

# State of Municipal Finance in Small and Medium Towns

Center for Water and Sanitation (CWAS)  
CRDF, CEPT University

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Review

**CWAS** CENTER  
FOR WATER AND  
SANITATION

**CRDF** CEPT RESEARCH  
AND DEVELOPMENT  
FOUNDATION

**CEPT**  
UNIVERSITY

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Bhopal Nagar Nigam, 2016.

Source - <https://www.patrika.com/bhopal-news/bhopal-municipal-budget-1257339/>

# INTRODUCTION

## 1. NEED OF THE STUDY



Budget preparation is an in house process. Many Indian states are moving in understanding budget & being proactive so that budget can act as an effective tool for better governance. - Centre for Budget & Governance Accountability.

**Lack of research in budget making process in small and medium towns that answers questions such as-**  
How many states have their own municipal accounting manuals?

Which of these follow the national manuals?  
What is the mandate on audited accounts by the 15th finance commissions?

To understand the structure of budgets across states?  
What municipal accounting codes have they adopted. How many states have their own accounting code?

## 2. OBJECTIVE OF THE STUDY



The study entails the different financial budgets in multiple small and medium towns across India and the comparison between the same to carry out a thematic analysis on the finances to understand the health and uniformity among these towns.

To analyze budget and budget preparation process of small and medium towns.

To analyze municipal budget for small and medium towns of Gujarat to compare their layouts, performances and their revenue collection systems.

## 3. SCOPE OF THE STUDY



Considering all Indian states only for the understanding on how they make their budgets and the parameters of the same, while Gujarat is taken as a particular case to understand the funds themselves and the health of its cities.

This shall help in understanding the system, finding discrepancies, understanding the differences and laying down key take aways that will be groundwork to build a reformed structure for the whole nation that is easier to understand and read.

PM, City Finance ←

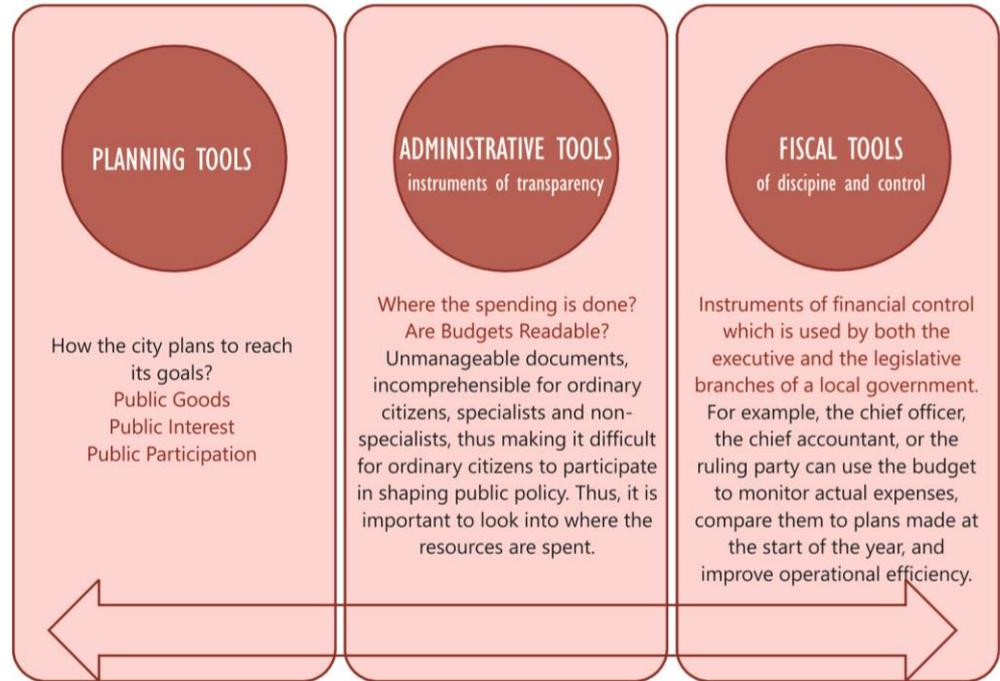
"It's our mission to strengthen our cities to meet the challenges of 21st century"

# BUDGET : as important planning tool

Budget of Municipal Corporation/ Council is a policy document which provides details of the local body's sources of income or receipts and use of these resources or expenditure allocated to different heads.

World bank ←

Budget are a strategic document which determine a city's vision. If its preparation is done right, it has the potential to make govt. more responsible towards citizens' needs & preferences & thus, efficient service delivery.



# OUTLINE

## Stage 1 & 2

### 1 Functionality of Budgets

Understanding how budgets work and look into the national municipal accounting manual and state municipal accounting manuals to see the flow and segregation of each topic in such budgets.

### 2 Collecting data

Collecting the data and budgets of multiple cities – extract relevant information for each of these cities throughout the nation.

Collect acts and provisions

### 3 Studying Manuals

Study the national municipal accounting manual and also the state manuals to compare them with the budgets passed by various cities.

### 4 Understanding Budgets

Understanding the structure of budgets across states, If there is provision of standard budget templates across states. If states have instructed ULBs to follow a common structure

### 5 Analyze and Infer

Infer the health of the small and medium towns of Gujarat along with comparisons with each other. Understand the potential and notice trends in surplus and deficit in revenues and capitals.

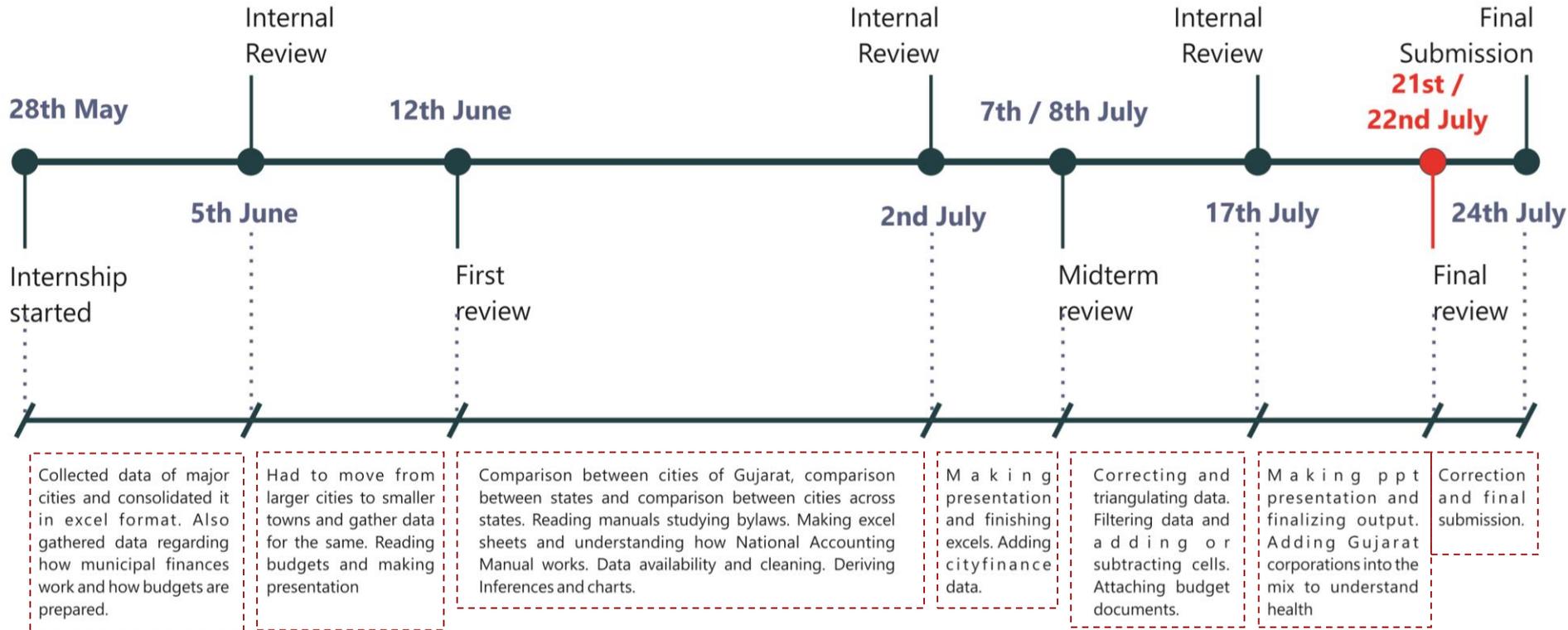
### 6 Synthesis report

Form a short synthesis report at the end for the same.

Stage 3

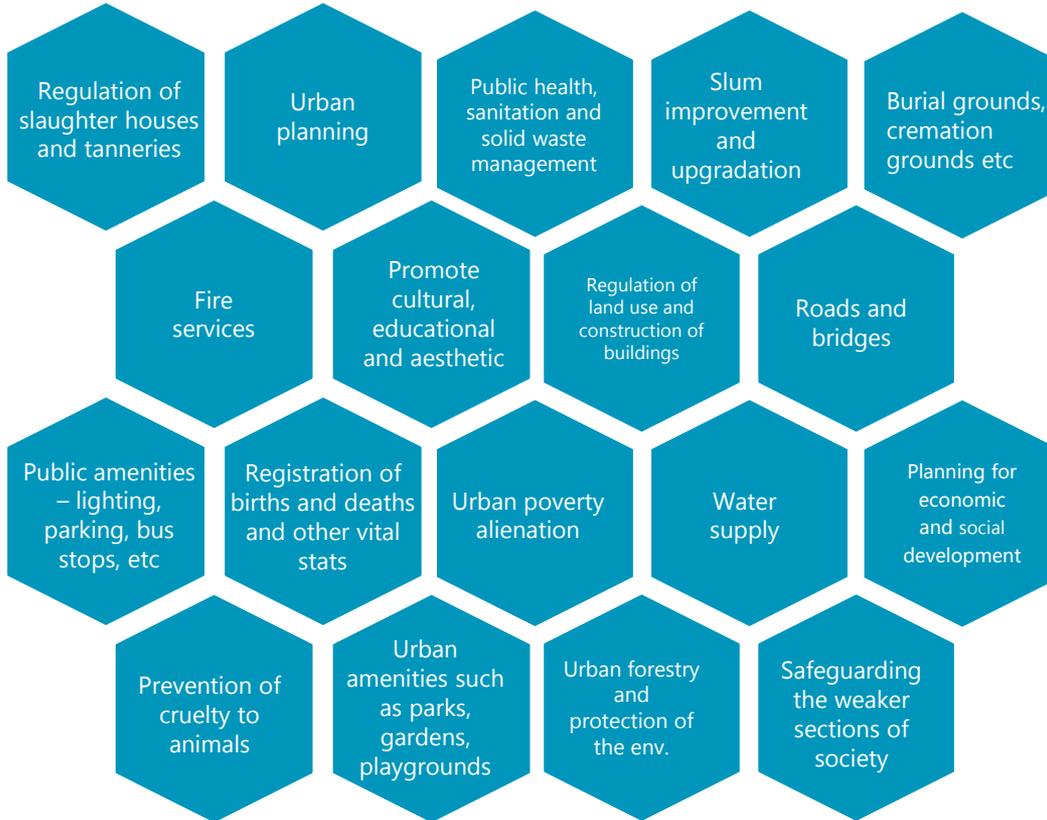
Stage 4

# WHERE ARE WE ?

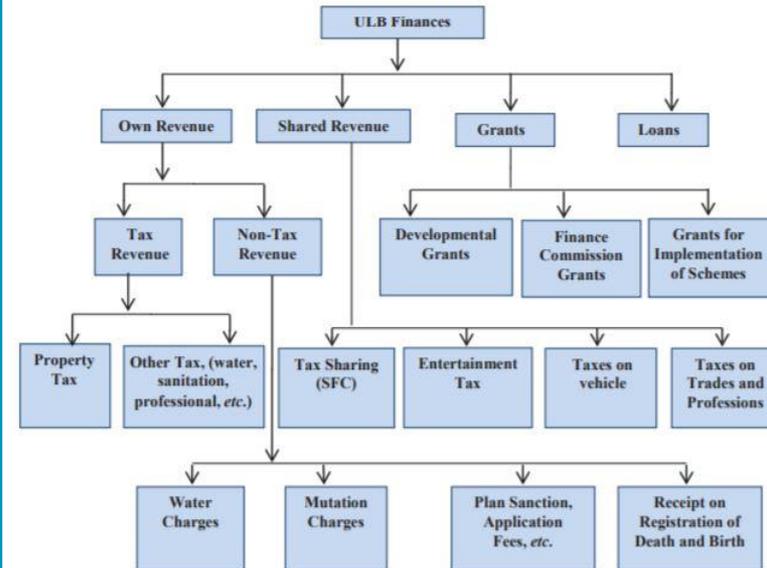


# FUNCTIONS OF MUNICIPALITIES

The Twelfth Schedule of the Constitution lists the various Functions of Municipalities as :



Income through various different methods:



# HOW ARE BUDGETS ORGANIZED ?

To have a common language throughout the budgets of all states and cities of India, the national accounting manual was made which ensures and explains certain criterias and flow of the budget document to as to have a uniform document that is easier to read, compare and understand.

## 1. Part I – Revenue Budget:

Revenue Receipts and Revenue Expenditure.

## 2. Part II – Capital Budget:

Capital Receipts and Expenditure but grouped separately under following sub-parts.

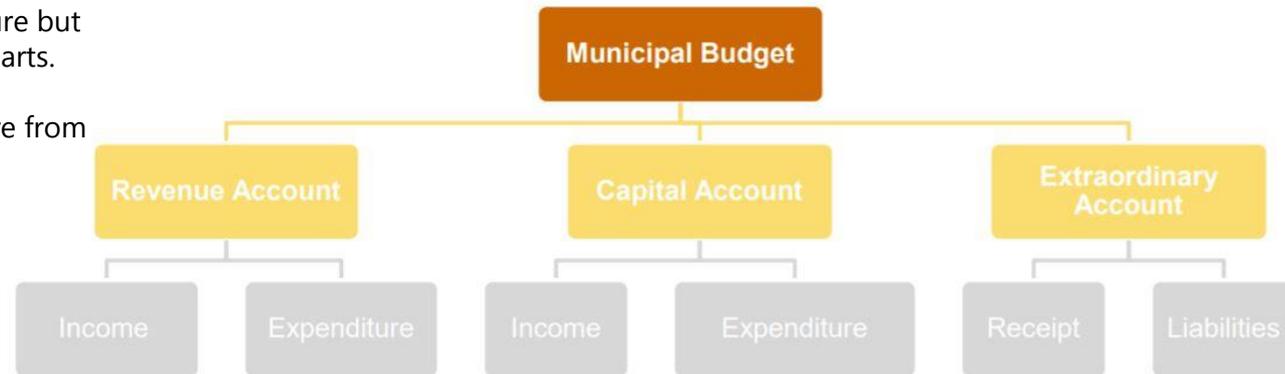
- a. Capital Receipts and Expenditure from own sources.

- a. Capital Receipts received in the form of new loans and the Expenditure carried out from them.
- b. Capital Receipts received in the form of development grants and the Expenditure carried out from them.

## 3. Part III – Extra-ordinary Budget:

Receipts and Payment of extra-ordinary nature grouped under following distinct parts.

- a. Deposits and Fund Budget – Deposits and Special Funds receipts and payment made from them
- b. Advances Budget - New advances given and advances adjusted or recovered back



# HOW ARE BUDGETS ORGANIZED ?

In Early 2000, Government decided to have uniformity and transparency in budgets



Budgets to be structured and uniform by formats and codes



Thus National Accounting Manual came into being



It allowed states to make their own manuals, thus resulting into state manuals being formed

The **National Municipal Accounting Manual - India**, recommended the following mandatory groups for all local bodies:

- **Functions:** Functions are meant to represent the various functions or services carried out by the local body.
- **Account Heads:** Account Heads are meant to represent the nature of the income or expenditure.

In addition to these mandatory groups, there can be three optional groups in which Municipality Budgets can be presented. These are:

- Budgets of Municipalities are centered around its functions, which are provided through various responsibilities centres called **Departments**.
- In order to monitor geographical dispersion of these activities, many Municipalities identify their receipts/income and expenditure budgets at function, functionary (department) and **field level**.
- In addition to this, several Municipalities also set up various funds for meeting certain objectives. Receipts/ income and expenditure under these **funds** are to be identified and disclosed separately.

*Functions, Functionary and Field are called Budgeting centres.*

# HOW ARE BUDGETS ORGANIZED ?

- As per the manual, the first level in Function and Account Heads are mandatory for all Municipalities and other levels are left to the states to define.
- The manual also noted that all Urban Local Governments are required to use [the function codes and account codes as defined in the manual](#). For other levels each State can define the codes “though some of them may be mandatory at the State level”.
- The manual also noted that it is [mandatory to budget for the functionary group](#), with the provision that each State can define these heads based on its internal organization structure. Similarly, States or cities, which have [decentralized accounting zones/boroughs, etc. and prepare their budgets at these levels, are expected to use the field group as mandatory](#).

Heads of Account for presenting and classifying data are:

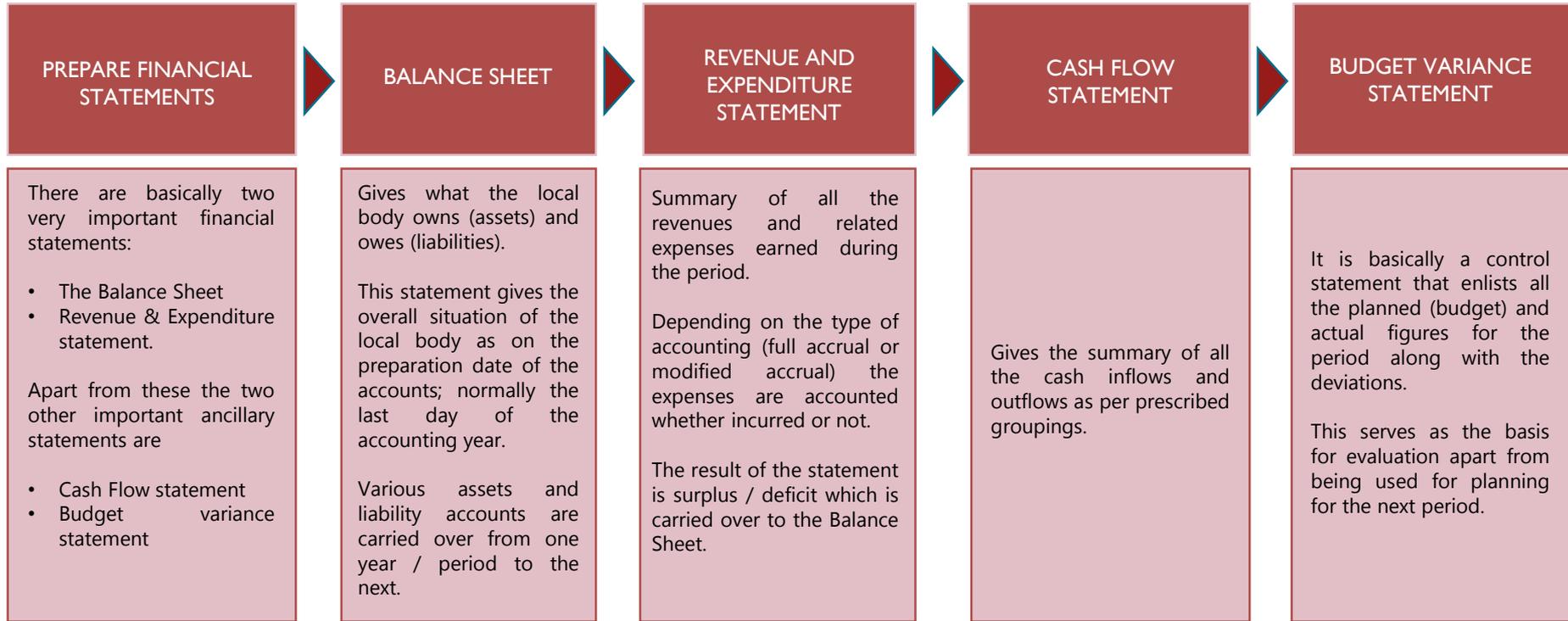
**Major Head Code** (Should be of 3 digits); **Minor Head Code** (Should be of 2 digits); and **Detailed Head Code** (Should be of 2 digits).

While a number of Municipalities follow the broad structure given in the above mentioned manual when presenting their budget, there is a lot of variation in the way the details are presented across Municipalities.

So, while some Municipalities present their budget by boroughs (e.g., Kolkata), others present their budget-zone-wise and department-wise (e.g., Chennai). There are some Municipalities which do not make differentiation and provide data only for overall expenditure and receipts (e.g., Ludhiana).

Further, the codes, used for various heads of expenditure and receipts vary from Municipality to Municipality and do not necessarily follow the code structure given in the National Municipal Accounting Manual: India.

# FLOW OF BUDGET



*This is similar to Income and Expenditure statement popularly used in India. However, since the local bodies do not basically earn "income" it has been named such*

## Accrual Based

- Revenue is shown as both revenue received and receivable. Expenditure is shown as both amount paid and payable. Expenses are matched with the income earned in the year. Items of ordinary nature and capital nature are differentiated. Assists in effective follow-up of receivables and payables. Costs which are not charged can be carried forward. Surplus or deficit as shown at the year-end
- Costs which are not charged can be carried forward
  - These items can be kept under constant review
- Surplus or deficit as shown at the year - end
  - correct financial position of the ULB.
  - helps in better financial management

## Cash Based

- Most ULBs of Gujarat and Maharashtra follow cash basis accounting system – which is easy to maintain. Income actually received is reflected and receivables are not known. Payments actually made are reflected and payables are not known. System provides only surplus/deficit in cash. Example,
- Assets and liabilities are not reflected, and consequently, financial strength cannot be estimated

Example,

- Power bills are paid partly and in most cases ULBs default on payment
- Arrears (money that is owed and should have been paid earlier) are not reflected in the financial statements
- Outstanding liabilities are not reflected in the financial statements
- Improper classification of revenue and capital expenditure distorts cost recovery calculations and assessment of operational performance.

# **Municipal Laws on Accounting & Budgeting compared across states**

Budget Comparison between small and medium towns across states

Budget Comparison between small and medium towns of Gujarat

Data from City Finance website hosted by the government of India is taken into account and states are compared on basis of budgets layouts, passing, time frames and availability etc.

# CITY FINANCE

Cityfinance.in is a web portal hosted by the ministry of housing and urban affairs and it serves as a **national framework** of **standardized, timely** and **credible financial information** on **cities**. It facilitates **benchmarking, comparison and peer learning** between cities on a range of financial indicators.

It covers data across several cities of India, along with their analysis, financial statements and municipal laws of the states.

It is important to note that northern and eastern states' data is not available or very little available on the website.

## Benefits

**AUTOMATE ADMN OF XV FC GRANTS & ADDNL BORROWINGS OF 2% OF GSDP**



Submit all financial data online, and states and MoHUA verify and approve claims online.

**BENCHMARK FINANCIAL PERFORMANCE INDICATORS**



Compare revenue performance with peer ULBs, benchmark against the best.

**RAISE MARKET FINANCING**



Obtain guidance on completing audited annual accounts, access credit rating reports and municipal borrowings data.

**ACCESS BEST PRACTICES**

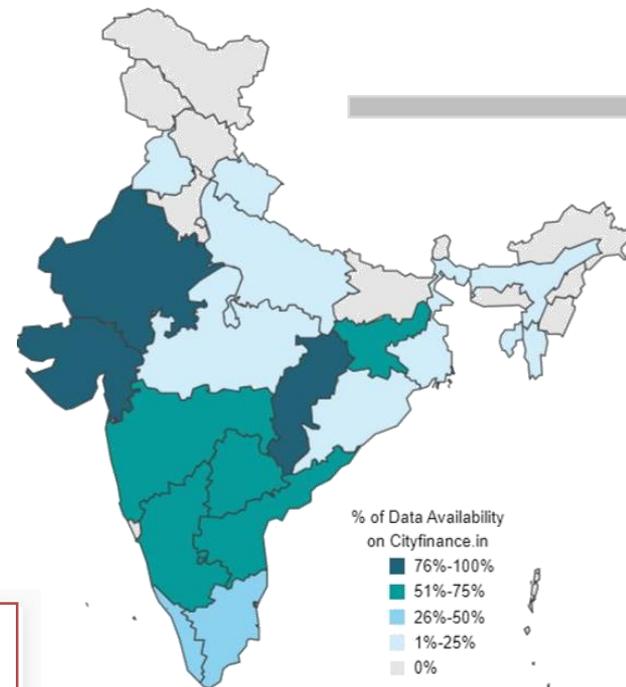


Gain access to a comprehensive and easy to use database of best practices in revenue enhancement, credit rating and municipal borrowings.

**BUILD SKILLS AND COMPETENCIES**



Certification-based skilling of municipal revenue and finance officials through digital content and delivery.



**1,458**

(out of 4,471)  
ULBs with Financial data

32.61 % cities' data available

**2,678**

Financial Statements for FYs 2015-16 to 17-18

19.9 % total financial statements available

Source – Cityfinance.in

## Municipal Laws

The following is a comparison of the pronouncements of various Municipal Acts, underlying Rules and Regulations, and Accounts and Budget Manuals of different Indian states so far as they pertain to aspects of finance, accounts, budget, audit, financial disclosure and so on in municipalities.

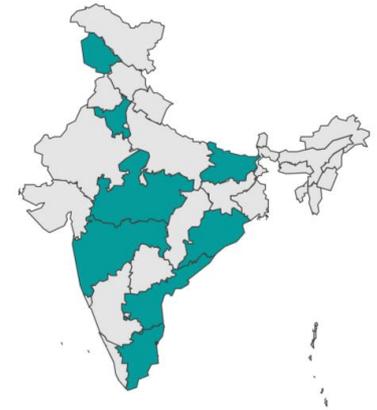
States following Accrual Basis of Accounting



Scope for Public Suggestion in Budgets



States Where Budget Calendar is Prescribed



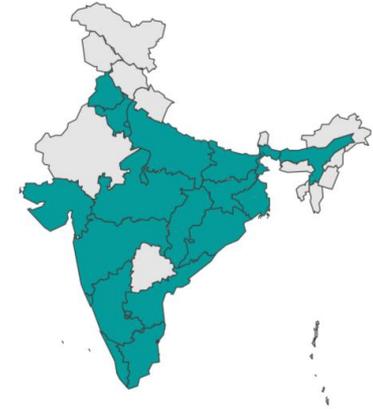
Internal Audit Requirement



Cash Basis of Budgeting Prescribed



Requirement for Public Disclosure



# MUNICIPAL FINANCE GOVERNANCE

Criteria	Andhra Pradesh and Telangana	Gujarat	Karnataka	Kerala	Maharashtra	Rajasthan	Tamil Nadu
<b>Statutes and Manuals directly governing Municipal Finance Management in the State</b>	<p>Andhra Pradesh Municipalities Act, 1965 (APMA)</p> <p>Andhra Pradesh Municipal Corporation Act, 1994 (APMCA)</p> <p>Greater Hyderabad Municipal Corporation Act, 1955 (GHMC)</p> <p>Hyderabad Municipal Corporation Act, 1987 (HMCA)</p> <p>Andhra Pradesh Municipal Accounts Manual (APMAM)</p> <p>Andhra Pradesh Municipal Budget Manual (APMBM)</p> <p>Andhra Pradesh Municipal Audit Manual (APMAuM)</p>	<p>The Gujarat Municipalities Act, 1963 (GMA)</p> <p>Gujarat (Bombay) Provincial Municipal Corporations Act, 1949, (GMCA)</p> <p>Gujarat Municipality Public Disclosure Law (GPDL)</p>	<p>Karnataka Municipalities Act, 1964 (KMA)</p> <p>Karnataka Municipal Corporation Act, 1976 (KMCA)</p> <p>Karnataka Local Fund Authorities Fiscal Responsibility Act, 2003 (LFFR)</p> <p>The Karnataka Municipal Accounting and Budgeting Rules, 2006 (KMABR)</p> <p>Karnataka Municipal Accounting Manual (KMAM)</p>	<p>The Kerala Municipality Act, 1994 (KRMA)</p> <p>The Kerala Local Authorities Loans Act, 1963 (KLLA)</p> <p>Kerala Municipality (Accounts) Rules, 2007 (KMAR)</p> <p>Kerala Municipal Financial Audit Manual of the Local Self Government (KMFAM)</p> <p>Manual for Asset Management in Local Self Government Institutions of Kerala (KRAM)</p>	<p>Maharashtra Municipalities Act, 1965 (MMA)</p> <p>Mumbai Municipal Corporation Act, 1949 (MMCA)</p> <p>Maharashtra Municipal Accounts Code, 2013 (MMAC)</p>	<p>Rajasthan Municipality Act, 2009 (RMA)</p> <p>Rajasthan Local Fund Audit Act, 1954 (RLFAA)</p> <p>Rajasthan Municipal Accounting Rules, 1963 (RMAR)</p> <p>Rajasthan Municipal Budget Rules, 1966 (RMBR)</p> <p>Rajasthan Local Fund Audit Rules, 1955 (RLFAR)</p> <p>Rajasthan Municipal Accounts Manual (RMAM)</p>	<p>Tamil Nadu District Municipalities Act, 1920 (TNDM)</p> <p>Chennai City Municipal Corporation Act, 1919 (CMCA)</p> <p>Madurai City Municipal Corporation Act, 1971 (MCMC)</p> <p>Coimbatore City Municipal Corporation Act, 1981 (CCMC)</p> <p>Tiruchirappalli City Municipal Corporation Act, 1994 (TCMC)</p> <p>Salem City Municipal Corporation Act, 1994 (SCMC)</p> <p>Tirunelveli City Municipal Corporation Act, 1994 (TRMC)</p> <p>Tiruppur City Municipal Corporation Act, 2008 (TMC)</p> <p>Erode City Municipal Corporation Act, 2008 (ECMC)</p> <p>The Vellore City Municipal Corporation Act, 2008 (VCMC)</p> <p>Thoothukudi City Municipal Corporation Act, 2008 (TOMC)</p> <p>The Thanjavur City Municipal Corporation Act, 2013 (THMC)</p>
	<p>Note Telangana Follows Andra Pradesh system</p>	<p>Note Gujarat Manual isn't mentioned</p> <p>Note the preferred system of accounting is not exclusive</p>		<p>Only Kerala has accrual based budgeting prescribed</p>			
	<b>System of Accounting</b>						
<b>What is the system of accounting prescribed?</b>	Accrual basis [APMBM(GO Ms. No.233 MA)]	Not mentioned.	Accrual basis [KMABR Chapt 2. Rule 3 (1)]	Accrual basis [KMAR Chapter II Rule 3]	Accrual basis [MMAC 4(2)]	Accrual basis [RMAM Chapter 2 para 2.22]	Accrual basis [TNMAM Para 1.2]
<b>What is the system of Budgeting prescribed?</b>	Cash basis (Implied from Andhra Pradesh Municipal Budget Manual)	Not mentioned.	Cash basis [KMABR Chapt 2. Rule 3 (1)]	Accrual basis [KMAR Chapter VII Rule 63(1)]	Not mentioned	Cash basis [RMA Sec 87 (1)]	Cash basis [TNDM Act, Sec 120]
<b>Is there any reference to manuals in the Municipal Act/Rules?</b>	No.	Not mentioned.	Yes [KMABR (Para 145)]	No	Not mentioned	Yes. [RMA Sec 91]	No
	There are no references to the Manuals in the Act. However manuals have been prepared by Ministry of Municipal Administration.		The Rules say that the Government may prescribe an Accounting Manual, further clarifying the accounting concepts and treatments for proper implementation of the Rules.	However, there is a Municipal Accounting Manual prepared by Local Self Government Department used by the Municipalities and Corporations.		There is reference to the Manual in RMA which says that the State Government shall prepare and maintain a Manual to be called the Municipal Accounting Manual containing details of all financial matters and procedures in respect of the Municipality	There is no references to the Manuals in the Act. However there is a Government Order requiring municipalities to follow the manuals.

# MUNICIPAL FINANCE GOVERNANCE

Criteria	Andhra Pradesh and Telangana	Gujarat	Karnataka	Kerala	Maharashtra	Rajasthan	Tamil Nadu
	<b>Budget</b>						
<b>What are the statements that constitute the Annual Budget?</b>	1. Budget Summary 2. Major Account Head wise Budget 3. Fieldwise Budget Format 4. Summary of Function wise Budget 5. Ward wise Works Liability Summary Report 6. Revenue Trend Analysis [APMBM - Appendix]	Not mentioned	1. Estimate of Revenue Receipts 2. Estimate of Revenue Payments 3. Estimate of Capital Receipts 4. Estimate of Capital Payments 5. Estimate of Extraordinary Receipts 6. Estimate of Extraordinary Payments [KMABR Rule 132 (KMF No. 79 to 85)]	1. Estimate of revenue income 2. Estimate of revenue expenditure 3. Estimate of capital receipts 4. Estimate of capital expenditure 5. Estimate of loans repayment 6. Estimate of loans and advances 7. Estimate of deposits and recoveries 8. Estimate of investments. [KMAR Chapter VII Rule 63(3)]	1. Estimates of the expenditures 2. Estimates of all balances which will be available for reappropriation or expenditure at the commencement of the official year 3. Estimates of the Corporation's receipts and income for the next official year 4. A statement of proposals as to taxation [MMCA Sec 95]	1. Budget Summary 2. Major Account Head wise Budget 3. Summary Field wise Budget 4. Summary Function wise Budget 4. Statement of Receivables 5. Statement of Payables 5. Ward wise Works Liability Summary Report 6. Revenue Trend Analysis [RMAM - Appendix]	1. Budget Abstract 2. Detailed Budget forms [TNMBM - Appendix]
<b>Who is responsible for preparation of Budget?</b>	Municipal Commissioner [Section 182 of the HMCA][Sec 2(1) APM (BATF) Rules, 1967]	Municipality [GMA Sec 76(1)]	Municipal Commissioner [KMABR Rule 132]	Municipal Commissioner [KRMA Sec 286]	Municipal Commissioner [MMCA Sec 95]	Municipal Commissioner [RMA Sec 87(1)]	Municipal Commissioner [TNMBM Para 3.2]
<b>What is the process for approval of the Budget?</b>	1. Municipal Commissioner submits the budget estimates by 10th November to the Standing Committee. 2. The Standing Committee shall review and approve the budget estimates. 3. The Standing Committee shall place the budget estimates before the Council by 10th December. 4. Council approves and passes the budget before 20th February 5. Council submits the approved copy of Budget to the State Government and Examiner of Accounts and Auditors. [APMBM Para 1.3][HMCA Sec 187]	Budget shall be placed before the Council anytime between 10th January and 15th March. [GMA Sec 76(1)]	1. Municipal Commissioner submits budget by 15th January to the Standing Committee (Taxation and Finance) 2. The Standing Committee shall prepare/modify/add budget estimates by the first week of February and places it before the Council. 3. The Council may refer the budget estimates back to the Standing Committee for any considerations 4. The Council shall pass the budget three weeks before the beginning of the year and submits a copy to the State Government. [KMABR Rule 133 (5)]	1. Municipal Commissioner submits the budget to the Standing Committee Finance on or before 15th January. 2. The Standing Committee Finance submits the same with its recommendations, if any, to the Council before first week of March. 3. The Council shall pass the budget estimates before the end of the year and submit a copy to the Government and the Auditor appointed by the Government. [KMA Sec 289]	1. Initiation of Budget Activity Plan, issuance of relevant forms by the Accounts Department - By Mid October 2. Receipt of Departmental/Ward wise Plans by the Accounts Officer - By November end 3. Compilation of the consolidated budget by the Accounts Officer of the Municipal Council for presentation of the Chief officer - By mid December 4. Finalisation of budget by the Standing Committee - By end of December 5. Budget shall be submitted to the Council by Standing Committee 4. The Council shall approve the budget within the end of the financial year [MMCA Sec 421]	1. Municipal Commissioner shall submit the budget to the Finance Committee on or before 15th January. 2. The Chairperson of the Finance Committee shall present the budget to the Municipality by 31st January. 3. The Municipality shall adopt the budget estimates for the ensuing year with such changes as it may consider necessary, and submit a copy of the same to the State Government through the Director of Local Bodies. [RMA Sec 88]	1. The Municipal Commissioner submits budget by 1st January to Standing Committee (Taxation and Finance). 2. The Standing Committee finalizes the budget estimates and submits it to the Municipal Council by 20th January. 3. Municipal Council approves the budget on or before the last day of February in the case of Municipalities and 15th March in the case of Corporations. 4. A copy of the budget is submitted to Regional Director of Municipal Administration/Commissioner of Municipal Administration. 5. Regional Director of Municipal Administration/ Commissioner of Municipal Administration shall in turn submit the budget to the State Government. [TNMBM Para 3.2]
	<b>Earliest approval (20<sup>th</sup> February)</b>	<b>Note most details are not outlined</b>					
<b>Is a budget calendar prescribed?</b>	Yes. [APMBM Para 1.3]	No	No.	No.	Yes [MMCA Sec 421]	No. [RMAM Chapter 27 Para 27.8]	Yes. [TNMBM Para 3.4]
	Two budget calendars (One for Municipal Corporations and one for Municipalities) are prescribed in the Municipal Budget Manual detailing the various budget activities along with the corresponding deadlines.				<b>Note most detailed budget statements required</b>	The RMAM says "budget preparatory process follows a budget calendar". However there is no budget calendar prescribed.	Prescribed in the Municipal Budget Manual detailing the various budget activities along with corresponding responsibility and deadline.
<b>Is there any scope for the public to offer suggestions on the budget?</b>	Not mentioned	Not mentioned	Yes. [KMABR 133(2)]	Not mentioned	Not mentioned	Not mentioned	Yes. [TNMBM Para 4.22]

# MUNICIPAL FINANCE GOVERNANCE

Criteria	Andhra Pradesh and Telangana	Gujarat	Karnataka	Kerala	Maharashtra	Rajasthan	Tamil Nadu
			Two rounds of public consultation inviting representatives from registered Resident Welfare Associations, registered NGOs, Trades and Industry Associations and such other Associations and prominent citizens that the Municipal Council may like to invite while preparing budget. One round of consultation shall be held in November and other in December.  Meeting chaired by Mayor/Deputy Mayor/Municipal Commissioner or Chief Officer.				Outcome budgeting process shall originate with ward level information based on citizen interactions.  <b>Public participation is included in the process</b>
<b>Does the State Government have any power over the Municipal Budget?</b>	Yes [Rule 8 Andhra Pradesh Municipal (Preparation of Budget, Allotment and Transfer of Funds) Rules, 1967]	Not mentioned	Not mentioned	Not mentioned	Not mentioned	Yes [RMA Sec 88]	Yes [TNM Act, Sec 120]
	The budget approved by the Council and submitted to the Government through the Collector and the Director of Municipal Administration can be modified by the State Government		<b>Public participation is included in the process</b>		<b>Note most detailed account</b>	After considering the budget estimates, if the State Government is of the opinion that it is necessary in the interest of Municipality to make changes in budget estimates, it may direct the Municipality to carry out the changes and such directions shall be binding on the Municipality.	The State Government has the power to modify the budget if the budget has failed to make any provisions for due discharge of all liabilities in respect of loans contracted by the Council and for the maintenance of working balance.
<b>Accounts</b>							
<b>What are the contents of the annual accounts?</b>	1. Balance Sheet 2. Income and Expenditure Statement 3. Statement of Cash flows 4. Receipts and Payments Account 5. Notes to Accounts 6. Financial Performance Indicators. [APMAM Para 9.8]	Accounts of receipts and expenditure shall be kept in adherence with the Municipal Account Code. [GMA Sec 75]	1. Balance Sheet 2. Income & Expenditure Account 3. Receipts and Payments Account 4. Significant accounting policies 5. Notes to Accounts [KMABR Chapter 21 125 (2)]	1. Balance Sheet 2. Income and Expenditure Statement 3. Statement of Cash flows 4. Receipts and Payments Account 5. Notes to Accounts 6. Financial Performance Indicators. [KRAR Chapter VII Rule 58(2)]	1. Balance Sheet 2. Income and Expenditure Statement 3. Statement of Cash Flows 4. Receipts and Payments Account 5. Notes to Accounts and 6. Disclosure of significant accounting policies and 7. Such other statements as may be prescribed under any Law enacted to regulate disclosure of Financial and other information by a Municipal Council [MMAC Sec 386]	1. Balance Sheet 2. Income and Expenditure Statement 3. Statement of Cash flows 4. Receipts and Payments Account 5. Notes to Accounts 6. Financial Performance Indicators. [RMA Sec 92][RMAM Chapter 25 para 25.1]	1. Balance Sheet 2. Income and Expenditure Account 3. Statement of Cash Flows 4. Receipts and Payment Account 5. Notes to Account 6. Financial Performance Indicators [TNMAM Para 13.2]
<b>Who is responsible for the preparation of the annual accounts?</b>	Accounts Department under the Municipal Commissioner. [APMAM Para 9.8]	Not mentioned.	Accounts Department under the Municipal Commissioner [KMABR Chapter 21 125 (2)]	Accounts Department under the Municipal Commissioner. [KRAR Chapter VII Rule 58(2)]	Head of Accounts [MMAC Sec 387]	Municipal Commissioner. [RMA Sec 90]	Accounts Department under the Municipal Commissioner. [LFAD Act Sec 7]

# MUNICIPAL FINANCE GOVERNANCE

Criteria	Andhra Pradesh and Telangana	Gujarat	Karnataka	Kerala	Maharashtra	Rajasthan	Tamil Nadu
<b>By when should the annual accounts be prepared?</b>	As soon as may be after the first day of April of each year [HMCA Sec 180]	Not mentioned.	Within two months from the end of the financial year [KMABR Chapter 21 125 (4)]	Within two months from the end of the financial year. [KRAR Chapter VII Rule 58(5)]	Not mentioned	Within three months from the end of the financial year. [RMA Sec 90]	Within three months from the end of the financial year. [LFAD Act Sec 7][CAG Report 2013-14, 2014-15]
<b>To whom should the annual accounts be submitted?</b>	Municipal Commissioner submits to Local Administration Department and Auditor [HMCA Sec 183]	Not mentioned.	Municipal Commissioner submits to the Auditor [KMABR Chapter 21 125 (4)]	Municipal Commissioner submits to the Director of Local Fund Audit [KRAR Chapter VII Rule 59 (2) (c)]	Not mentioned	Finance Committee submits to the Auditor. [RMA Sec 93]	Municipal Commissioner submits to the Auditor. [TNMAM Sec 56]
<b>Who is the authority to approve the Annual Accounts?</b>	The Council [APMAM Para 9.81]	Not mentioned.	The Council [KMABR Chapter 21 125 (6)]	The Council [KRAR Chapter VII Rule 58 (5)]	Not mentioned	Finance Committee. [RMA Sec 93]	The Council [TNMAM Para 14.2]
<b>Assets</b>							
<b>Whether a Fixed Asset Register is prescribed?</b>	Yes [APMAM Sec 8.14]	Not mentioned	Yes [Sec 87 KMABR]	Yes [KRAM Annex 9]	Yes. [MMAC Sec 191]	Yes [RMAR Sec 46b]	Yes. [TNMAM Para 8.8]
	Register of Land Register of Immovable Properties Register of movable properties		1. The municipality shall maintain category wise and fund wise fixed asset registers comprising of land, buildings and all other infrastructure, immovable and movable properties which belong to the Municipality 2. Any new asset that is capitalized, purchased or obtained by way of grant or gift shall be recorded in the register on the date the asset is capitalized, purchased or obtained	All assets coming above capital threshold limit (i.e. Rs. 10000) shall have a page in the register. Small assets (i.e. below the value of Rs.10000) and safe guarded assets shall be recorded in a separate register	Register of land Register of immovable Register of movable properties	All fixed assets, in possession of the Municipality, shall be recorded in the Register with all details of the asset like base measurement, date of acquisition and process of acquisition in Form 23	The Asset Register shall be maintained category wise and assets are recorded at their original costs in case of bought out assets or the capitalized costs in case of transfer from capital work in progress. Separate Asset Register shall be maintained by the Town Planning Officer for lands.  The Asset register shall be maintained in a computerised format.
<b>Whether physical verifications of Assets is prescribed?</b>	Annual [APMAM Chap 8 Sec 8.48 Pg-300]	Not mentioned	Annual [Sec 122 (5) KMABR]	Annual [KMAR Chapter VI Sec 54 (5)(b)]	Annual by authorized officer [MMAC Sec 204]	Annual [RMAR Sec 55]	Annual by municipal engineer [TNMAM Para 8.8]
<b>Liabilities</b>							
<b>Is borrowing permitted?</b>	Yes [GHMC Sec 149]	Yes [GMCA Sec 109]	Yes [KMA 86] [KMCA 154]	Yes [KRMA Sec 297]	Yes [MMCA Sec 109]	Yes [RMA Sec 142]	Yes. [TNMAM Para 10.4]
<b>What are the kinds of borrowings permitted?</b>	a. Loans b. Debentures [GHMC Sec 149 & 157]	a. Loans b. Debentures [GMCA Sec 109 & 118]	a. Loans b. Debentures [KMCA 154 & 157]	a. Loans b. Debentures [KRMA Sec 297]	a. Debentures b. Loan on the security of any immovable property or on all the taxes or of any tax which it is authorised to levy [MMCA Sec 109]	a. Loans [RMA Sec 141 & 144]	Not mentioned
<b>Is any maximum loan repayment period prescribed?</b>	Not mentioned	60 years [GMCA Sec 109]	60 years [KMCA Sec 155]	60 years [KRMA Sec 298]	60 years [MMCA Sec 109]	Not mentioned	Not mentioned
<b>Performance Reports</b>							
<b>Whether Performance Reporting is prescribed?</b>	Yes [APMAM Chapter 9 Para 9.144]	Not mentioned	Not mentioned	Yes	Not mentioned	Yes [RMAM Para 25.55]	Yes [TNMAM Chapter 13]
<b>Public Disclosure</b>							
<b>Is there a requirement for Public Disclosure?</b>	Yes [GHMC 686-A CHAPTER XXII-A]	Yes	Yes. [KMA Sec 301]	Yes [KMA Sec 517 (B)] and the Government Order No. 48/09/LSGD]	Yes [MMCA Sec 60A]	No	Yes. [Tamil Nadu Town Panchayats, Third Grade Municipalities, Municipalities and Corporations (Public Disclosure) Rules, 2009] [G.O. Ms. No. Municipal Administration and Water Supply (Election), 9th June 2009]

Note most details are not outlined

There is no requirement for public disclosure

# KEY TAKE AWAYS

After comparing the states over heads such as [system of accounting, budgets, accounts, assets, liabilities, annual reports, audits, performance reports and public disclosure](#), the following are some inferences :

- Gujarat does not have a detailed framework. It falls back to cash based accounting system and cash based budgeting too, while most other states have moved on to accrual systems at least supposedly to be followed. *(unsure statement due to difference in data between cityfinance and 15<sup>th</sup> finance commission)*
- States of Andhra Pradesh and Telangana, are very similar in the regulations and laws due to being separated and Telangana developing itself from Andhra Pradesh. States of Karnataka and Kerala also follow similar system.
- Rajasthan and Tamil Nadu seem to have the most indepth layouts and acts that also provide regulations for close inspections.
- Tamil Nadu and Karnataka also involve and allow public participation.
- The most detailed accounts are supposedly to be prepared by Andhra Pradesh and Maharashtra.

## Municipal Laws on Accounting & Budgeting compared across states

### **Budget Comparison between small and medium towns across states**

## Budget Comparison between small and medium towns of Gujarat

States of Western and Southern regions are compared into a matrix to understand the layouts of their budgets, the parameters they include and their availability, besides also comparing their per capita income, dependency on grants, etc.

Key take aways from the same are then noted.

# SCOPE OF THE STUDY

## 18 cities

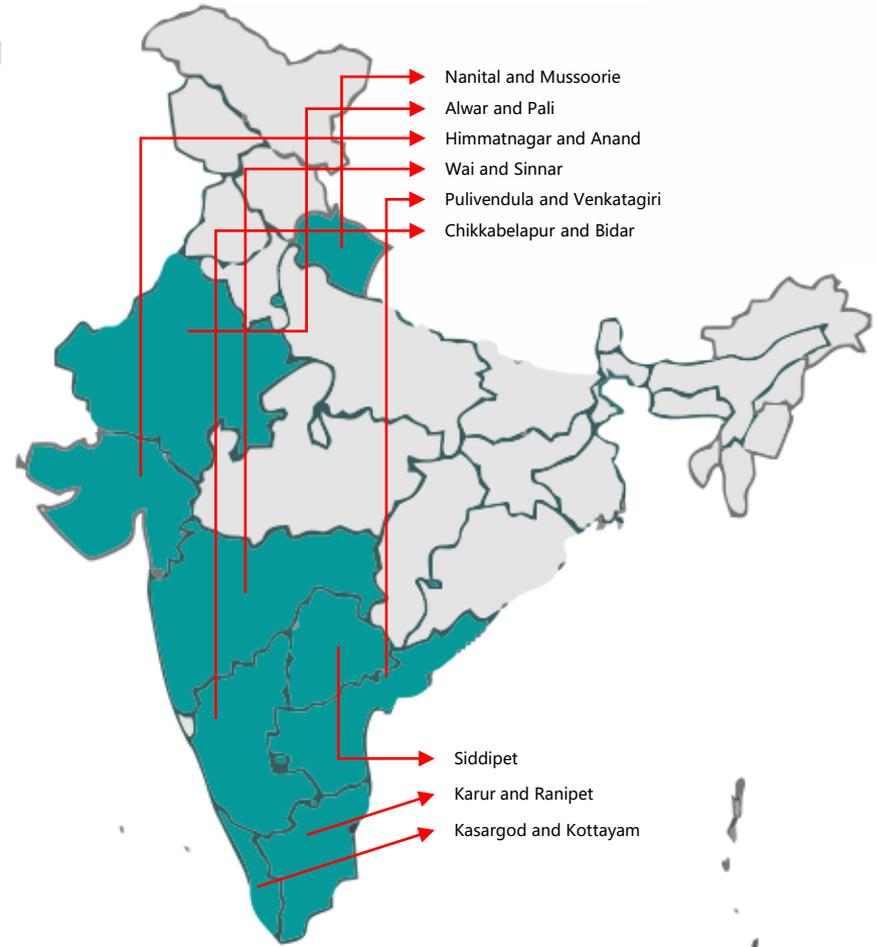
Of India taken for comparison as to understand the layout, their structures and the availability of their data online

## 9 states

States of Uttarakhand, Rajasthan, Gujarat, Maharashtra, Andra Pradesh, Karnataka, Telangana, Tamil Nadu and Kerala are taken

## 28 criterias

Comparison is done across 28 different heads including income, expense, revenue and capital structures and system of accounting



# BUDGET DOCUMENTATION

## Documents referred

Attached is a list of the first important page of all the budgets who have made it to the excels and the matrices. Beyond these, many other budgets were viewed and searched for, for the purpose of comparison and understanding their layouts.

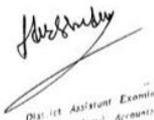
A complied word file for the same has been made. These first pages give an insight to the layout and how data rich/poor the document is from preliminary viewing.

It also helps to understand the similarities or differences between two budgets and whether the budget is just a summary, an estimate or an audited budget.

2017-18 OWN REVENUE Detail of Amreli Municipality,  
Dist :- AMRELI Gujarat  
Patrak - A, Income From Taxes (Unaudited)

Sr. No.	Details	વિગત	Income	
			2016-17	2017-18
1	Property Tax & Joint Tax	સંયુક્ત કર / મિલકતવેરો	22448568.00	25705919.00
2	Tax on Animals, boats & Vehicles.	પશુ, વાહન તથા હોડીઓ પરનો વેરો / વાહન વેરો	0.00	0.00
3	Toll Tax on vehicales, animals	પશુ, વાહન તથા હોડીઓ પરનો ટોલ	0.00	0.00
4	Tax on dogs kept	કુતરાઓ પરનો કર	0.00	0.00
5	Special Sanitation Tax	ખાસ સફાઈ કર	0.00	3396099.00
6	General Sanitation Tax	સામાન્ય સફાઈ ઉપકર	3929086.00	0.00
7	Drainage Tax	મોરીયો પરનો કર / જટર વેરો	0.00	0.00
8	General Water Tax	સામાન્ય પાણી વેરો	13233153.00	13091075.00
9	Special Water Tax	ખાસ પાણી વેરો	0.00	0.00
10	Lighting Tax	દિવાળનીકર	1736799.00	1535347.00
11	Pilgrim Tax	ધ્યાત્રવેરો	0.00	0.00
12	Special Education Cess	ખાસ શૈક્ષણિક ઉપકર	0.00	0.00
13	Tax on sale of Animals	હીર વેચાણ પર કર	0.00	0.00
14	Tax on lan/Building Improvement	જમીન / ઇમારત સુધારણા કર	0.00	0.00
15	Tax on Mobile Tower	મોબાઇલ ટાવર ઉપરનો કર	79500.00	0.00
16	Professional Tax	વ્યવસાયવેરો	10601448.00	10536168.00
17	Entertainment Tax	મનોરંજન કર (કેમલ ટીવી / ડિસ્ક જેક્શન પરનો મનોરંજન કર)	524700.00	174600.00
18	Tax on advertising and hoardings	જાહેરાત / હોડીંગની આવક	0.00	120000.00
19	Firefighter Tax	ખંબો સોતી કર	0.00	0.00
20	Toll Tax	ખંભીત કર (ટોલ ટેક્સ)	0.00	0.00
21	Theater Tax	થિયેટર ટેક્સ	0.00	0.00
<b>Patrak-A, Total of Income from Taxes</b>			<b>52553254.00</b>	<b>54559208.00</b>

નોંધ:- ઉપરોક્ત વિગતોમાં Single Time આવક જેવી કે, મિલકત વેચાણની આવક / ફરાજીની આવક / ભંજાર માલ સામીનની આવકની રકમો તેમજ Single Time પર્યતો વિગતોનો સમાવેશ OWN SOURCE REVENUE ની હેતુ માટે કરવાનો નથી.

  
 District Assistant Examiner  
 Local Fund Accounts  
 AMRELI

C:\Users\lenovo\Documents\Audit\14th finance comition Amreli

Amreli Municipal budget summary 2017-2018

# MATRIX OF STATES FOR COMPARISON

Sr. No.	State	City	Document Language	Website Link	Available on State Finance website or not	Available on municipal Website or not	Years of Budgets available (numbers)	Actuals of previous years mentioned	Whole budget available or only summary	Audited or Unaudited report	Separate revenue structure for income?	Separate revenue structure for expenditure?	Revenue structure	Separate capital structure for income?	Separate capital structure for expenditure?	Capital Structure	Existence of extraordinary account	National Accounting Manual Follows	State accounting manual follows	Accounting system	Department wise segregation	Remarks on consistency across cities	Remarks on consistency across years	Remarks on discrepancy	Remarks
1	Gujarat	Himmatnagar	English and Gujarati	<a href="#">gmfb.in/up_p</a>	Yes	No	2015-16 to 2017-18 (3)	Yes, only the immediate previous year	Only summary	Audited	No	Yes	Mentions taxes, non taxes and other own revenue followed by expenditure	No	Yes	Expenditure is divided into capital and revenue, however income is not	No	Yes. Does not have an extraordinary account	Gujarat Accounting manual not found online	Accrual Based (5th Finance Commission)	Cannot tell from summary	Consistent and follows similar layout	Consistent summaries, however, not all digits are in lakhs and some are written full digits while some are not	Grant income is not calculated in the summary as an income and only mentioned separately, the summaries also do not conclude surplus or deficit	Too much dependency on grants
2		Anand	English	<a href="#">gmfb.in/up_p</a>	Yes	No	2015-16 to 2017-18 (3)	Yes, only the immediate previous year	Only summary	Audited	No	Yes	Mentions taxes, non taxes and other own revenue followed by expenditure.	No	Yes	Expenditure is divided into capital and revenue, however income is not	No	Yes, does not have an extraordinary account. Follows income from taxes as per Gujarat Municipality act	Gujarat Accounting manual not found online	Accrual Based (5th Finance Commission)	Cannot tell from summary		Consistent summaries	summary does not include income from grants	Even though the summaries of almost every city of Gujarat are available online on the finance website, the actual budgets of most municipal councils are not available on the ULB's websites
3	Maharashtra	Wai	Marathi	Unavailable	No	No	2019-20 (1)	Yes, previous 4 years	Complete + summary	Audited	Yes	Yes	revenue receipts are categorized based on source while expenditure is not categorized department wise	Yes	Yes	Capital income is categorized based on schemes or grants. Expenditure is not categorized department	No	Yes, does not have an extraordinary account	Yes	Cost based (CEPT University with support from CRISIL Risk & Infrastructure Solutions November 2014 1)	No	Sinnar has a special income and special expenditure head. It also has department wise segregation. Both these are not found in Wai	Varies over the years	Multiple entries under same head	No clarity in reading budget
4		Sinnar	Marathi and English	Unavailable	No	No	2017-18 (1)	Yes, previous 5 years	Complete + summary	Unaudited	Yes	Yes	Income is categorized based on source while expenditure is categorized department wise	Yes	Yes	Categorized based on schemes or grants, expenditure not categorized department wise	No. Has special income and special expenditure instead	Yes, does not have an extraordinary account	Yes	Cost based (CEPT University with support from CRISIL Risk & Infrastructure Solutions November 2014 1)	Yes		Format varies but improved over the years	no, there is clarity in reading the expenditure based on activity	Clarity in reading budget

Budgets are not published on Websites

Extraordinary account does not exist

Sinnar has department wise segregation

# MATRIX OF STATES FOR COMPARISON

Sr. No.	State	City	Document Language	Website Link	Available on State Finance website or not	Available on municipal Website or not	Years of Budgets available (numbers)	Actuals of previous years mentioned	Whole budget available or only summary	Audited or Unaudited report	Separate revenue structure for income?	Separate revenue structure for expenditure?	Revenue structure	Separate capital structure for income?	Separate capital structure for expenditure?	Capital Structure	Existence of extraordinary account	National Accounting Manual Follows	State accounting manual follows	Accounting system	Department wise segregation	Remarks on consistency across cities	Remarks on consistency across years	Remarks on discrepancy	Remarks
5	Kerala	Kasargod	English and Malayalam	Unavailable	No	No	2016-17, 2017-18 (2)	No	Only Abstract	Unaudited	Yes	Yes	Does not keep all income together and all expense together, rather keeps revenue account income and expense together	Yes	Yes	and capital account income and expense together	No. Has Debit head account instead which has both receipts and expenditure	Cannot compare due to lack of entire budget availability	Yes	Accrual Based ( <a href="http://14.139.116.20:8080/jspui/bitstream/10603/25816/14/14_chapter%204.pdf">http://14.139.116.20:8080/jspui/bitstream/10603/25816/14/14_chapter%204.pdf</a> )	Yes, but only of expenditure summary	Consistent layout	Consistent and follows similar layout	Budget summary is too concise, does not even mention the taxes and their income	There is no extraordinary account, but there exists and extraordinary expenditure in the revenue account
6		Kottayam	English and Malayalam	Unavailable	No	No	2017-2018 (1)	Yes, previous 3 years	only certain parts of the budgets are available	Unaudited	Yes	Yes	revenue receipts and capital receipts kept together	Yes	Yes	revenue expenditure and capital expenditure kept together	No	Does not have a debit head account or an extraordinary account	Cannot determine due to consolidated budget and not the entire budget available	Accrual Based ( <a href="http://14.139.116.20:8080/jspui/bitstream/10603/25816/14/14_chapter%204.pdf">http://14.139.116.20:8080/jspui/bitstream/10603/25816/14/14_chapter%204.pdf</a> )	Yes	Inconsistency in layout and broken budget parts	some grants or incomes are not received in previous years	The entire budget is broken and available in parts	
7	Karnataka	Chikkaballapur	English and Kanada	<a href="http://ballapurcity.mn">ballapurcity.mn</a>	No	Yes	2016-17 to 2019-20 (4)	Yes, two years prior with estimate	Whole budget available with inbuilt summary	Audited except for 2019-2020 estimate	Yes	Yes	Separate revenue structure with receipts and payments	Yes	Yes	Separate capital structure with receipts and payments	Yes. Includes funds, grants, loans and insurances	Yes	Accrual Based (15th finance commission)	No, but based on activity department can be identified	Pie charts introduced in last budget	Very detailed estimates available with all particulars and code. Only the cost based part of account published	One of the best budgets so far - it even has charts and graphs, summary and is multilingual for very easy reading.		
8		Bidar	English and Kanada	<a href="http://darcity.mn">darcity.mn</a>	No	Yes	Page under construction	combines estimate of budget with revised budget of previous year	Entire budget available	Audited for previous year revision	Yes	Yes	receipts are divided into municipal funds, grant funds and extra ordinary funds in addition to revenue acc classification	Yes	Yes	similarly payments are divided into municipal funds, grant funds and extraordinary funds in addition to capital account classification	Yes. Includes funds, grants, loans and insurances	Yes	Accrual Based (15th finance commission)	Yes, not present in summaries	Only one budget available	Very detailed estimates available with all particulars and code. Only the cost based part of account published	Has a bar graph of receipts, expenses, opening balance and closing balance		

Budgets are not published on Websites for Kerala

Whole Budgets not available for Kerala

Karnataka has one of the best systems, that follows both NAM and SAM

Entire budgets available with charts

# MATRIX OF STATES FOR COMPARISON

Sr. No.	State	City	Document Language	Website Link	Available on State Finance website or not	Available on municipal Website or not	Years of Budgets available (numbers)	Actuals of previous years mentioned	Whole budget available or only summary	Audited or Unaudited report	Separate revenue structure for income?	Separate revenue structure for expenditure?	Revenue structure	Separate capital structure for income?	Separate capital structure for expenditure?	Capital Structure	Existence of extraordinary account	National Accounting Manual Follows	State accounting manual follows	Accounting system	Department wise segregation	Remarks on consistency across cities	Remarks on consistency across years	Remarks on discrepancy	Remarks
9	Tamil Nadu	Karur	Tamil	rec.tn.gov.in/k	No	Yes	2015-16, 2016-17 (2)	Yes, two years prior with estimate	Summary only	Unaudited	No	No	Stress is given to drinking water fund and expenses - having special tables for such	No	No	The budget is difficult to read	No	Cannot compare due to lack of availability of entire budget	All cities of Tamil Nadu are supposed to follow the Manual, however due to only availability of summary, it is difficult to conclude if that actually happens	Accrual Based ( <a href="https://fiscoplanner.net/3703/0363-Municipal-accounting-manual.html">https://fiscoplanner.net/3703/0363-Municipal-accounting-manual.html</a> )	Yes	Inconsistent. The budget layouts are very different. While Karur prints budgets department wise, Ranipet has a single flow and only segregates revenue and water funds	Only one budget available	Budget summary is more based department wise rather than capital and revenue based	Extremely difficult to read budget. Not easy to read and does not follow standard format
10		Ranipet	English	ne.tn.gov.in/ra	No	Yes	2018-19, 2019-20 (2)	No	Detailed Budget	Unaudited	Yes	No	Has revenue fund, elementary fund and water supply fund	No	No	Neither total expenses nor total income is disclosed. It is difficult to say which head is income and which is expense	No	Cannot compare due to lack of availability of entire budget	All cities of Tamil Nadu are supposed to follow the Manual, however due to only availability of summary, it is difficult to conclude if that actually happens	Accrual Based ( <a href="https://fiscoplanner.net/3703/0363-Municipal-accounting-manual.html">https://fiscoplanner.net/3703/0363-Municipal-accounting-manual.html</a> )	Yes		Only one budget available	While the website shows links to two budgets, both links lead to singular 4th april 2020 budget.	Tamil Nadu budgets complete budgets not available, if available then not in common language and is entirely department wise which does not cover expenses either.
11	Andhra Pradesh	Pulivendula	Telugu	ula.cdma.ap.g	No	Yes	2015-16 to 2018-19 (4)	Yes, two years prior with estimate	Detailed budget	Unaudited	Yes	Yes	income and expenditure particulars are listed as a summary in the beginning, followed by detailed layouts, and revised estimates in summary form again in the end.	Yes	Yes	The detailed layouts are of both revenue and capital accounts	No	Should also be in english language	Yes	Cost Based (AP Budget Manual)	No but the budget has functions which can be attributed to different departments	Consistent and follows similar layout. Only one difference is that Venkatagiri has department wise segregation	Consistent with previous years	not sufficient data	
12		Venkatagiri	Telugu	giri.cdma.ap.g	No	Yes	2016-17 to 2019-20 and 2020-2021 (projected) (5)	Yes, two years prior with estimate	Detailed budget	Unaudited	Yes	Yes	It has a separate loan function and an additional revenue stream	Yes	Yes	Has additional deposit payments list	No	should also be in english language	Yes	Cost Based (AP Budget Manual)	Yes, it has a department head and a code head too		Consistent with previous years	not sufficient data	For a budget that is cost based, it is unique to have department wise segregation since many accrual based reports also miss this important aspect.

Proper and published budgets like Karnataka

TN has department wise segregation but structuring based on capital and revenue income is poor

Except it follows cost based system

# MATRIX OF STATES FOR COMPARISON

Sr. No.	State	City	Document Language	Website Link	Available on State Finance website or not	Available on municipal Website or not	Years of Budgets available (numbers)	Actuals of previous years mentioned	Whole budget available or only summary	Audited or Unaudited report	Separate revenue structure for income?	Separate revenue structure for expenditure?	Revenue structure	Separate capital structure for income?	Separate capital structure for expenditure?	Capital Structure	Existence of extraordinary account	National Accounting Manual Follows	State accounting manual follows	Accounting system	Department wise segregation	Remarks on consistency across cities	Remarks on consistency across years	Remarks on discrepancy	Remarks
13	Telangana	Siddipet	Telugu, English	elangana.gov.i	No	Yes	2017-18 (1)	Yes, only the immediate previous year	Entire Budget available	Unaudited	No	No	All heads are combined under receipts - includes tax resources, non tax resources and capital project funds.	Yes	Yes	All heads combined under expenses - includes municipal general fund and capital project fund	No	Yes, does not segregate as per revenue and capital and extraordinary.	Yes	Cost based	Yes, But the whole document does not have the column. There is a separate summary of department wise income and expense.	N/A	Consistent	does not state in lakhs in certain places but is there. Supposed to be audited but isn't	for 82% of municipality to run on grants is a little too much. Need to recheck this figure
14																									
15	Uttarakhand	Nainital	English	<a href="#">display/143-ba</a>	Yes	No	2015-16, 2016-17, 2017-18 (3)	Yes, previous 2 separate summary is provided for the same	summary and financial statements available	Audited	No	No	summary provides data in 2 parts, revenue and expenditure and receipts and payments	No	No	There is no detailed break of income and expenditure	No	Cannot compare due to lack of availability of entire budget	Yes. It details out even fixed assets and other sources of balance	Cost Based (Uttarakhand accounting manual)	No	Inconsistent. Nainital's budget is properly laid out while Mussoorie's budget does not follow a proper flow and is difficult to read	Consistent	not sufficient data	
16		Mussoorie	English	<a href="#">display/143-ba</a>	Yes	No	2016-17, 2017-18 (2)	No	Only summary of balance sheet	Audited	No	No	The balance sheet is very poorly done to be able to comment	No	No	The balance sheet is very poorly done to be able to comment	No	Cannot compare due to lack of availability of entire budget	No	Cost Based (Uttarakhand accounting manual)	No	Consistent	not sufficient data	Grant value seems wrong. Needs to be checked.	
17		Alwar	English	<a href="#">/ulbs/jalpur%2</a>	No	Yes	2015_2016 (website), 2017-2018 (CA audit report) (2)	Yes, 2013-14, 2014-15	Summary along with CA's inferences and comments	Audited report upto 2017-2018 (although not available on municipal website)	No	No	Only receipts and expenditure listed, with no detailed structure	No	No	Only receipts and expenditure listed, with no detailed structure	No	Does not have any account based divisions. Follows income and expenditure as per schedules	Yes, follows state accounting manual	Cost Based except salary and account (audit report)	Not in summary, but available to some extent indirectly in audit report	Cannot say much due to Alwar's budget being an audit report while Pali's budget is an entire budget document. However, major structure difference is that Alwar does not have any revenue or capital account while Pali does.	cannot say as only one audit report is available	not sufficient data	
18	Rajasthan	Pali	Hindi	<a href="#">il/en/reports/</a>	No	Yes	2013 to 2017-18 (5)	Yes, 2015-16, 2016-17	Entire budget available	Unaudited for last 2 years	Yes	Yes	receipts and expense both not segregated, rather defined by + and - sign	Yes	Yes	same	No	Yes, does not have an extraordinary account. Follows income and expenditure as per schedules	Yes, follows state accounting manual	Cost Based ( <a href="https://cag.gov.in/sites/default/files/audit_report_files/Rajasthan_TI_ULB_PRI_20_11_Chop_3.pdf">https://cag.gov.in/sites/default/files/audit_report_files/Rajasthan_TI_ULB_PRI_20_11_Chop_3.pdf</a> )	No	Yes, consistency in audit reports	not sufficient data	While estimates are in Hindi, Audit reports are in English	

Very poor structuring of the budget. Is unreadable and not transparent

In certain cases Rajasthan has published Audit reports

Extraordinary account does not exist

# MATRIX OF STATES FOR COMPARISON

(In Indian Rs)

Sr. No.	State	City	Population	Area	Income in lakhs (not including opening balance)	Expenditure in lakhs	Surplus or deficit in lakhs	Income per Capita	Expenditure per capita	Surplus/deficit per capita	Grants availability	Share of non ULB funds (grants only)
1	Gujarat	Himmatnagar	81,137	30.5	3642.2	3799.1	-156.9	4489.0	4682.4	-193.4	Yes both capital and revenue grants mentioned (1925.94 lacks)	52%
2		Anand	218,486	47.89	2907.9	10369.0	-7461.1	1330.9	4745.8	-3414.9	Not mentioned	cannot calculate due too non availability of grants
3	Maharashtra	Wai	36,030	4.74	2742.9	2724.8	18.2	7612.9	7562.5	50.4	Not mentioned, is included in capital income	cannot calculate due too non availability of separate grants
4		Sinnar	65,299	195	11529.4	11506.2	23.2	17656.2	17620.7	35.5	Yes, under specific head of grants and funds	51%
5	Kerala	Kasargod	1,310,000	16.7	5483.6	4999.0	484.7	418.6	381.6	37.0	Mentioned	33.38%
6		Kottayam	357,302	77.8	2270.7	15617.8	-13347.2	635.5	4371.0	-3735.5	Not mentioned separately, is included in capital receipts (622 lakhs)	27.40%
7	Karnataka	Chikkaballapur	191,122	10.65	8961.0	8881.4	79.6	4688.6	4647.0	41.7	Yes, as part of extraordinary account	28.70%
8		Bidar	216,000	43	9753.8	9693.4	60.5	4515.7	4487.7	28.0	Yes, as part of extraordinary account	26.83%
9	Tamil Nadu	Karur	1,060,000	30.96	2491.0	2269.0	222.0	235.0	214.1	20.9	Yes, as part of capital account	cannot calculate due too non availability of separate grants
10		Ranipet	50,764	26	1006.0	1636.6	-630.6	1981.7	3223.8	-1242.1	No	cannot calculate due too non availability of separate grants
11	Andra Pradesh	Pulivendula	112,768	87.17	954.6	780.0	174.6	846.5	691.7	154.8	Yes, as part of capital account	cannot calculate due too non availability of separate grants
12		Venkatagiri	51,708	25.43	698.8	681.2	17.7	1351.5	1317.3	34.2	insufficient data	cannot calculate due too non availability of separate grants
13	Telangana	Siddipet	66,737	32.31	17923.6	17004.9	918.6	26857.0	25480.5	1376.5	Yes, as part of the capital project fund (14715 lakhs)	82%
14												
15	Uttarakhand	Nainital	41,377	11.73	2315.3	2204.2	111.1	5595.6	5327.2	268.4	1494.75 lakhs	65%
16		Mussoorie	30,118	10.08	20302.7	19076.6	1226.1	67410.6	63339.6	4071.1	234.73 lakhs	1%
17	Rajasthan	Alwar	462,000	109.62	4468.2	3691.8	776.4	967.1	799.1	168.2	Yes, 16 grants (Rs 357461714)	36%
18		Pali	280,000	41.98	17984.7	17984.7	0.0	6423.1	6423.1	0.0	insufficient data	cannot calculate due too non availability of separate grants

# KEY TAKE AWAYS

After comparing the cities over heads such as [system of accounting](#), [budgets](#), [accounts](#), [document language](#), [revenue and capital structure](#), [budget availability](#), [share of grants](#), etc, the following are some very basic inferences taken from the cities that are selected only:

- Overall, almost all cities compared depend too heavily on grants, in which Himmatnagar, Gujarat peaks at 52%, and Bidar, Karnataka least at 27.4% (there has to be more cities for comparison to understand if this is a trend)
- While most cities' accounting systems are accrual based, the published budgets are all cash based.
- Most of the cities do not have an extraordinary account. While Karnataka has an extraordinary account, Kerala has a debit head account instead, which is not present in Kottayam budget
- Audited budgets of all cities are published except for cities of Kerala that publishes unaudited budgets, as against audited report publishing required within six months from end of financial year as mentioned in [KMA Sec 517 B(3) and the Government Order No. 48/09/LSGD]
- Cities such as Anand and Kottayam fall in the highest deficit among the cities compared, while Mussoorie and Siddipet are in highest surplus. Regardless, the highest per capita expense is also of Mussoorie
- Siddipet has the highest dependency on non ULB grants, maybe this is why it has such high surplus also.

Municipal Laws on Accounting & Budgeting compared across states

Budget Comparison between small and medium towns across states

## **Budget Comparison between small and medium towns of Gujarat**

We shall now move onto only the cities of Gujarat and compare their budgets. The graphs prepared and presented are initial outputs and depict the health of these budgets along certain parameters.

We then also cover discrepancies, potentials and limitations of these budgets.

# GUJARAT CITIES COMPARISON - MATRIX

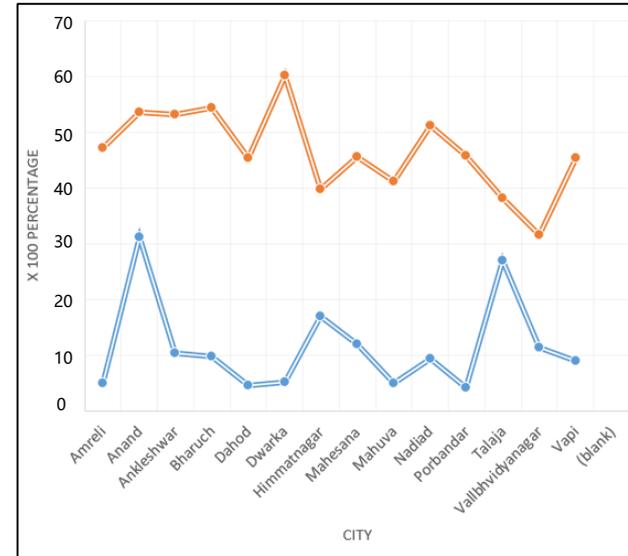
Sr. no	Cities	Urban Local Body	Development Authority	Population	Area in sq km	Document Language	Income from Taxes													Available on municipal website or not	Years of budget available	Actuals of previous year mentioned	Audited or unaudited	
							Property Tax (In lakhs)	Property Tax Per Capita	Sanitation tax (In lakhs)	Sanitation Tax Per capita	Water tax (In lakhs)	Water Tax Per Capita	Lighting Tax (In Lakhs)	Lighting Tax Per Capita	Professional tax (In lakhs)	Professional Tax Per Capita	Entertainment Tax (In lakhs)	Entertainment Tax Per Capita	Advertisement Tax (In lakhs)					Advertisement Tax Per Capita
1	Amreli	Municipal Council	D7A, ADA	275,000	23	English+Gujarati	257.06	93.48	33.96	12.35	130.91	47.60	15.35	5.58	105.36	38.31	1.75	0.63	1.20	0.44	No	2015-16 to 2017-18	Yes, only previous year	audited
2	Anand	Municipal Council	D4, AVKUDA	218,486	47.89	English	905.99	414.67	56.30	25.77	218.71	100.10	58.85	26.93	284.15	130.05	2.34	1.07	0.00	0.00	Yes	2015-16 to 2017-18	Yes, only previous year	audited
3	Ankleshwar	Municipal Council	D2, BAUDA	140,839	35.63	English+Gujarati	339.12	240.79	45.54	32.34	108.45	77.00	21.65	15.37	82.39	58.50	0.00	0.00	0.00	0.00	No	2015-16 to 2017-18	Yes, only previous year	audited
4	Bharuch	Municipal Council	D2, BAUDA	148,391	35.34	English+Gujarati	677.13	456.32	69.95	47.14	244.50	164.77	67.06	45.19	175.17	118.05	5.39	3.63	0.00	0.00	Yes	2015-16 to 2017-18	Yes, only previous year	audited
5	Dahod	Municipal Council	D7A, ADA	130,503	29.88	English+Gujarati	269.74	206.70	67.25	51.53	126.26	96.75	27.03	20.71	63.11	48.36	2.22	1.70	8.52	6.53	No	2015-16 to 2017-18	Yes, only previous year	audited
6	Dwarka	Municipal Council	D7B, ADA	38,873	7.6	English+Gujarati	101.66	261.53	9.93	25.55	30.86	79.39	8.65	22.26	17.11	44.01	0.77	1.99	0.00	0.00	No	2015-16 to 2017-18	Yes, only previous year	audited
7	Himmatnagar	Municipal Council	D4, HUDA	81,137	30.5	English+Gujarati	291.78	359.61	94.49	116.46	172.75	212.91	19.06	23.49	90.20	111.17	2.45	3.02	3.64	4.48	No	2015-16 to 2017-18	Yes, only previous year	audited
8	Mahesana	Municipal Council	D7A, ADA	184,991	35.14	English+Gujarati	820.29	443.42	95.91	51.85	324.27	175.29	71.61	38.71	330.02	178.40	0.04	0.02	15.49	8.37	No	2015-16 to 2017-18	Yes, only previous year	audited
9	Mahuva	Municipal Council	D7A, ADA	150,000	11	English+Gujarati	119.90	79.94	10.33	6.89	40.68	27.12	30.59	20.39	53.65	35.77	1.10	0.74	0.00	0.00	No	2015-16 to 2017-18	Yes, only previous year	audited
10	Nadiad	Municipal Council	D7A, ADA	225,071	28.34	English+Gujarati	651.15	289.31	63.63	28.27	135.41	60.16	46.58	20.69	172.46	76.63	2.24	1.00	0.97	0.43	No	2015-16 to 2017-18	Yes, only previous year	audited
11	Porbandar	Municipal Council	D7A, ADA	217,500	38.43	English+Gujarati	366.63	168.56	73.17	33.64	155.96	71.71	50.70	23.31	101.48	46.66	4.34	1.99	13.52	6.22	No	2015-16 to 2017-18	Yes, only previous year	audited
12	Talaja	Municipal Council	DB	25,667	4.9	English+Gujarati	45.93	178.96	10.45	40.71	26.32	102.56	9.49	36.97	7.12	27.75	0.47	1.82	0.00	0.00	No	2015-16 to 2017-18	Yes, only previous year	audited
13	Vallbhvidyanagar	Municipal Council	D4, AVKUDA	23,783	4.84	English+Gujarati	142.49	599.11	51.32	215.78	37.00	155.56	35.07	147.44	77.29	324.96	0.00	0.00	0.00	0.00	Yes	2015-16 to 2017-18	Yes, only previous year	audited
14	Vapi	Municipal Council	D7A, ADA	163,630	84.4	English+Gujarati	598.52	365.78	89.02	54.40	177.99	108.78	89.02	54.40	249.97	152.77	1.39	0.85	15.85	9.69	No	2015-16 to 2017-18	Yes, only previous year	audited

Sr. no	Cities	Departmen t wise segregation	Digits of data	Total income from taxes (In lakhs)	Grant (Capital + Revenue) (In lakhs)	Non Taxes (In lakhs)	Own Revenue (In lakhs)	Total income (In lakhs)	Revenue Expenditure (In lakhs)	Capital Expenditure (In lakhs)	Total Expense (In lakhs)	Balance (In lakhs)	Share of non ULB funds	% of property tax of total income	% of property tax to own municipal revenue	Total income per capita	Total expense per capita	Total balance per capita	Accounting System	(0 means grant is not mentioned in the summary)	
1	Amreli	N/A	All in full digit	545.59	4491.33	108.89	69.90	5215.71	1276.10	4678.84	5954.95	-739.24	86%	4.9%	47.1%	1896.62073	2165.43525	-268.81	Cost Based		
2	Anand	N/A	All in full digit	1688.55	0.00	1099.00	120.33	2907.88	1310.34	9058.64	10368.98	-7461.10	N/A	31.2%	53.7%	1330.92338	4745.83198	-3414.91	Cost Based		
3	Ankleshwar	N/A	All in full digit	637.53	2477.37	131.00	20.15	3266.05	1842.50	1661.36	3503.86	-237.81	76%	10.4%	53.2%	2318.99490	2487.84932	-168.85	Cost Based		
4	Bharuch	N/A	All in full digit	1247.33	5332.36	330.08	66.56	6976.34	3459.77	673.88	4133.64	2842.70	76%	9.7%	54.3%	4701.32430	2785.64348	1915.68	Cost Based		
5	Dahod	N/A	All in full digit	594.00	4443.46	710.26	190.02	5937.75	1111.98	4561.46	5673.44	264.31	75%	4.5%	45.4%	4549.89678	4347.36329	202.53	Cost Based		
6	Dwarka	N/A	All in full digit	169.00	1535.63	144.56	96.68	1945.87	828.19	1628.07	2456.26	-510.39	79%	5.2%	60.2%	5005.71759	6318.68402	-1312.97	Cost Based		
7	Himmatnagar	N/A	Full digits (expenditure in lakhs)	734.25	0.00	363.65	618.39	1716.29	1541.00	2258.00	3799.00	-2082.71	N/A	17.0%	39.7%	2115.29700	4682.20417	-2566.91	Cost Based		
8	Mahesana	N/A	All in full digit	1802.47	4370.91	620.26	17.15	6810.79	2968.52	4345.70	7314.23	-503.44	64%	12.0%	45.5%	3681.68478	3953.82823	-272.14	Cost Based		
9	Mahuva	N/A	All in full digit	291.27	1774.82	287.00	30.86	2383.95	865.02	3134.06	3999.08	-1615.13	74%	5.0%	41.2%	1589.30153	2666.05195	-1076.75	Cost Based		
10	Nadiad	N/A	All in full digit	1273.87	5470.44	245.61	50.27	7040.19	3550.81	7041.65	10592.47	-3552.28	78%	9.2%	51.1%	3127.98508	4706.27744	-1578.29	Cost Based		
11	Porbandar	N/A	All in full digit	803.03	7089.05	703.43	153.43	8748.95	2830.44	8568.37	11398.81	-2649.86	81%	4.2%	45.7%	4022.50362	5240.83226	-1218.33	Cost Based		
12	Talaja	N/A	All in full digit	120.68	0.00	44.74	5.56	170.97	996.52	317.23	996.52	-825.55	N/A	26.9%	38.1%	666.11174	3882.47910	-3216.37	Cost Based		
13	Vallbhvidyanagar	N/A	Grant and Expenditure in lakhs	450.32	689.00	110.24	2.79	1252.36	673.00	391.00	1064.00	188.36	55%	11.4%	31.6%	5265.77505	4473.78380	791.99	Cost Based		
14	Vapi	N/A	Full digits (grant in lakhs)	1318.39	3362.43	1936.91	69.98	6687.71	1266.32	4132.47	5398.79	1288.92	50%	8.9%	45.4%	4087.09096	3299.38667	787.70	Cost Based		

# GUJARAT CITIES COMPARISON - GRAPHS

	Property tax and joint tax	Tax on animals boats and vehicle	Toll tax on animal and vehicle	Tax on dog	Special sanitation	General sanitation	Drainage	General water	Special water	Lighting	Pilgrim	Special education cess	Tax on sale of animal	Tax on lan/building improvement	Tax on mobile tower	Professional tax	Professional tax interest	Entertainment tax	Advertising and hoardings	Firefighter	Toll tax	Theater tax	Penalties	
1 Amreli	4				4			4		4						4		4	4					4
2 Anand	4	4			4	4	4	4	4	4			4			4		4						4
3 Ankleshwar	4				4	4	4	4	4	4					4									4
4 Bharuch	4	4			4		4	4	4	4					4			4						4
5 Dahod	4				4		4	4	4	4		4				4		4	4					4
6 Dwarka	4				4	4	4	4	4	4					4			4						4
7 Himmatnagar	4				4	4	4	4	4	4		4				4		4	4					4
8 Mahesana	4				4	4	4	4	4	4		4				4	4	4	4					4
9 Mahuva	4				4	4	4	4	4	4		4				4		4						4
10 Nadiad	4	4			4	4	4	4	4	4		4				4		4	4		4			4
11 Porbandar	4				4	4	4	4	4	4		4				4		4	4					4
12 Talaja	4				4	4	4	4	4	4		4				4		4						4
13 Vallbhvidyanagar	4				4	4	4	4	4	4		4				4		4						4
14 Vapi	4				4		4	4	4	4		4				4	4	4	4		4			4

● Tax levied     
 ● Tax head exists but not levied     
 ● Tax head does not exist

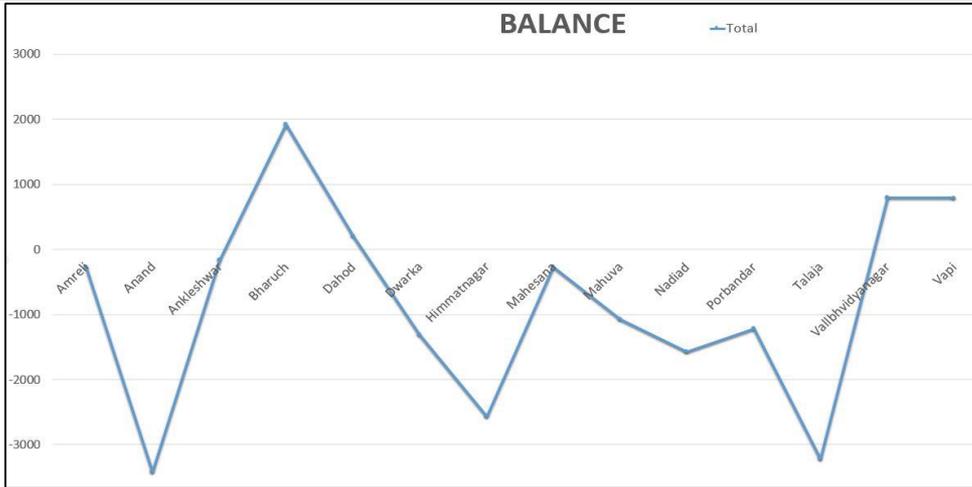


● Percentage of property tax collection from tax income  
● Percentage of property tax collection from total income

- It is important to know that Penalties are only levied by Vallabhvidyanagar while Professional Tax Interest is only levied by Mehsana
- Taxes such as Toll Tax, Tax on pets and Tax on building improvements exist, however are not levied in any city

- Anand collects the highest property tax, and yet manages to be in a deficit in the budget. Major reason for this is non availability of grants details in the budget published.

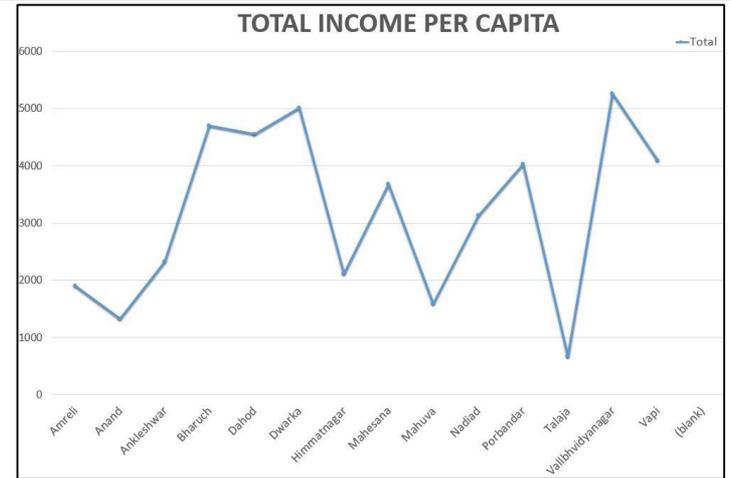
# GUJARAT CITIES COMPARISON - GRAPHS



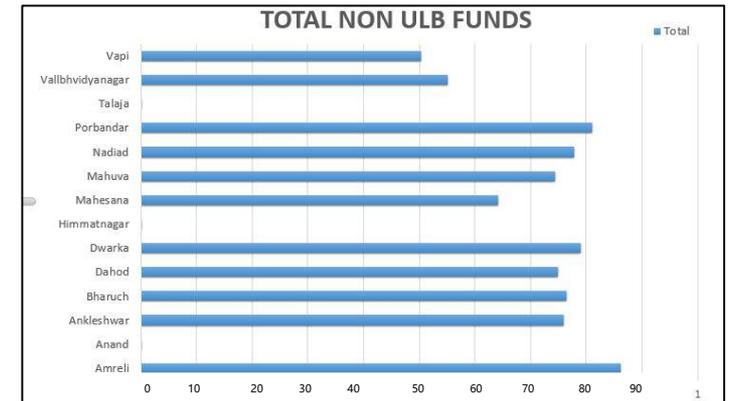
Balance in budgets at the end of financial year

10 out of 14 cities considered are at revenue deficit. Most of the cities taken into consideration are at loss at the end of cycle due to this. It is important to note that some of these (eg. Anand, Himmatnagar, Talaja) seem to go below but the summary available did not have grant income included. Besides that, cities such as Amreli and Porbandar depend and rely too much on grants.

Other than Vapi, every city considered depends over 50% on grants. Anand, Himmatnagar and Talaja have the highest deficit of over 2000 rs per capita



Total income from all sources



Total income from grants in %

# GUJARAT CITIES COMPARISON - GRAPHS

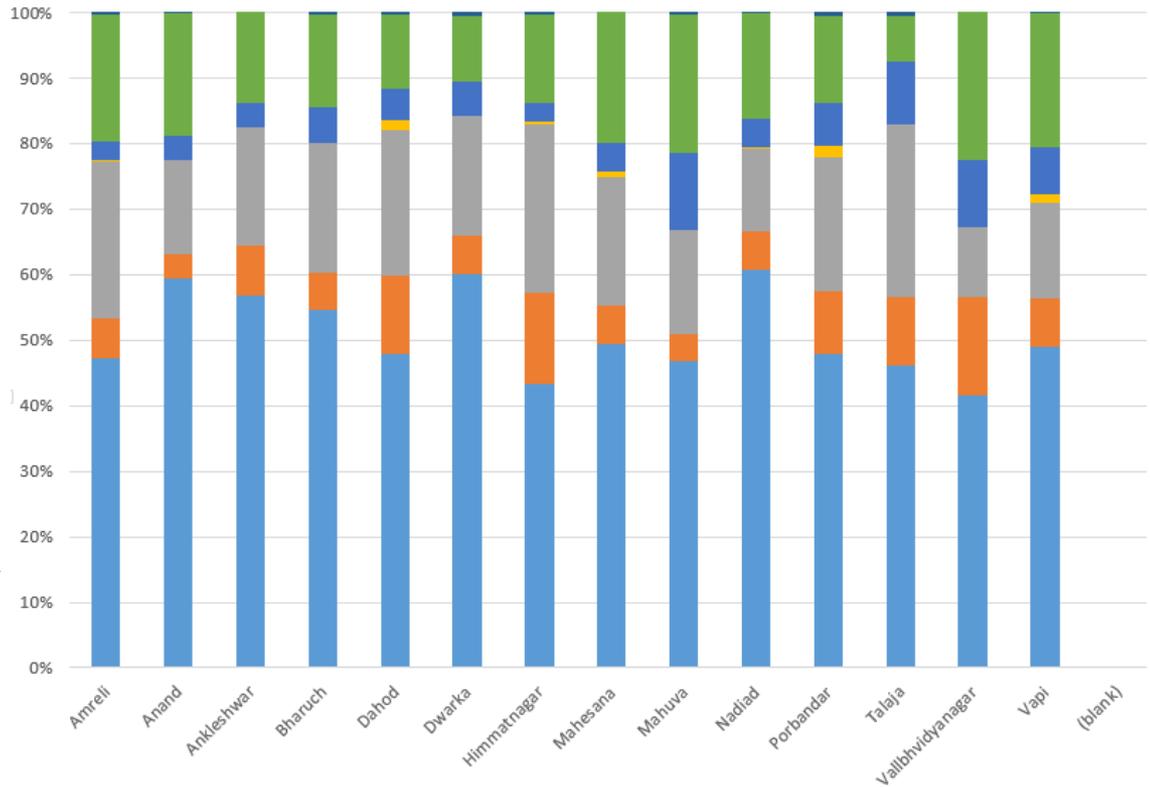
This is the matrix of the taxes levied by each city. Beside Property Tax, Water tax comes in second place close to Professional tax.

A lot of cities do not levy advertisement taxes, Hence wherever the digit is zero, it is not being levied.

It is also important to note that Dwarka has the highest per capita income to the government while Talaja has the lowest.

In case of Expenditure, Dwarka has the highest expense per capita too, however, Amreli has the lowest.

## SHARE OF TAXES PER CAPITA



# GUJARAT CITIES COMPARISON - GRAPHS

This is the matrix of individual cities and their per capita tax collection for each type.

Vallabhvidyanagar charges the highest lighting tax per capita, while Vapi charges the highest advertisement tax.

Advertisement Tax is however charged by very few cities, and maximum income is through Property, water and sanitation taxes.

Professional tax and lighting tax, although least charged, are still charged by all cities.

## HIGHEST PROPERTY TAX

Vallabhvidyanagar

**599** rs/pax

## LOWEST PROPERTY TAX

Mahuva

**78** rs/pax

## HIGHEST WATER TAX

Mehsana

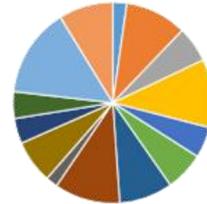
**175** rs/pax

## LOWEST WATER TAX

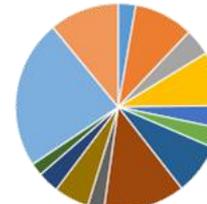
Mahuva

**27** rs/pax

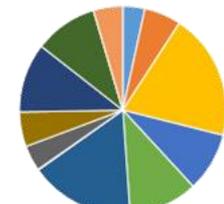
Sum of Property Tax Per Capita



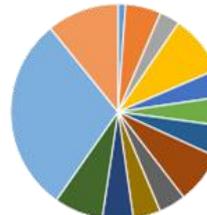
Sum of Professional Tax Per Capita



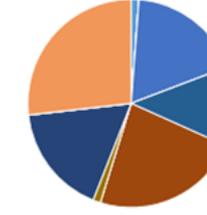
Sum of Entertainment Tax Per Capita



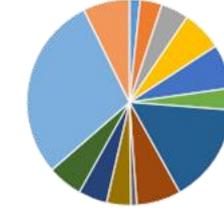
Sum of Lightning Tax Per Capita



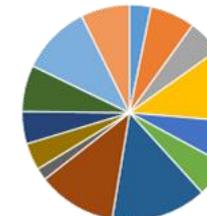
Sum of Advertisement Tax Per Capita



Sum of Sanitation Tax Per capita



Sum of Water Tax Per Capita



# GUJARAT CITIES COMPARISON - GRAPHS

This is the matrix of individual cities and their per capita tax collection for each type.

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Professional tax and lighting tax, although least charged, are still charged by all cities.

## HIGHEST PROPERTY TAX

Vallabhvidyanagar

**599** rs/pax

## LOWEST PROPERTY TAX

Mahuva

**78** rs/pax

## HIGHEST WATER TAX

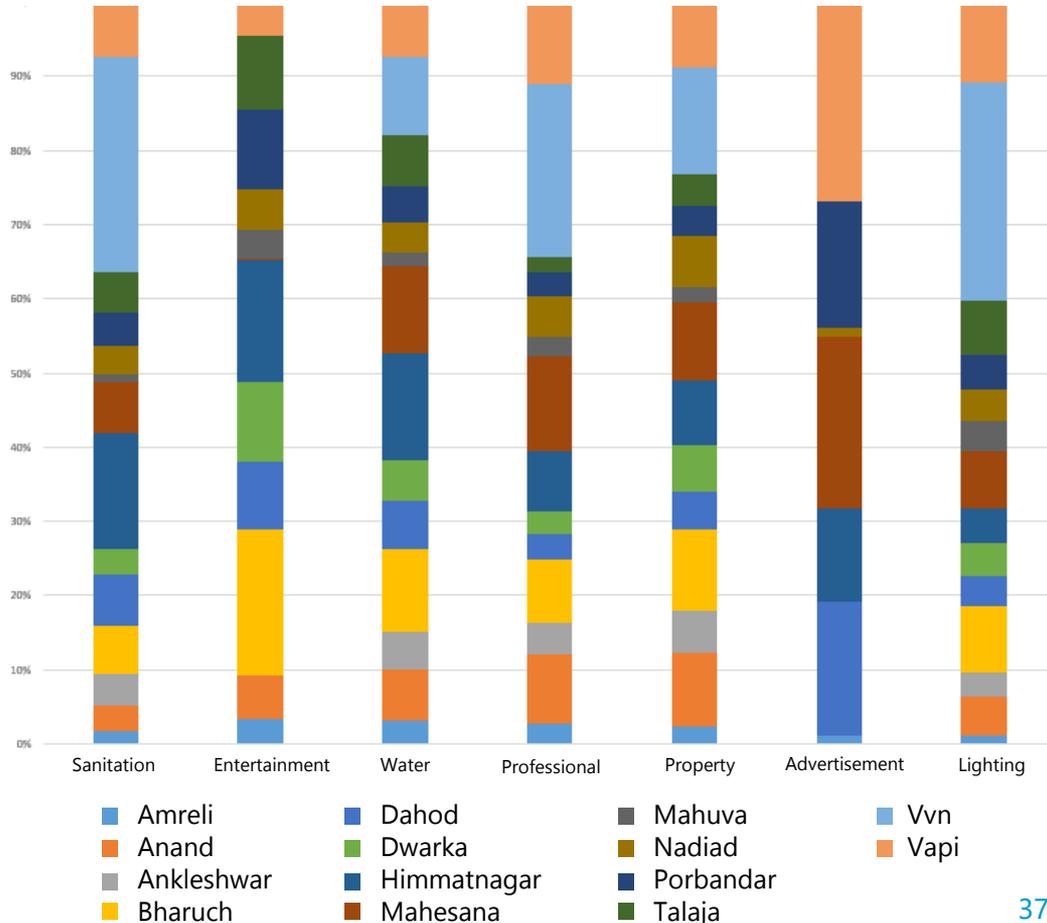
Mehsana

**175** rs/pax

## LOWEST WATER TAX

Mahuva

**27** rs/pax



# GUJARAT SUMMARIES DISCRIPANCIES

વર્ષ ૨૦૧૬ -૨૦૧૭ અને ૨૦૧૭ -૨૦૧૮ માં વિવિધ યોજનાઓ અંતર્ગત મળેલ ગ્રાંટ  
(Grant received under various schemes for the year 2016-17,2017-18)

(રકમ રૂ.લાખમાં)

Sr No	Name of Scheme	યોજનાનું નામ	Income	
			2016-17	2017-18
<b>Capital Grant</b>				
૧	Entertainment Tax Grant	મનોરંજન કર	2339422.00	7690508.00
૨	Local Fund / Irrigation cess Grant	લોકલ ફંડ / સિચાઇ	680977.00	524253.00
૩	Professional Tax Grant	વ્યવસાય વેરા ગ્રાંટ	10375139.00	15019638.00
૪	Safai vera Protsahak Grant	સફાઇ વેરા પ્રોત્સાહક	5350755.00	11196211.00
૫	Nirmal Gujarat	નિર્મળ ગુજરાત	1264286.00	1557077.00
૬	Swarnim Jaynati Mukhya Mantri Shaheri Vikas Yojana	સ્વર્ણિમ જયંતિ મુખ્ય મંત્રી શહેરી વિકાસ યોજના	20858011.00	116284719.00
૭	Census Calculation Grant	વસતિ ગણતરી ગ્રાંટ	177500.00	0.00
૮	SJMMSVY – Janbhagidari	સ્વર્ણિમ જયંતિ મુખ્ય મંત્રી જન ભાગીદારી	0.00	0.00
૯	14 <sup>th</sup> Finance Commission Grant	૧૪ મું નાણાંપંચ	79052970.00	91338243.00
૧૦	Mission Manglam	મિશન મંગલમ	0.00	0.00
૧૧	Nirmal Gajarat Shuchalay	નિર્મળ ગુજરાત શી ચાલય	7230000.00	7230000.00
૧૨	UIDSSMT	UIDSSMT	0.00	0.00

Mentions income in lakhs in heading but digits are in ones

Reads that the document is unaudited but the signatures suggest otherwise. It is also important to note that not all summaries are audited, even though the Gujarat finance board lists them under audited section.

2017-18 OWN REVENUE Detail of Amreli Municipality,  
Dist :- AMRELI, Gujarat  
Patrak - A, Income From Taxes (Unaudited)



Sr. No.	Details	વિગત	Income	
			2016-17	2017-18
1	Property Tax & Joint Tax	સંયુક્ત કર / મિલકતવેરો	22448568.00	25705919.00
2	Tax on Animals, boats & Vehicles.	પશુ, વાહન તથા હોડીઓ પરનો વેરો / વાહન વેરો	0.00	0.00
3	Toll Tax on vehicales, animals	પશુ, વાહન તથા હોડીઓ પરનો ટોલ	0.00	0.00
4	Tax on dogs kept	કુતરાઓ પરનો કર	0.00	0.00
5	Special Sanitation Tax	ખાસ સફાઇ કર	0.00	3396099.00
6	General Sanitation Tax	સામાન્ય સફાઇ ઉપર કર	3929086.00	0.00
7	Drainage Tax	મોરોશો પરનો કર / જટર વેરો	0.00	0.00
8	General Water Tax	સામાન્ય પાણી વેરો	13233153.00	13091075.00
9	Special Water Tax	ખાસ પાણી વેરો	0.00	0.00
10	Lighting Tax	દિ વાહનલોકર	1736799.00	1535347.00
11	Pilgrim Tax	યાત્રાવેરો	0.00	0.00
12	Special Education Cess	ખાસ શૈક્ષણિક ઉપકર	0.00	0.00
13	Tax on sale of Animals	હોર વેચાણ પર કર	0.00	0.00
14	Tax on lan/Building Improvement	જમીન / ઇમારત સુધારણા કર	0.00	0.00
15	Tax on Mobile Tower	મોબાઇલ ટાવર ઉપરનો કર	79500.00	0.00
16	Professional Tax	વ્યવસાયવેરો	10601448.00	10536168.00
17	Entertainment Tax	મનોરંજન કર (કેબલ ટીવી / ડિસ્ક જેકેટની પરનો મનોરંજન કર)	524700.00	174600.00
18	Tax on advertising and hoardings	જાહેરાત / હોડીંગની આવક	0.00	120000.00
19	Firefighter Tax	શંભે શાંતિ કર	0.00	0.00
20	Toll Tax	યાંતિત કર (ટોલ ટેક્સ)	0.00	0.00
21	Theater Tax	શિશ્ટર ટેક્સ	0.00	0.00
Patrak-A, Total of Income from Taxes			52553254.00	54559208.00

નોંધ:- ઉપરોક્ત વિગતોમાં Single Time આવક જેવી કે, મિલકત વેચાણની આવક / હરાજીની આવક / ભંગાર માલ સામગ્રીની આવકની રકમો તેમજ Single Time પર્યની વિગતોનો સમાવેશ OWN SOURCE REVENUE ના હેતુ માટે કરવાનો નથી.

Handwritten signatures and stamps, including one from the District Assistant Examiner, Local Fund Accounts, Amreli.

# GUJARAT SUMMARIES DISCRIPANCIES

For the same summary, income is shown in ones, while expenditure is shown in lakhs, all the while not mentioning either at the top of the list.

2016-17 & 2017-18 OWN REVENUE Detail of Vallabh Vidyanagar Municipality,  
Dist : Anand, Gujarat  
Patrak - C, Other Own Revenue

Sr. No.	Details	વિગત	Income	
			2016-17	2017-18
1	<b>Income of Commercial Activities</b>	વ્યાપારી પ્રવૃત્તિની આવક		
	1. Bus Transportation	1 બસ સંચાલનની આવક		0.00
	2. Milk Distribution	2. કૃષ વિતરણ		0.00
	3. Electricity Distribution	3 વિજળી વિતરણ		0.00
	4. Gas Distribution	4 ગેસ વિતરણ		0.00
	5. Compost Scheme	૫ ખાદ્ય ખાતર યોજના		0.00
	<b>Total of Commercial Activities</b>	વ્યાપારી પ્રવૃત્તિનું કુલ		<b>0.00</b>
2	<b>Income of Municipal Institutions</b>	મ્યુનિસિપલ ઇન્સ્ટીટ્યુશન્સની આવક		
	1. Pre-Primary Education	૧. પૂર્વ પ્રાથમિક શાળા		0.00
	2. Higher - Education Institutes	2 ઉચ્ચ શિક્ષણની સંસ્થાઓ		0.00
	3. Library	૩ લાયબ્રેરી		0.00
	4. Swimming pool	૪ સ્વામીગર		0.00
	5. Public Health Institutes	૫ જાહેર આરોગ્ય સંસ્થાઓ		0.00
	6. Medical Institutes	૬ વૈદકીય સંસ્થાઓ	349485.00	0.00
	7. Crematorium & Graveyards	૭ સ્માશાન અને કબરસ્તાન	289430.00	279421.00
	8. Other (Specify Details)	૮ અન્ય (વિગત આપવી)		0.00
	<b>Total of Municipal Institutions</b>	મ્યુનિસિપલ ઇન્સ્ટીટ્યુશન્સનું કુલ	<b>638915.00</b>	<b>279421.00</b>
3	<b>Rent Income from Municipal Properties viz. Land, Shops, Markets etc</b>	મ્યુનિસિપલ ઇન્સ્ટીટ્યુશન્સની જમીન, કુકાનો માકેટ વિગેરે મિલકતોમાંથી મળતા ભાડાની આવક		0.00
<b>Patrak - C, Total of Other Own Revenue</b>		પત્રક - ૬ નું કુલ	<b>638915.00</b>	<b>279421.00</b>

Sr. No.	Details	વિગત	Income	
			2016-17	2017-18
1	Patrak-A, Income Form Taxes	પત્રક - અ Income Form Taxes	47090269.00	45032365.00
2	Patrak-B, Income From Non- Taxes	પત્રક - બ Income Form Taxes	9067228.00	11024142.00
3	Patrak-C, Other Own Revenue	પત્રક - ૬ Income Form Taxes	638915.00	279421.00
<b>Grand Total of Own Revenue (Patrak-A + Patrak-B + Patrak-C)</b>		Grand Total of Own Revenue પત્રક (અ) + પત્રક (બ) + પત્રક (૬) નું કુલ	<b>56796412.00</b>	<b>56335928.00</b>

Deputy Examiner / Assistant Examiner  
Local Fund Audit  
Anand District  
Anand Zone / District

Chief Officer  
Vallabh Vidyanagar Nagarpalika  
(With A Round Seal)

Auditor  
Local Fund Audit  
Anand District

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Nagarpalika **VALLABH VIDHYANAGAR** District **ANAND**  
Audited Expenditure statement for the Year 2016-17 & 2017-18

Sr. No.	Item (વિગત)	Expenditure (ખર્ચ)	
		2016-17	2017-18
<b>Revenue Expenditure (મહેસુલી ખર્ચ)</b>			
1	Salary & Allowances Expenditure (નગરપાલિકાનો પગાર ભથ્થાન)	401.37	425.19
2	Contingency (કચરીજન્મી ખર્ચ)	0.00	106.77
3	Water Works Maintenance Expenditure (વોટર વર્કસ નિભાવણી ખર્ચ)	2.70	34.17
4	Street Light Maintenance Expenditure (સ્ટ્રીટ લાઇટ નિભાવણી ખર્ચ)	41.27	17.39
5	Garden Maintenance Expenditure (બગીચા નિભાવણી ખર્ચ)	10.63	14.69
6	Property Maintenance Expenditure (મિલકતોની નિભાવણી ખર્ચ)	14.39	63.66
7	Loan Interest Expenditure (લોનના વ્યાજનો ખર્ચ)	0.00	0.00
8	Sanitation Expenditure (સફાઇ ખર્ચ)	4.42	11.58
<b>Total Revenue Expenditure (કુલ મહેસુલી ખર્ચ)</b>		<b>474.78</b>	<b>673.45</b>
<b>Capital Expenditure (મૂડી ખર્ચ)</b>			
1	Water Supply (વોટર સપ્લાય)	48.37	50.08
2	Drainage (ગટર વ્યવસ્થા)	294.61	23.44
3	Road - Bridge (રોડ - બ્રીજ)	2448.36	71.72
4	Road Cleaning Equipments (રસ્તા સફાઇ સાધનો)	65.21	0.00
5	Light (લાઇટ)	61.08	0.00
6	City Bus (શહેરી બસ)	0.00	0.00
7	Fire Equipments (અગ્નિશામક યંત્રની વિગતો)	0.00	6.66
8	Health - Medical (આરોગ્ય - મેડિકલ)	38.46	0.00
9	Education Expenditure (શિક્ષણ ખર્ચ)	0.00	0.00
10	Loan Repayment and Interest (લોન રીપેમેન્ટ અને વ્યાજની વિગતો)	1.89	0.00
11	Expenditure from Government Grant (સરકારી ગ્રાન્ટમાંથી મહેસુલી ખર્ચ)	603.41	240.00
12	Investment-Property-asset Deadstock (રોકાણ-મિલકતોની વિગતો કેડસ્ટોક)	713.24	0.00
13	Deposit Refund and Misc. (ડિપોઝીટ પરત અને પરચુરણ રકમ)	9.83	0.00
<b>Total Capital Expenditure (કુલ મૂડી ખર્ચ)</b>		<b>4284.46</b>	<b>391.90</b>
<b>Total Expenditure Capital + Revenue (કુલ મૂડી + મહેસુલી ખર્ચ)</b>		<b>4759.24</b>	<b>1065.35</b>

Accountant Vallabh Vidyanagar  
Assistant Examiner Local Fund Audit Anand District  
Chief Officer Vallabh Vidyanagar Nagarpalika

ANAND

# CHALLENGES AND POTENTIALS – Gujarat budgets

## Challenges

- Lack of involvement of citizens
- Income heads are not classified under revenue income and capital income
- Not all available budgets have separate grant incomes
- None of the budgets have extraordinary category
- The budget passes late – a 6 month delay
- No Manual specific for Gujarat
- Whole budget statements are not available/published for citizens and only major heads are available in summary – lack of transparency
- Overestimation in collection of revenues – estimation and actuals are consistently different
- For small and medium towns there is difficulty in availability of budgets and data.

## Potentials

- All available summaries are very easy to read and follow a similar structure
- All cities summaries available on the Gujarat finance board website
- Data collation and comparison is faster and easier.
- All data is available in both local language as well as English

# RECOMMENDATIONS FROM THE STUDY

1



For states like Rajasthan, where **public disclosure** of budgets is not mandatory, it should be made mandatory. Each of these budgets should be **available on Municipal websites**.

2



Each budget must be in at **least two languages**. The option between publishing the budget in English or Hindi along with the local language can be provided

3



**Accrual based system** of budgeting should be followed. For publishing, cash based system can be followed although **department wise segregation** should be mandatory.

4



Not all states have a **finance board website** that have all municipality budget summaries published. Example can be taken from Gujarat's GMFB and similar system can be created for all states.

5



While publishing summary, the classification and heads mentioned should be same across all states. The National Accounting Manual can have a **chapter on guidelines for summary publications** that have to be strictly followed.

6



Once the budget is finalized, before publication, it should go through **proofreading** for errors, inconsistencies and format in layouts.

7



A **standard template for budget summary and budget estimate** should be published. Each budget must adhere to this template.

8



More states must have **public participation** while the budget is created.

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*The Centrally sponsored scheme of Integrated Development of Small & Medium Towns (IDSMT) was initiated in the year 1979-80 and is continued with timely amendments and modifications upto 2004-2005 and in December 2005 it was subsumed in UIDSSMT Scheme. Investment in the development of small urban centres would help in reducing migration to large cities and support the growth of surrounding rural areas as well.*

//

# Thank you

**CWAS** CENTER  
FOR WATER AND  
SANITATION

**CRDF** CEPT RESEARCH  
AND DEVELOPMENT  
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## About us

The Center for Water and Sanitation (C-WAS) at CEPT University carries out various activities – action research, training, advocacy to enable state and local governments to improve delivery of services.



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# Annexure - Unavailability of resources list – poses limitations

- Manual of Maharashtra is in Marathi
- Manual of Gujarat is not available online (if it exists)
- Budgets of Andhra Pradesh are not available in English
- Budgets of Telangana are not available at the moment due to website being under construction
- For Gujarat, Some cities' summaries do not have grant income specified, which skews the data against the favour of these cities.
- No data for Uttrakhand is available for comparisons with other states.

# Annexure - Significant accounting principles

- Property and Other Taxes
- Octroi
- Cess
- Water Supply
- Assigned Revenues
- Rentals, Fees and Other Sources of income
- Public Works
- Stores
- Employee Related Transactions
- Health and Sanitation:
- Other Revenue Expenditures
- Grants
- Borrowings or Loans received
- Special Funds (treated as liability upon creation)
- Investments
- Fixed Assets
- Lease and Hire Purchase
- Loans
- Addition / Merger of Local Bodies for up-gradation
- Inter Unit Transactions
- Municipal School Board
- Transport Undertaking