**5.60**	**680.24**	**3.20**	**450.70**	**3.72**	**338.69**	**2.34**	**10.46**
D	**Loans**																	
1	Devolution/Share of Taxes (including INSURM)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	689.58	3.24	0.00	0.00	0.00	0.00	0.45
2	Grants for Punjab Govt	495.23	6.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	47.01	0.00	0.00	0.00	0.00	6.69
3	External Dev. Fund (PUDA)	0.00	0.00	-	0.00	0.00	0.00	0.00	0.00	1026.21	9.46	0.00	0.00	0.00	0.00	0.00	0.00	1.18
	Total	**495.23**	**6.49**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,026.21**	**9.46**	**10,689.58**	**50.25**	**0.00**	**0.00**	**0.00**	**0.00**	**8.28**
	Grand TOTAL	**7,629.87**	**100.00**	**8,515.00**	**100.00**	**8,806.79**	**100.00**	**19,340.66**	**100.00**	**10,849.29**	**100.00**	**21,272.18**	**100.00**	**12,105.53**	**100.00**	**14,500.02**	**100.00**	**100.00**

As shown in Table 1.3 Municipal Corporation Jalandhar on an average collected 66.96 from taxes i.e share of of vat/octroi, house tax, excise duty, advertisement tax, etc. Collection from fee and other charges i.e water supply sewerage bill, building fee, slaughter, scavenging fee, composition fee etc. was 17.02 per cent. The main revenue source of Municipal Corporation was octroi/vat share which contributed 52.61 per cent to total revenue. MC average annual house tax share was 8.94 per cent, water supply and sewerage share was 8.84 per cent. Average annual collection share from excise duty was 3.77 per cent and share of municipal property was 8.74 per cent.

Table-1.3

REVENUE BUDGET OF MUNICIPAL CORPORATION JALANDHAR IN DIFFERENT YEAR (Rs. Lacs)

		2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		Overall Avg.
		Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	
A	**Taxes**																	
1	Octroi Share of VAT	4,921.26	67.12	5,094.31	57.29	5,682.22	55.86	7,753.67	58.08	5,695.90	41.09	6,407.69	52.68	7,656.23	28.29	8,194.27	43.74	49.73
2	Octroi on Electricity	219.14	3.00	290.80	3.27	223.06	2.21	368.33	2.82	314.13	2.27	350.18	2.88	686.09	2.53	828.41	4.85	2.87
3	Excise Duty	66.03	0.90	167.26	1.88	115.63	1.14	1,071.56	9.01	1,494.85	10.78	391.65	3.22	72.49	0.27	583.38	2.91	3.77
4	House Tax	703.80	9.63	828.45	9.32	916.38	9.01	932.49	7.84	1,097.91	7.92	1,503.12	12.36	1,611.07	5.93	1,633.61	9.52	8.94
11	Adv. Tax	3.50	0.05	5.14	0.06	7.37	0.07	33.63	0.28	240.23	1.73	509.59	4.19	406.63	1.50	465.91	2.35	1.28
13	Entertainment/Show tax	1.93	0.03	2.12	0.02	2.04	0.02	1.88	0.02	3.33	0.02	1.70	0.01	0.50	0.00	-	0.00	0.02
8	Licence Fee Vehicle	30.00	0.41	36.36	0.41	38.10	0.38	46.84	0.35	49.43	0.36	51.01	0.42	83.96	0.16	50.04	0.29	0.35
	Total	**5,945.66**	**81.33**	**6,424.44**	**72.25**	**6,898.64**	**68.29**	**8,041.95**	**67.65**	**8,895.40**	**64.17**	**9,214.54**	**75.76**	**10,476.94**	**38.59**	**11,613.62**	**67.67**	**66.96**
B	**Fees & Charges**																	
7	Building App Fee	98.40	1.35	68.28	0.77	71.13	0.70	151.78	1.28	733.00	5.29	547.66	4.50	513.14	1.89	521.66	3.04	2.35
16	Development Charges	92.51	1.27	30.62	0.34	23.19	0.23	135.28	1.29	321.44	2.32	202.13	1.66	172.92	0.64	-	0.00	0.97
6	Composition Fee	152.91	2.09	136.16	1.53	258.49	2.56	307.11	4.25	998.91	7.21	550.48	4.52	512.92	1.89	549.09	3.20	3.41
21	Water Supply	602.97	8.25	776.88	8.74	850.33	8.42	1,257.05	10.57	1,143.90	8.25	1,282.02	10.54	1,584.15	5.85	1,718.55	10.13	8.84
14	Others Misc.	13.26	0.18	3.53	0.04	44.94	0.44	36.06	0.34	44.24	0.32	52.02	0.43	65.78	0.24	38.08	0.22	0.25
18	Road cutting	136.46	1.87	282.43	3.18	23.68	0.23	417.89	3.52	14.19	0.10	38.78	0.32	86.27	0.32	4.66	0.03	1.19
	Total	**1,096.51**	**15.00**	**1,297.92**	**14.60**	**1,271.36**	**12.59**	**2,503.27**	**21.06**	**3,255.68**	**23.49**	**2,673.09**	**21.98**	**2,935.18**	**10.81**	**2,852.04**	**16.62**	**17.02**
C	**Income From Municipal Property.**																	
9	Tehbazari	72.72	0.99	57.72	0.65	59.53	0.59	89.83	0.76	45.36	0.33	57.10	0.47	60.78	0.22	28.86	0.17	0.52
10	Rent on Land	70.00	0.96	42.30	0.48	47.08	0.47	40.20	0.34	43.43	0.30	41.23	0.34	40.26	0.15	36.80	0.21	0.41
15	Sale of Property	46.17	0.63	955.99	10.74	1,673.00	16.56	464.12	3.90	180.66	1.30	15.01	0.12	3,829.24	11.16	33.42	0.19	5.58
12	Vehicle Tax	9.18	0.13	9.81	0.11	11.73	0.12	11.36	0.10	12.43	0.09	12.48	0.10	12.61	0.05	13.64	0.08	0.10
17	Earnest Money	63.95	0.87	94.10	1.06	132.13	1.31	200.46	1.69	259.69	1.87	78.58	0.65	304.97	1.12	115.77	0.67	1.16
19	Interest	3.29	0.05	6.69	0.08	8.59	0.09	79.31	0.67	30.99	0.31	70.22	0.58	283.49	1.04	823.64	4.80	0.98
20	suspense	3.08	0.04	4.18	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
	Total	**268.39**	**3.67**	**1,170.09**	**13.16**	**1,932.10**	**19.13**	**885.88**	**7.45**	**610.48**	**4.40**	**274.58**	**2.26**	**3,731.35**	**13.74**	**1,052.13**	**6.13**	**8.74**
D																		
22	Devolution/ Share of Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	700.00	5.05	0.00	0.00	0.00	0.00	398.48	2.32	3.92
23	Loan	0.00	0.00	0.00	0.00	0.00	0.00	457.24	3.85	400.00	2.89	0.00	0.00	10,007.00	36.86	1,246.51	7.26	6.36
	Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**457.24**	**3.85**	**1,100.00**	**7.94**	**0.00**	**0.00**	**10,007.00**	**36.86**	**1,644.99**	**9.58**	**7.28**
	Grand Total	**7,310.56**	**100.00**	**8,892.45**	**100.00**	**10,102.10**	**100.00**	**11,888.34**	**100.00**	**13,861.56**	**100.00**	**12,162.61**	**100.00**	**27,150.47**	**100.00**	**17,162.78**	**100.00**	**100.00**

As shown in Table 1.4 in case of Municipal Corporation Patiala (MCP) on an average collected 63.37 per cent from taxes i.e share of of vat/octroi, house tax, excise duty, advertisement tax, etc. Collection from fee and other charges i.e water supply sewerage bill, building fee, slaughter, scavenging fee, composition fee etc. was 27.70 per cent. The main revenue source of Municipal Corporation was octroi/vat share, which contributed 42.93 per cent to the total revenue. MC average annual house tax share was 15.55 per cent, water supply and sewerage share was 14.23 per cent. Average annual collection share from excise duty was 4.57 per cent and share of municipal property was 8.93 per cent.

Table-1.4

REVENUE BUDGET OF MUNICIPAL CORPORATION PATIALA IN DIFFERENT YEAR (Rs. Lacs)

		2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		Avg %
		Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	Rs.	Per cent	
A	Taxes																	
1	Octroi Share of VAT	1,119.83	46.02	1,133.11	46.70	1,219.43	47.69	1,419.34	42.83	1,397.75	39.13	1,568.51	53.87	1,732.64	21.05	2012.65	41.66	39.83
2	Octroi on Electricity	81.38	3.33	74.95	3.09	70.23	2.56	91.51	2.74	127.00	3.56	95.08	2.05	173.67	2.11	246.35	5.10	3.10
3	House Tax	416.93	16.94	404.52	16.67	358.30	13.57	489.49	14.67	581.07	16.27	623.09	13.46	891.96	10.83	1,079.83	22.35	15.55
4	Excise Duty	46.08	1.83	63.43	2.48	97.23	3.49	216.57	6.48	494.81	13.01	231.54	5.00	69.08	0.60	178.67	3.66	4.57
5	Advertisement tax		-		-		-		-		-		-	89.33	1.09	67.43	1.40	0.31
6	Show / Entertainment Tax		-		-		-		-		-		-	3.04	0.04	2.07	0.04	0.03
8	Parking Fee		-		-		-		-		-		-		-		-	-
	Sub-Total A	**1,704.19**	**67.62**	**1,673.01**	**68.94**	**1,788.25**	**67.72**	**2,216.71**	**66.42**	**2,570.63**	**71.96**	**2,517.98**	**54.38**	**2,910.72**	**35.71**	**3,585.10**	**74.21**	**63.37**
B	**Fees & Charges**		-		-		-		-		-		-		-		-	-
1	Building Fee & Development Charges	168.50	6.69	109.29	4.50	202.69	7.68	341.85	10.30	341.58	9.56	529.04	11.43	476.12	5.84	496.91	10.29	8.20
2	Advances & Deposit		-		-		-		-		-		-		-		-	-
3	Fees on Dead Animals		-		-		-		-		-		-	5.44	0.07	7.98	0.16	0.03
4	Water & Sewerage Charges	316.01	20.51	530.54	21.84	538.96	20.41	549.46	16.48	363.27	10.17	403.01	8.70	860.69	8.89	690.90	10.16	14.23
5	Interest		-		-		-		-		-		-		-		-	-
6	Licence fee u/s 123/197/188		-		-		-		-		-		-	21.21	0.26	24.47	0.51	0.10
7	Composition Fee octroi		-		-		-		-		-		-		-		-	-
8	Others Misc. Income / Road Cutting/Slaughter House/Lib	57.72	2.29	43.26	1.78	63.97	2.35	79.91	2.39	205.27	5.75	1,089.60	23.53	93.45	0.95	101.18	2.09	5.09
	Sub-Total B	**743.09**	**29.48**	**682.91**	**28.14**	**803.62**	**30.43**	**973.22**	**29.16**	**910.32**	**25.48**	**2,021.65**	**43.66**	**988.82**	**12.01**	**1,121.40**	**23.21**	**27.70**
C	**Income from Municipal Property**		-		-		-		-		-		-		-		-	-
1	Rent on Land & Markets (property)	12.28	0.49	12.19	0.50	17.23	0.65	11.56	0.35	20.99	0.59	59.03	1.27	23.77	0.29	31.20	0.65	0.60
2	Tehbazari		-		-		-		-		-		-	8.70	0.11	10.67	0.22	0.04
3	Sale of Property	60.72	2.41	58.58	2.41	31.43	1.20	138.75	4.07	70.32	1.97	31.64	0.68	4,271.50	51.89	82.36	1.70	8.29
4	Recovery of Loan		-		-		-		-		-		-		-		-	-
	Sub-Total C	**73.00**	**2.90**	**70.69**	**2.91**	**48.86**	**1.85**	**147.31**	**4.41**	**91.31**	**2.56**	**90.67**	**1.96**	**4,303.97**	**52.28**	**124.23**	**2.57**	**8.93**
																		-
	G-Total (A+B+C+D)	**2,520.28**	**100.00**	**2,426.61**	**100.00**	**2,640.73**	**100.00**	**3,337.24**	**100.00**	**3,572.26**	**100.00**	**4,630.30**	**100.00**	**8,232.51**	**100.00**	**4,830.83**	**100.00**	**100.00**

maximum share from taxes as compared to other corporations. On an average Ludhiana collected 74.48 per cent followed by Jalandhar 66.96 per cent, Patiala 63.37 per cent and Amritsar 59.86 per cent. In the collection of fee and charges Patiala earned maximum revenue with 27.70 per cent followed by Amritsar 21.41, Jalandhar 17.02 and Ludhiana 14.22 per cent.

Expenditure Pattern In Selected Municipal Corporations In Punjab

All municipal corporations have to spend major revenue on establishment. The excessive expenditure on staff is due to unplanned expenditure on ad hoc and temporary workforce for sanitation, roads, water supply etc. For all municipal corporation annual share of expenditure on establishment remained 40 to 60 per cent during the study period. Department of local bodies Punjab is pressurizing corporations to cut down non development expenditure.

As shown in Table 2.1 Municipal Corporation Ludhiana spent on an average annually 46.72 per cent on establishment and contingency of the budget. MCL spent 9.35 per cent on other committed expenditure i.e energy bill, wheat loan, computerization etc. MCL spent on an average 42.60 per cent as non-committed expenditure i.e roads 16.68 per cent, street light 3.04 per cent, parks 1.77 per cent, bridges 7.44 per cent and on street and drain 7.71 per cent. MC spent on an average 1.33 per cent on capital expenditure for acquisition of land and machinery etc.

Table-2.1

EXPENDITURE OF MUNICIPAL CORPORATION LUDHIANA IN DIFFERENT YEARS

Sr. No.	Items	2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		Overall Percentage
a)	Committed Expenditure	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	
1	Establishment	5,706.52	40.84	6,130.23	44.11	7,040.95	44.99	7,320.09	37.09	8,201.18	39.49	9,100.00	44.06	10,250.00	34.24	11,065.00	43.72	40.51
2	Contingency	924.29	6.58	972.49	7.00	1,110.42	7.10	1,129.97	5.72	1,229.80	6.07	1,350.00	6.50	1,600.00	5.34	1,596.01	6.31	6.21
	TOTAL	6,630.81	47.22	7,102.72	51.11	8,151.37	52.09	8,450.06	42.81	9,460.98	45.56	10,500.00	50.56	11,850.00	39.58	12,661.01	50.03	46.72
b)	Other Committed Expenditure																	
1	Energy Bill of Street Light	883.75	6.33	1,405.93	10.36	1,380.57	8.82	1,523.54	7.72	1,720.91	8.29	1,900.00	9.52	2,165.00	7.23	2,057.80	8.13	8.22
2	Computerization	6.24	0.04	6.55	0.05	17.00	0.11	11.99	0.06	16.96	0.08	16.00	0.08	200.00	0.67	6.55	0.03	0.17
3	Other Misc. Expenditure	297.00	2.12	175.15	1.26	124.13	0.79	25.71	0.13	30.40	0.15	2.00	0.01	10.00	0.03	11.12	0.04	0.42
4	Wheat Loan	92.08	0.66	86.98	0.62	86.96	0.56	83.94	0.44	86.96	0.42	135.92	0.64	110.00	0.38	140.18	0.55	0.54
	TOTAL	1,284.05	9.14	1,708.61	12.29	1,608.66	10.28	1,647.18	8.35	1,849.03	8.90	2,125.92	10.24	2,525.00	8.43	2,215.65	8.75	9.35
c)	Non Committed Expenditure																	
1	Roads	1,884.80	13.42	2,089.01	15.02	2,850.77	18.22	2,975.21	15.07	3,188.14	15.33	3,700.00	17.82	6,014.32	20.89	4,007.51	15.82	16.68
2	Bridges	1,745.87	12.43	762.30	5.49	612.44	3.91	2,601.18	13.18	2,312.43	11.14	501.05	2.41	1,100.00	3.67	2,276.45	8.99	7.44
3	Streets & Drains	1,116.42	7.95	1,094.23	7.87	1,068.45	6.83	1,617.72	8.20	1,831.43	8.82	2,250.00	10.84	2,500.00	8.35	868.10	3.41	7.71
4	Street Light	576.25	4.10	499.69	3.60	478.13	3.06	831.82	4.21	609.09	2.93	725.00	3.49	750.00	2.51	394.78	1.56	3.04
5	Parks	240.65	1.71	185.92	1.34	240.47	1.58	546.15	2.77	366.03	1.76	364.00	1.66	750.00	2.51	147.38	0.58	1.77
6	Slum Improvement	218.82	1.56	148.26	1.07	84.67	0.54	308.68	1.56	551.12	2.65	250.00	1.20	2,750.00	9.19	2,060.75	8.18	3.99
7	MC Building	276.99	1.97	232.04	1.67	128.23	3.20	755.97	3.83	468.85	2.25	150.00	0.72	200.00	0.67	44.82	0.18	1.67
8	Solid waste Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	1.67	0.00	0.00	0.31
	TOTAL	6,059.71	43.16	5,011.45	36.06	5,869.18	37.51	9,636.65	48.82	9,347.49	45.01	7,920.05	38.14	14,564.32	48.65	9,804.28	38.74	42.60
d)	Capital Expenditure																	0.00
a)	Purchase of Machinery	69.12	0.43	74.68	0.54	19.52	0.12	4.57	0.02	99.67	0.48	200.00	0.96	500.00	1.67	607.11	2.40	0.98
b)	Acquisition of Land	7.04	0.05	0.00	0.00	0.00	0.00	0.00	0.00	5.82	0.03	20.00	0.10	500.00	1.67	22.26	0.09	0.35
	TOTAL	67.16	0.48	74.68	0.54	19.52	0.12	4.57	0.02	105.49	0.53	220.00	1.06	1,000.00	3.34	629.37	2.49	1.33
	GRAND TOTAL	14,041.72	100.00	13,897.46	100.00	15,648.73	100.00	19,738.46	100.00	20,766.99	100.00	20,765.97	100.00	29,939.32	100.00	25,310.31	100.00	100.00

As shown in Table 2.2 Municipal Corporation Amritsar spent on an average annually 69.25 per cent on establishment and contingency of the budget. MCA spent 3.05 per cent on other committed expenditure i.e. energy bill, loan to employee and interest etc. MC spent on an average 27.23 per cent as non-committed expenditure i.e roads 3.36 per cent, water supply and sewerage 9.26 per cent, parks 1.14 per cent, bridges 3.11 per cent and on street and drain 4.11 per cent. MC spent on an average 0.47 per cent on capital expenditure for purchase of machinery etc.

Table-2.2

EXPENDITURE OF MUNICIPAL CORPORATION AMRITSAR IN DIFFERENT YEARS

Sr. No.	Items	2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		Overall Percentage
a)	Committed Expenditure	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	
1	Establishment	4,579.47	33.63	4,514.71	40.10	5,049.70	34.50	5,455.05	40.62	5,647.80	36.75	6,081.28	32.37	7,334.07	40.51	6,226.66	38.14	39.72
2	Contingency	1,370.97	11.40	1,482.77	20.69	1,913.00	26.69	2,386.79	26.46	2,400.15	19.62	2,592.24	19.33	2,417.44	20.09	1,435.05	12.71	18.94
	TOTAL	5,950.44	93.354	5,997.48	68.27	6,962.70	75.19	7,841.92	67.03	8,047.95	52.37	8,673.52	71.71	9,521.51	81.10	7,661.91	67.85	69.25
b)	Other Committed Expenditure																	
1	Repayment of Loans	103.33	1.61	111.93	1.18	172.92	1.09	0.00	0.00	3.95	0.03	0.00	0.00	39.39	0.34	0.00	0.00	0.49
2	Interest on overdraft	37.42	0.46	24.34	0.26	34.87	0.38	28.39	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14
3	Street Light Elec. Bill	55.13	0.78	296.87	3.47	328.66	3.55	0.00	0.00	462.46	3.01	242.90	1.96	227.29	1.94	369.72	3.27	2.24
4	Loan to employee	27.02	0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.93	0.05	0.00	0.00	0.00	0.00	0.04
5	DSS/EEH	9.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	1.01	5.00	0.04	0.00	0.00	0.03
	TOTAL	216.90	2.95	432.24	4.61	537.45	5.50	28.29	0.24	467.46	3.04	374.49	3.03	271.78	2.31	369.72	3.27	3.09
c)	Non Committed Expenditure																	
1	Bridge	109.46	1.49	3.09	0.03	0.00	0.00	0.00	0.00	1,375.00	8.95	1,262.93	10.20	0.00	0.00	0.00	0.00	3.11
2	Water Improvement	32.33	0.44	66.70	0.71	96.52	1.04	193.54	1.65	734.35	4.78	177.95	1.44	183.90	1.57	156.19	1.21	1.83
3	Sanitation/Streets/Mohalla Sudhar committee	61.80	0.84	136.70	1.39	121.53	1.31	172.72	1.50	84.29	0.55	299.28	2.42	412.15	3.51	398.23	3.54	1.88
4	Water Drainage	92.14	1.25	375.45	4.01	301.03	3.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.87
5	Roads	0.00	0.00	0.00	0.00	0.00	0.00	686.72	5.87	1,838.63	10.79	266.61	2.15	183.48	1.60	169.57	1.50	3.36
6	Public Toilet & Urinal	0.00	0.00	0.70	0.01	0.93	0.01	2.00	0.01	4.00	0.03	7.92	0.05	7.68	0.03	0.49	0.00	0.03
7	Parks	401.28	1.43	42.46	0.45	34.28	0.37	81.37	0.70	61.20	0.40	57.70	0.47	289.64	2.47	332.99	2.90	1.14
8	Swimming Pool	0.00	0.00	11.91	0.13	12.15	0.13	0.93	0.01	6.37	0.04	0.00	0.00	0.45	0.00	0.00	0.00	0.04
9	Gym Nimak Bhawan	1.97	0.03	1.59	0.02	6.85	0.07	15.93	0.13	5.15	0.03	1.89	0.02	0.72	0.01	0.78	0.01	0.04
10	Gymnasium/Wrestling stadium	0.00	0.00	0.00	0.00	2.87	0.03	1.06	0.01	0.00	0.00	0.00	0.00	0.23	0.00	0.00	0.00	0.00
11	Streets & Drains	498.14	3.50	299.40	3.20	219.68	2.37	660.72	5.65	3,000.02	7.09	430.74	3.83	370.36	3.19	357.80	3.32	4.11
12	MC Building	39.02	0.26	61.28	0.70	113.33	1.22	88.14	0.75	80.48	0.26	109.77	0.89	49.93	0.43	46.37	0.41	0.60
13	Bunds/Rakhabas Stand	280.71	0.25	0.00	0.00	0.00	0.00	450.14	3.88	5.95	0.04	10.00	0.08	0.00	0.00	0.00	0.00	0.56
14	Water Supply & Sewerage	149.06	2.03	1,489.93	15.96	807.10	8.71	1,317.15	11.36	1,722.14	11.31	474.67	3.84	433.38	3.69	1,398.86	15.51	9.26
	TOTAL	1,152.69	15.70	2,489.01	26.56	1,716.30	19.18	3,663.63	31.29	6,786.58	44.16	3,105.57	25.10	1,931.26	16.45	3,242.97	29.71	27.13
d)	Capital Expenditure																	
1	Purchase of Machinery	22.20	0.30	31.81	0.34	48.55	0.52	168.27	1.44	66.13	0.43	21.49	0.17	15.66	0.13	18.48	0.16	0.47
	TOTAL	22.20	0.30	31.81	0.33	48.55	0.52	168.27	1.44	66.13	0.43	21.49	0.17	15.66	0.13	18.48	0.16	0.47
	GRAND TOTAL	7,342.31	100.00	9,370.54	100.00	9,265.00	100.00	11,699.69	100.00	15,368.12	100.00	12,375.03	100.00	11,740.07	100.00	11,292.68	100.00	100.00

As shown in Table 2.3 Municipal Corporation Jalandhar spent on an average annually 41.97 per cent on establishment and contingency of the budget. MCJ spent 13.27 per cent on other committed expenditure i.e. energy bill, loan to employee and interest etc. MC spent on an average 42.93 per cent as non-committed expenditure i.e roads 14.43 per cent, water supply and sewerage 21.75 per cent, parks 0.89 per cent, dairy complex 0.26 per cent and on drain 0.27 per cent. MC spent on an average 1.82 per cent on capital expenditure for purchase of machinery etc.

Table-2.3

EXPENDITURE OF MUNICIPAL CORPORATION JALANDHAR IN DIFFERENT YEARS

Sr. No.	Items	2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		Overall Percentage
a)	Committed Expenditure	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	
1	Establishment	3,257.80	41.33	3,301.09	37.96	3,908.05	42.21	4,043.76	35.68	4,259.08	30.79	4,529.32	30.20	5,130.68	33.70	6,000.99	32.95	36.25
2	Contingency	480.21	6.09	831.50	9.56	527.41	5.85	722.78	5.86	877.04	6.34	868.32	6.00	1,215.19	8.13	1,052.79	5.69	6.72
	TOTAL	3,738.10	52.12	4,133.25	47.50	4,335.46	48.06	4,819.60	34.49	5,136.72	37.04	5,397.84	41.80	6,387.57	41.75	7,352.73	38.64	41.97
b)	Other Committed Expenditure																	0.00
1	Elect. Bills Street Light	522.60	7.13	653.95	7.51	681.75	7.56	798.07	6.37	817.26	5.90	868.13	6.70	950.75	6.24	1043.89	5.62	6.44
2	Misc Expenditure	349.99	4.80	670.49	7.77	7.22	0.08	896.90	7.16	1,239.81	9.20	738.84	5.62	1,015.88	6.80	1,181.89	6.38	6.27
3	Damoria Pull Expenses	0.00	0.00	425.89	4.89	90.77	0.54	45.95	0.35	51.53	0.37	0.17	0.00	0.00	0.00	0.00	0.00	0.50
4	Interest on Repayment of Loan	0.00	0.00	0.00	0.00	0.00	0.00	5.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL	872.60	11.97	1,750.25	20.18	719.99	7.98	1,741.93	13.91	2,143.76	15.48	1,595.15	12.34	1,966.23	13.03	2,225.89	12.01	13.27
c)	Non Committed Expenditure																	
1	Roads	852.31	11.70	723.11	8.33	949.87	10.53	1,736.01	13.87	2,719.66	19.63	1,764.18	13.65	2,653.19	17.61	2825.87	15.32	14.43
2	Parks/Stadium	39.29	0.54	55.63	0.64	10.79	0.12	171.14	1.37	295.43	2.13	74.67	0.57	81.73	0.54	162.76	0.88	0.89
3	Drains	16.21	0.22	12.12	0.14	40.41	0.45	27.42	0.22	40.40	0.36	15.75	0.10	91.74	0.60	47.66	0.26	0.27
4	MC Buildings	15.83	0.22	5.18	0.06	95.98	1.06	211.81	1.69	140.45	1.01	131.19	1.02	229.64	1.52	179.28	0.97	1.06
5	Public Toilet	0.00	0.00	0.29	0.00	5.46	0.02	1.38	0.01	0.00	0.00	0.07	0.00	0.13	0.00	0.00	0.00	0.00
6	Staff Houses	2.10	0.04	0.11	0.00	1.64	0.02	12.95	0.10	7.15	0.05	3.16	0.02	2.20	0.02	8.12	0.04	0.04
7	Dairy Complex	41.75	0.53	69.72	0.82	31.16	0.34	33.42	0.25	43.13	0.31	54.00	0.41	0.00	0.00	0.00	0.00	0.26
8	Slum Improvement	3.87	0.05	93.99	1.08	35.21	0.43	244.90	1.90	298.81	2.16	351.39	2.67	204.90	1.34	0.00	0.00	1.27
9	Street Light	130.68	2.07	187.81	2.16	267.06	2.96	392.93	2.42	495.43	3.58	301.62	2.08	541.62	3.55	568.68	3.07	2.96
10	Water Supply & Sewerage	1,153.94	15.83	1,333.00	15.55	2,048.54	22.73	3,097.59	24.34	2,510.23	18.16	3,095.97	23.52	2,899.19	18.76	5263.65	28.47	21.75
	TOTAL	2,267.09	31.11	3,481.47	28.06	3,477.64	38.55	5,932.65	46.59	6,564.73	47.39	5,828.01	44.21	6,894.14	43.92	9094.29	49.13	43.93
d)	Capital Expenditure																	0.00
1	Purchase of Machinery / Vehicles	0.00	0.00	21.62	0.25	67.39	0.75	30.79	0.24	33.45	0.19	227.89	1.73	164.71	1.06	43.47	0.23	0.58
2	Purchase of Land	340.90	4.80	349.85	4.02	430.81	4.60	91.58	0.70	0.10	0.00	0.00	0.00	9.23	0.05	0.00	0.00	1.24
	TOTAL	349.99	4.80	371.47	4.27	498.71	5.42	125.82	1.00	13.55	0.10	227.89	1.73	172.74	1.12	43.47	0.23	1.82
	GRAND TOTAL	7,227.86	100.00	8,702.44	100.00	9,021.80	100.00	12,619.96	100.00	13,852.76	100.00	13,152.89	100.00	15,240.68	100.00	18,713.38	100.00	100.00

As shown in Table 2.4 Municipal Corporation Patiala spent on an average annually 50.49 per cent on establishment and contingency of the budget. MCP spent 17.48 per cent on other committed expenditure i.e energy bill, interest on loan, computerization etc. MC spent on an average 31.86 per cent as non-committed expenditure i.e roads 9.55 per cent, water supply and sewerage 16.95 per cent, parks 0.45 per cent, streets & drains 1.27 per cent. MC spent on an average 0.18 per cent on capital expenditure for purchase of machinery etc.

Table-2.4

EXPENDITURE OF MUNICIPAL CORPORATION PATIALA IN DIFFERENT YEARS

Sr. No.	Items	2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		Overall Percentage
a)	Committed Expenditure	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	Rs. (Lacs)	Per cent	
1	Establishment	1,298.30	55.15	1,571.36	57.96	1,517.69	56.82	1,811.06	54.38	1,963.70	53.73	2,087.60	44.91	2,251.44	36.47	2,734.39	41.17	47.82
2	Contingency	102.98	4.06	102.09	4.32	138.58	5.19	216.33	6.50	294.61	8.19	31.42	0.68	63.41	1.01	159.70	2.40	3.47
	TOTAL	1,501.36	59.24	1,473.47	62.28	1,656.27	62.00	2,027.39	60.88	2,717.31	61.93	2,079.12	44.68	2,314.85	37.50	2,894.40	43.58	50.49
b)	Other Committed Expenditure																	0.00
1	Energy Bill of Street Light	193.44	7.63	232.13	9.81	253.82	9.50	330.33	9.92	385.00	10.59	359.06	7.72	209.47	3.39	395.93	5.96	7.24
2	Computerization	6.30	0.25	5.94	0.25	1.85	0.07	4.40	0.13	0.00	0.00	5.02	0.06	10.03	0.16	10.34	0.16	0.13
3	NCR Projects (int. Interest)	0.00	0.00	0.00	0.00	65.00	2.43	140.00	4.20	0.00	0.00	253.66	5.48	791.55	12.82	856.61	12.88	6.77
4	PF/Bank Loan	26.00	1.03	4.00	0.17	0.00	0.00	14.23	0.42	0.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00	0.14
5	Loan to Employee	8.00	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Interest payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	LIC/HUDCO Loan	26.23	1.00	11.36	0.44	10.32	0.38	0.00	0.00	19.33	0.54	0.00	0.00	392.63	13.84	123.37	1.84	3.07
	TOTAL	260.02	10.26	253.63	10.72	330.89	12.39	488.96	14.68	404.57	11.13	626.68	13.47	1,303.65	29.22	1,426.25	21.47	17.48
c)	Non Committed Expenditure																	
1	Roads	163.17	6.44	58.67	2.45	41.36	1.56	137.09	4.12	134.63	3.70	676.11	18.74	730.40	11.35	940.99	14.26	9.55
2	Slum Improvement	9.31	0.37	8.00	0.21	4.32	0.16	2.33	0.07	0.00	0.00	0.00	0.00	220.00	3.32	0.00	0.00	0.75
3	Bridges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Drains & Drains	61.53	2.43	25.00	1.00	24.57	0.92	32.09	0.96	31.00	0.86	77.53	1.67	75.70	1.23	74.57	1.13	1.27
5	Street Light	18.04	1.50	48.63	2.06	59.79	2.24	31.37	0.95	13.68	0.38	14.17	0.30	10.00	0.16	115.56	1.74	1.06
6	Parks	15.36	0.61	9.57	0.45	15.87	0.74	7.40	0.19	0.00	0.00	0.91	0.19	21.00	0.34	64.67	0.97	0.45
7	Parking/Flyover	13.00	1.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10
8	MC Buildings	3.92	0.15	0.00	0.00	0.00	0.00	0.00	0.00	53.33	1.47	11.68	0.25	9.81	0.15	7.15	0.11	0.27
9	Water Supply and Sewerage	366.80	14.47	417.08	19.32	481.14	18.01	559.44	16.80	726.90	19.98	889.13	19.11	911.89	14.77	1,031.47	15.52	16.95
10	Misc. Expenditure	3.21	0.28	4.96	0.21	8.70	0.33	4.00	0.12	1.47	0.04	22.93	0.48	75.89	1.20	31.62	0.48	0.48
11	Short	49.10	1.96	28.43	1.20	39.79	1.49	38.77	1.15	44.56	1.23	49.37	1.06	47.29	0.77	60.37	0.61	1.05
	TOTAL	747.89	29.51	627.66	26.95	679.15	25.42	808.20	24.27	1,009.29	27.78	1,847.51	41.85	2,051.96	33.27	2,312.43	34.82	31.86
d)	Capital Expenditure																	
1	Purchase of Machinery	25.21	0.99	1.12	0.05	4.97	0.19	5.84	0.18	10.76	0.30	0.00	0.00	6.75	0.11	5.89	0.13	0.18
2	Acquision of Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL	25.21	0.99	1.12	0.05	4.97	0.19	5.84	0.18	10.76	0.30	0.00	0.00	6.75	0.11	5.89	0.13	0.18
	GRAND TOTAL	2,534.48	100.00	2,365.88	100.00	2,671.28	100.00	3,330.37	100.00	3,636.91	100.00	4,653.31	100.00	6,173.21	100.00	6,641.97	100.00	100.00

Thus on an average maximum relative expenditure on establishment/contigency was done by Amritsar 69.25 per cent followed by Patiala 50.49 Ludhiana 46.72 per cent, and Jalandhar 41.97 per cent. On other committed expenditure Patiala spent maximum i.e 17.48 per cent followed by Jalandhar 13.27 per cent, Ludhiana 9.35 per cent and Amritsar 3.05 per cent. However after meeting the other committed expenditure, the non comimitted expenditure, which was mostly development in nature was done maximum by Jalandhar with 42.93 per cent followed by Ludhiana 42.60, Patiala 31.86 and Amritsar 27.23 per cent.

In order to neutralize the effect of population, the revenue and expenditure figures for different corporations were worked out on

per capita basis and are shown in Table 3 for the entire period under study. On an average municipal corporation Ludhiana collect maximum per capita revenue i.e Rs. 1645.49 followed by Jalandhar Rs. 1585, Amritsar 1108.17 and Patiala 1080.36. But on aspect of per capita expenditure Jalandhar spent maximum i.e Rs. 1444.56 followed by Ludhiana Rs. 1192.64, Patiala Rs. 1072.97 and Amritsar 932.06.

Table-3
PER CAPITA REVENUE & EXPENDITURE (AT CURRENT PRICES) IN SELECTED MUNICIPAL CORPORATIONS IN PUNJAB (Rs.)

Year	Ludhiana		Amritsar		Jalandhar		Patiala	
	Revenue at Current Prices	Expendiure at Current Prices	Revenue at Current Prices	Expendiure at Current Prices	Revenue at Current Prices	Expendiure at Current Prices	Revenue at Current Prices	Expendiure at Current Prices
2002-03	1499.54	969.73	750.58	722.28	1004.20	1001.07	759.31	763.61
2003-04	1128.36	924.63	803.43	884.15	1175.09	1149.99	711.46	693.66
2004-05	1367.29	1003.02	797.00	838.47	1284.83	1147.44	753.45	762.16
2005-06	1653.10	1218.84	1678.79	1015.55	1455.26	1532.56	926.59	924.68
2006-07	1863.49	1235.41	903.25	1279.45	1633.11	1632.08	965.20	982.67
2007-08	1714.70	1190.13	1698.64	988.19	1379.17	1491.45	1217.48	1223.55
2008-09	1740.16	1653.05	927.16	899.16	2963.13	1663.34	2106.49	1579.58
2009-10	2197.24	1346.32	1306.52	829.25	1791.89	1938.55	1202.89	1653.87
AVG.	**1645.49**	**1192.64**	**1108.17**	**932.06**	**1585.84**	**1444.56**	**1080.36**	**1072.97**

CONCLUSION

It may be stated that all the Municipal Corporations in Punjab had mostly the surplus budgets i.e. their annual revenue was more than annual expenditure. Although it appeared a strange phenomenon yet the municipal administration always tried to play safe because they were uncertain about the amount of grants and loans, which they could receive from the government. Therefore in order to provide essential services on a sustainable basis an element of certainty in the provision of grants, loans and other financial assistance from the government must be provided to the municipal corporations.

Further, it may be stated that collection of revenue does not depend on size of the city and size of population. It has been observed that industry has been playing the major role for municipal corporations to earn revenue in lieu of VAT share, which is the main source of municipal corporation's revenue. Ludhiana and Jalandhar being both industrial cities have been earning big share of VAT in lieu of octroi. Although Amritsar is a second largest municipal corporation on basis of population yet its per capita revenue was less than that of Jalandhar and Ludhiana. Over the study period on an average Ludhiana's per capita revenue remained the highest followed by Jalandhar, Amritsar and Patiala.

It may be stated that all the municipal corporations in Punjab had been mostly spending major share on establishment and other non-development works. Although some corporations have improved their expenditure trend in recent years and convert it to development works. Uncertainty about the amount of grants and loans is making pressure on corporations to meet with their committed expenditure including establishment. Thus expenditure on other basic necessity i.e health, solid waste, public urinals and roads becomes the casualty.

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