



GOVERNMENT OF PUNJAB

ECONOMIC AND FUNCTIONAL CLASSIFICATION

OF MUNICIPAL BUDGETS IN PUNJAB

FOR THE YEAR 2008-09

(2006-07 (A/C) & 2007-08(R/E))

**ECONOMIC AND STATISTICAL ORGANISATION, PUNJAB,
CHANDIGARH**

PREFACE

Budgetary operations have assumed greater significance now a days. Government budget not only undertakes the programming of Public Sector plan outlays but also provides the mechanism for the use of selective fiscal and credit policies to modify private incentives. The role of the budgets of Local Authorities is equally significant and Urban Local Bodies have a vital role in augmentation of multifarious amenities in their command areas.

The United Nations Report entitled, "A Manual for Economic & Functional Classification to Government Transactions, 1958" is the main source of guidance on classification work.

Functional Classification Scheme classifies expenditure according to broad purpose to be served. It is designed to show how expenditure is divided among different types of services provided. All types of expenditure are given under a particular head irrespective of the fact where they appear in the budget. The functional classification enables to bring out distinction between developmental and non-developmental expenditure.

The present classification of the municipal budget is the thirty-ninth in the series since 1970-71. According to the budget, all the Municipal Councils/Corporations in the State anticipated the total revenue of Rs. 1289.10 crores in 2007-08(RE) as compared to Rs. 1171.83 crores in 2006-07 (A/C) . The classification further observed that there is progressive increase in the total expenditure .The revised estimates for the year 2007-08 estimated the expenditure at Rs.1199.31 crores as compared to Rs.1176.95 crores in the 2006-07(A/C).

I hope that this report will be found useful by the Administrators and Research Scholars interested in the study of budgetary transactions of the Municipal Committees of State of Punjab.

Suggestions, if any, for improvement of the coverage and contents of this report are welcome.

CHANDIGARH

DATED 13 August 2010

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Main Highlights of the Findings

The role of Urban Local bodies i.e. Municipal Committees/Councils & Corporations is increasing day by day in augmentation of multifarious amenities in their command areas. Main highlights of the findings emerging from the study of economic classification of Budget of these committees/councils & Corporations are as under:

- 1) The total expenditure of these Committees/Councils and Corporations had increased to Rs.111292.08 lakhs in 2006-07 from Rs.93500.81 lakhs in 2005-06 showing an increase of 19.03%.
- 2) The available figures shows that almost half of the expenditure is the consumption expenditure. Total consumption expenditure is Rs.55963.02 lakhs in 2006-07 which constitutes 50.28% of total expenditure. Out of it, expenditure only on salaries and wages was Rs.42895.45 lakhs which is 38.54% of total expenditure. In other words over one third of expenditure was on salary & wages.
- 3) Gross capital expenditure that is expenditure on building, roads and other constructions, machinery & equipments and purchase of vehicles is Rs.49585.26 lakhs in 2006-07 as against Rs.36845.28 lakhs in 2005-06 showing an increase of 34.58%. The expenditure on Gross Capital Formation (i.e. development) was 44.55% of the total expenditure in the year 2006-07.
- 4) Current receipts by these Municipal Committees/Councils & Corporations were Rs.108089.90 lakhs in 2006-07 whereas these were Rs.102852.82 lakhs in 2005-06 which show an increase of 5.09% over the previous year. The current receipts were 97.12% of the total expenditure.
- 5) The tax revenue was the main source of revenue which was 81764.50 lakhs (79.50%) in 2005-06 and Rs.80771.07 lakhs (74.73%) in 2006-07. Other sources of revenue include Income from property and Entrepreneurship Rs.9056.72 lakhs (8.38%) Miscellaneous receipts Rs.11185.36 lakhs (10.35%) and Revenue grants & contributions Rs.7076.75 lakhs (6.55%) in the year 2006-07.

Chapter 1

Introduction

The budget exhibits the detailed information regarding revenue and expenditure and other financial transactions. It is framed for the judicious scrutiny and authorisation of expenditure and revenue proposals in a given financial year in terms of various departments and purposes. But this document does not give clearly the economic significance of various heads of revenue and expenditure. Rather it becomes difficult to have clear pictures of capital formation, savings etc. This lacuna is removed by reclassifying and regrouping the financial transactions into meaningful economic categories.

In the democratic set-up of government, the Municipalities / Corporations also play an important role in the development of the urban areas. Under Rule II of the Municipal Accounts code, 1930, all the Municipal Committees / Corporations are required to submit their annual budgets on the G-1 Form to their respective Deputy Commissioners / Commissioners for approval. Since this is an important sector of the economy, proper analysis of its transactions is very useful. Thus, the importance of economic and functional classification of the Budgets of Municipal Committees/Corporations need no emphasis. For the purpose of economic-functional classification the approved copies of the Budgets were procured from all the Municipalities/Corporations and compiled and classified at State level. The present economic-functional classification is based on the pattern of Economic & purpose Classification of the State Government Budget.

Principals of Economic Classification

The system of classification adopted here is based on a series of distinctions useful for analyzing their economic impact on the rest of the economy. Current transactions in goods and services are separated from transfers. The current transactions of municipal administration are distinguished from the current operations of departmental commercial undertaking as current expenditure of the former on wages and salaries and goods and services are final outlay but these of the later are intermediate expenditure such as cost of raw material, fuels etc. We may say such expenditure represents expenses of production and not expenditure on final goods and services. Purely financial transactions are again separated from transactions in goods and services and transfers.

The details of the significant economic heads are given under the following five accounts:-

- Account I. Transactions in Commodities and Services and Transfers:
Current Account of Municipal Committees/Corporations.
- Account II. Transactions in Commodities and Services and Transfers:
Current Account of Departmental Commercial Undertakings.
- Account. III Transactions in Commodities and Services and Transfers:
Capital Account of Administration and Departmental Commercial Undertakings of Municipal Committees/Corporations.
- Account. IV. Changes in Financial Assets and Liabilities. Capital Account of Municipal Committees/Corporations.
- Accounts. V. Cash and Capital Reconciliation Account of Municipal Committees/Corporations.

**CHAPTER II
THE SET OF ACCOUNTS**

Five accounts containing the reclassified data from the Budget of Municipalities/Corporations for 2006-07 (A/C) 2007-08 (R/E)

ACCOUNT 1

Transaction in commodities and Services and transfers:

(Rs.in Lakhs)

S.N		Accounts 2006-07	Revised Estimates 2007-08	S .N		Accounts 2006-07	Revised Estimates 2007-08
0	1.	2.	3.	4.	5.	6.	7.
1	Consumption Expenditure (1.1+1.2)	55963.02	59894.60	1	Tax Revenue	80771.07	83287.92
	Wages and Salaries	42895.45	49101.94	1.1	Direct Taxes(a+b+c)	9056.85	12314.56
1.2	Net purchase of commodities & services including RM (a (-) b)	13067.57	10792.66	Revenue	Profession and trade Tax	-	-
(a)	Purchases of commodities & Services	19314.56	19075.56	(b)	Servant Tax	-	-
(b)	Less sale of commodities and services	6246.99	8282.90	(c)	Taxes on Houses and Lands	9056.85	12314.56
2	Transfer Payments (2.1+2.2+2.3)	3255.59	2566.99	1.2	Indirect Taxes (a to l)	71714.22	70973.36
2.1	Interest	22.16	35.11	(a)	Octroi	67242.90	67174.64
2.2	Grants	353.38	106.29	(b)	Terminal Tax	0.03	0.53
2.3	Other current transfers	2880.05	2425.59	(c)	Taxes on Vehicles	133.00	138.27
				(d)	Taxes on Animals (Including registration of dogs)	-	-
				(e)	Fees for Vehicles licenses	130.78	161.86
				(f)	License fee for job porters	1.72	4.36
				(g)	Dangerous and offensive trade License fee	255.01	246.67
				(h)	Tolls on vehicles and animals	28.60	36.97
				(i)	Local rates	-	-
				(j)	Fees for letting of Fire-works	0.05	-
				(k)	Miscellaneous-other Taxes and duties	3217.50	1989.71
				(l)	Advertisement Tax	704.63	1220.35
	Total (1+2)	59218.61	62461.59		Total (of Sr. No. 1 or 1.1+1.2)	80771.07	83287.92

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**CHAPTER II
THE SET OF ACCOUNTS**

Five accounts containing the reclassified data from the Budget of Municipalities/Corporations for 2006-07 (A/C) 2007-08 (R/E)

ACCOUNT 1

(Rs.in Lakhs)

Transaction in Commodities & Services and Transfers

S. N		Accounts 2006-07	Revised Estimates 2007-08	S. N		Accounts 2006-07	Revised Estimates 2007-08
	Total from previous page	59218.61	62461.54		Total from previous page	80771.07	83287.92
3.	Savings on current account	48871.29	55193.60	2	Income from property and Entrepreneurship	9056.72	9799.29
	Expenditure			2.1	Revenue Profit transferred by Departmental commercial Undertakings	-	-
				2.2	Income on investment	-	-
				2.3	Interest receipts	122.42	258.01
				2.4	Income from Municipal Properties (rents on land buildings)	8934.30	9541.28
				3	Miscellaneous Receipts	11185.36	8088.67
				4	Revenue grants and contributions	7076.75	16479.26
	Total(1+2+3)	108089.90	117655.14		Total (Sr.No.1+2+3+4)	108089.90	117655.14

ACCOUNT II
Current account of Departmental Commercial Undertakings of
Municipal Committees / Corporations

Transaction in commodities and Services and Transfers

(Rs.in '000)

S.N		2006-07 Accounts	2007-08 Revised Estimates	S.N		2006-07 Accounts	2007-08 Revised Estimates
1.	2.	3.	4.	5.	6.	7.	8.
Expenditure	Wages & Salaries	-	-	1	Gross Sale Proceeds	-	-
2.	Commodities and services	-	-	Revenue			
				(a)	Electricity Department of Amritsar	-	-
3.	Repairs & Maintenance	-	-		Municipal Corporation	-	-
i)	Wages & Salaries	-	-	(b)	Transport	-	-
ii)	Commodities and services	-	-	(c)	Water Supply	-	-
4.	Interest	-	-				
5.	Provision for depreciation	-	-				
6.	Profit transferred to current account	-	-				
Total		-	-	Total		-	-

There is no Departmental commercial undertakings in Punjab under Municipal Corporations and Councils.

ACCOUNT III
Capital Account of Administration and Departmental Commercial Undertakings of
Municipal Committees Corporations
Transaction in commodities and Services and Transfers

S N.		Accounts 2006-07	Revised Estimates 2007-08	S.N		Accounts 2006-07	Revised Estimates 2007-08
1.	2.	3.	4.	5.	6.	7.	8.
1.	Gross capital formation (A+B)	49585.26	47460.73	1.	Gross savings	48871.29	55193.60
(A)	General Departments (1.1+1.2)	48705.90	45919.28	1.1	Savings on current Account of Municipal Committees/Corporations	48871.29	55193.60
Expenditure				1.2	Provisions for depreciation of D.C.U.'s.	-	-
1.1	Buildings and other construction	47730.60	44566.67	2	Capital transfer Capital Grants, contributions and recoveries)	1250.69	817.46
(a)	New Outlay	47726.47	44560.87	3	Balance: Deficit on all transactions on commodities and services and transfers	(-)536.72	(-)8550.33
(b)	Renewals and replacement	4.13	5.80		(Rs. In Lakhs		
1.2	Machinery and equipments	975.30	1352.61				
(a)	New Outlay	975.30	1352.61				
(b)	Renewals and replacement	-	-				
(B)	Commercial Undertakings (Total 1.3+1.4+1.5)	879.36	1541.45				
1.3	Buildings and other Constructions	-	-				
(a)	New Outlay	-	-				
(b)	Renewals and replacements	-	-				
1.4	Machinery & Equipments	-	-				
(a)	New Outlay	-	-				
(b)	Renewals and replacements	-	-				
1.5	Net increase in Inventories	879.36	1541.45				
(a)	Gross Expenditure in inventories	78.20	340.00				
(b)	Gross income from inventories	957.56	1881.45				
2.	Capital Transfers	-	-				
	Total(A+B)	49585.26	47460.73		Total (1+2+3)	49585.26	47460.73

ACCOUNT IV

Changes in financial assets and Liabilities Capital Account of Municipal Committees / Corporations.

(Rs. In Lakhs)

Asset Liabilities of Capital Outgoing & Incoming

Asset Liabilities of Capital Outgoing & Incoming							
S N.		Accounts 2006-07	Revised Estimates 2007-08	S.N		Accounts 2006-07	Revised Estimates 2007-08
1.	2.	3.	4.	5.	6.	7.	8.
1	Loans and Advances(a+b)	3445.77	2926.83	1	Loans	957.56	1881.45
(a)	For Capital formation	3101.19	2634.14	2	Net Increase Financial Assets and Liabilities	2488.21	1045.38
(b)	For Current consumption	344.58	292.69				
2.	Unearmarked Investment	-	-				
3.	Investment in securities	-	-				
Total (Sr.No.1+2+3)		3445.77	2926.83	Total (Sr.No.1+2)		3445.77	2926.83

ACCOUNT V

Cash and Capital Reconciliation Accounts of Municipal Committees / Corporations

Cash & Capital Reconciliation of Accounts

S.N		Accounts 2006-07	Revised Estimates 2007-08	S.N	Incomings	Accounts 2006-07	Revised Estimates 2007-08
					(Rs. In Lakhs)		
Outgoings							
1.	2.	3.	4.	5.	6.	7.	8.
1.	Deficit/ Surplus on all Transactions on commodities and Services and Transfers (Balancing item of account – III)	(-)536.72	(-)8550.33	1.	Decrease in cash Balances	1951.49	(-)7504.95
2.	Net increase in financial Assets and Liabilities (Balancing item of Account IV)	2488.21	1045.38		-	-	-
Total (1+2)		1951.49	(-)7504.95	Total (1)		1951.49	(-)7504.95

CHAPTER – III

Major Findings

The main findings emerging from the economic classification of Municipal Budgets are discussed below:-

Total Expenditure- The total expenditure of 128 Municipal Committees/Councils and 5 Corporation in Punjab was Rs110967.70 Lakhs during 2007-08 (Revised Estimates) as compared to Rs.111292.08 Lakhs during the years 2006-07 (Accounts) registering decrease of 0.29 percent in 2007-08 (Revised Estimates) over 2006-07 (Accounts). The Municipal Committees/Corporation incurred expenditure mainly on wages and salaries of Municipal staff, construction of roads, pavements and maintenance of streets and drainage works. The allocation by types of expenditure is given in Table No.-I

Table No.1 Total Expenditure

(Rs. In Lakhs)

Expenditure			
S.N	Items	Accounts 2006-07	Revised Estimates 2007-08
0	1	2	3
1.	Final Outlays (a+b)	105548.28 (94.84)	107355.33 (96.74)
	(a) Consumption expenditure of Municipal Committees/Corporations (Vide Account I)	55963.02 (53.02)	59894.60 (55.79)
	(b) Gross capital formation (Vide Account III)	49585.26 (46.98)	47460.73 (44.21)
2.	Transfer payments to the rest of the economy (Total a+b)	3255.59	2566.99
	(a) Current transfer (Vide Account No. I)	3255.59	2566.99
	(b) Capital transfer (Vide Account No. III)	-	-
3.	Financial investment and Loans to the rest of the Economy (Net) (Vide Account IV)	2488.21	1045.38
Total Expenditure (1+2+3)		111292.08	110967.70

Note:-128 Municipal Committees and 5 corporations in Punjab are taken in this analysis.

Final outlays:

The Final outlays represent the direct demand for consumption expenditure, capital formation etc of the Municipal Committees / Corporations. Final outlays constitute the major expenditure Rs. 107355.33 lakhs i.e.96.74 percent in 2007-08 (Revised Estimates) as against Rs. 105548.28 lakhs i.e 94.84 percent in 2006-07 (Accounts) of the total expenditure. Rs. 59894.60 lakhs (55.79 percent) constituted consumption expenditure during the year 2007-08 (Revised) as against Rs.55963.02 lakhs (53.02 percent) during 2006-07(Accounts) of the final outlay.

Transfer payments, financial investments and loans (net)

The transfer payments, loans and advances to the rest of the economy were proposed Rs.3612.37 lakhs for the year 2007-08 (Revised Estimates) . The corresponding figures for the year 2006-07(A) is Rs.5743.80 lakhs.

Gross capital Formation:-

Gross capital Formation the final outlay, the consolidated revised estimates of the Municipal Committees/Corporations in Punjab proposed the gross Capital Formation as 44.21 percent (Rs.47460.73 Lakhs) during 2007-08 as compared to 46.98 percent (Rs.49585.26 Lakhs) during 2006-07 (Accounts)

Table No.2 Total Financial Assistance for Capital Formation**(Rs.in Lakhs)**

Financial Assistance			
S.N	Items	Accounts 2006-07	Revised Estimates 2007-08
0	1	2	3
1	Investment in securities (Vide Account IV)	-	-
2.	Loans and capital formation (vide Account IV)	3445.77	2926.83
3.	Unearmarked Investment (Vide Account IV)	-	-
Total Financial Assistance for Capital Formation (1+2+3)		3445.77	2926.83

Capital Formation out of Budgetary Resources: -

Total capital formation out of the budgetary resources was 94.20 percent undertaken by the Municipal Committees / Corporations directly during 2007-08 (Revised Estimates) whereas the corresponding contribution to the total capital formation was 93.50 percent in 2006-07 (Accounts) respectively

Table No.3 Gross Capital formation out of the budgetary resources of Municipal Committees / Corporations**(Rs.in Lakhs)**

Gross Capital Formation			
S.N	Items	Accounts 2006-07	Revised Estimates 2007-08
0	1	2	3
1.	Gross Capital Formation by Municipal Committees / Corporations (A/c III)	49585.26 (93.50)	47460.73 (94.20)
2.	Renewals and replacements (A/C-III)	4.13	5.80
3.	Net Capital formation by Municipal Committees / Corporations(1-2)	49581.13	47454.93
4.	Financial Assistance for capital formation to the rest of the economy (A/C-IV)	3445.77	2926.83
Total capital formation (Net) of the Budgetary Resources of Municipal Committees / Corporations(3+4)		53026.90	50381.76

The above table depicts that total outlay provided for capital formation by Municipal Committees/Councils /Corporations out of their budgetary resources was Rs.50381.76 lakhs in 2007-08 (RE), Rs.53026.90 lakhs in 2006-07(Accounts), showing a decrease of 4.99 percent in 2007-08(RE), over 2006-07 (Accounts), .The percentage of total outlay for Capital Formation to the total expenditure during the years 2007-08 (RE) and 2006-07 (Accounts) was 45.40% and 47.65% respectively.

Table No.4 Current Receipts of Municipal Committees / Corporations

(Rs. In Lakhs)

Receipts			
S.N	Items	Accounts 2006-07	Revised Estimates 2007-08
0	1	2	3
1.	Tax Revenue (A/C-I)	80771.07	83287.92
2.	Income from property and Entrepreneurship (A/C-I)	9056.72	9799.29
3.	Miscellaneous Receipts (A/C-I)	11185.36	8088.67
4.	Revenue grants and contributions (A/C-I)	7076.75	16479.26
Total (1+2+3+4)		108089.90	117655.14

Current receipts: - The total current revenue of Municipal Committees/Corporations in Punjab was Rs.117655.14 Lakhs in 2007-08 (RE) as against Rs.108089.90 lakhs in 2006-07(Accounts). The revenue increase has been worked out to 8.85 percent during 2007-08 (R.E) over 2006-07(Accounts). Out of the total revenue of Rs.117655.14 lakhs in 2007-08 (RE) Rs.83287.92 lakhs (70.79%) was from tax revenue. The corresponding percentage for 2006-07(Accounts) was 74.73 percent.

**Table No.5 Current outgoings of Municipal Committees / Corporations
(Rs.in Lakhs)**

Out goings			
S.N	Items	Accounts 2006-07	Revised Estimate 2007-08
0	1	2	3
1.	Consumption expenditure (Vide Item I, Account I)	55963.02 (94.50)	59894.60 (95.89)
2.	Transfer payments (Vide Item II, Account I)	3255.59 (5.50)	2566.99 (4.11)
Total (1+2)		59218.61	62461.59

Current Outgoing: - The current outgoings which consist of consumption expenditure and transfer payments were Rs.62461.59 lakhs during 2007-08 (RE) and Rs.59218.61 lakhs during 2006-07 (Accounts). This shows an increase of 5.47 percent during 2007-08 (RE) over 2006-07 (Accounts). Consumption expenditure constitute the major portion of the current outgoings. Its contribution to total current outgoing were 94.50 percent and 95.89 percent respectively during the above periods whereas the contribution of Transfer payment to total current outgoings during the above periods were only 5.50 percent and 4.11 percent respectively.

Table No.6 Gross Net savings of the Municipal Committees / Corporations**(Rs. In Lakhs)**

Gross Net Savings			
S.N	Items	Accounts 2006-07	Revised Estimate 2007-08
0	1	2	3
1.	Gross Savings:-		
(a)	Savings of Municipal Administration (Vide Item No. 3 in Account I)	48871.29	55193.60
(b)	Depreciation provision of Departmental Commercial Undertakings (Vide Item No. 5 in Account II)	-	-
(c)	Expenditure on Renewals and Replacement (Vide Item No. 1.1 (b) & 1.3(b) in Account III)	4.13	5.80
Net Savings a-(b+c)		48867.16	55187.80

Gross and Net Savings:- Gross savings comprises of savings of Municipal Administration i.e. the surplus of Municipal Current receipts over Municipal current expenditure and depreciation provisions of Departmental Commercial undertakings of Municipal Committees / Corporations. Net savings are equal to gross savings less expenditure on renewals and replacements.

Income Deficit/Surplus.

The income deficit/surplus of the 128 Municipal Committees and 5 Corporations in the State as measured by the excess of net investment over net savings is given as in Table No. 7.

Table No.7 Income deficit/surplus of all the Municipal Committees/Corporations

(Rs. In Lakhs)

Income Deficit			
S.N	Items	Accounts 2006-07	Revised Estimate 2007-08
0	1	2	3
1.	Investment by Municipal Committees/Corporations (Net) (Table 3)	49581.13	47454.93
2.	Savings by Municipal Committees/Corporations (Net)(A/C-I)	48871.29	55193.60
Income deficit of Municipal Committees/Corporations (2-1)		(-) 709.84	7738.67

Other Deficit/Surplus

The deficit/ surplus in income account as indicated above is a measure of the gap to be filled up by Municipal Committees/Corporations net borrowings. Another measure of deficit is provided by the sum of balancing items in Account III and Account IV. This deficit which denotes total requirements of finance for the Municipal Committees/Corporations is shown in table given below.

Table No. 7-Cont: Income deficit of all the Municipal Committees/Corporation.

(Rs. In Lakhs)

Income Deficit			
S.N	Items	Accounts 2006-07	Revised Estimates 2007-08
0	1	2	3
1	Deficit in all transactions on commodities and Services and transfers (Vide in Account III)	(-)536.72	(-)8550.33
2	Net increase in financial Assets (Vide in Account IV)	2488.21	1045.38
Deficit Denoting total Requirements of finance (1+2)		1951.49	(-)7504.95

**Table No. 8 Total income generation by the Municipal Committees / Corporations
(Rs. In Lakhs)**

Income Generation			
S.N	Items	Accounts 2007-08	Revised Estimate 2007-08
0	1	2	3
1	Wages and Salaries (Vide Account I, Item 1.1)	42895.45	49101.94
2	Net output of Departmental commercial undertakings	-	-
3	Wages and salaries components of Municipal Committees / Corporations outlay on buildings and constructions	15894.29	14840.70
Total (1+2+3)		58789.74	63942.64

Contribution to income generation by the Municipal Committees / Corporations:-

The budgetary operations of all the Municipal Committees / Corporations during the year 2007-08 (RE) are expected to generate a total income of Rs.63942.64 lakhs. During 2006-07 (Accounts) such income generated works out to Rs. 58789.74 Lakhs.

Table No.9 Economic classification – Percentage distribution of expenditure

Economic Classification			
S.N	Heads	Accounts 2006-07	Revised Estimates 2007-08
0	1	3	4
1.	Consumption expenditure	61717.74 (52.66)	67657.65 (56.66)
2	Grants	-	-
3	Interest	22.16 (0.02)	35.11 (0.03)
4	Subsidy	-	-
5	Other current transfer payments	2880.05 (2.46)	2425.59 (2.03)
	Total current expenditure (1 to 5)	64619.95 (55.14)	70118.35 (58.72)
6	Gross capital formation	48784.10 (41.62)	46259.28 (38.74)
	i) Buildings and other construction	47726.47 (40.72)	44560.87 (37.32)
	ii) Machinery and equipments	975.30 (0.83)	1352.61 (1.13)
	iii) Increase in inventories	78.20 (0.07)	340.00 (0.28)
	iv) Renewals and replacements	4.13 (0.00)	5.80 (0.01)
7	Capital transfers	-	-
8	Unearmarked investment /Grants	353.38 (0.30)	106.29 (0.09)
9	Loans and Advances	3445.77 (2.94)	2926.83 (2.45)
	Total capital expenditure (6 to 9)	52583.25 (44.86)	49292.40 (41.28)
Grand Total (Current & Capital Expenditure		117203.20 (100.00)	119410.75 (100.00)

Note-: Figures in Brackets shows the percentage of respective column.

CHAPTER IV

Reconciliation

In this chapter an attempt has been made to reconcile the figures relating to the total revenue and expenditure of Municipal Committees / Corporations budget with the total revenue and expenditure as worked out by the economic classification scheme. The various adjustments in the economic classification to arrive at the figures given in the Municipal budget for the year under review are spelt on in detail in the statement given below:-

(Rs. In Lakhs)

Revenue			
S.N	Revenue	Accounts 2006-07	Revised Estimate 2007-08
0	1	2	3
1	Total Revenue as shown in the Municipal Budgets	117183.47	128910.41
	<i>Less-</i>		
2	Sale of commodities and services treated as deduction of consumption expenditure	492.27	519.85
3	Inventories as treated income in the Municipal budgets	638.33	273.46
4	Capital transfers (Capital grants and contributions and recoveries).	1250.69	817.46
5	Sale-Proceeds of Water Supply	5754.72	7763.05
6	Loans (incomings)	957.56	1881.45
	<i>Add-</i>		
7	Profit of departmental commercial undertakings	-	-
8	Total adjustments (2 to 7)	9093.57	11255.27
	Total revenue as shown in economic classification (1- 8)	108089.90	117655.14

(Rs. In Lakhs)

Expenditure			
Serial No.	Items	Accounts 2006-07	Revised Estimates 2007-08
0	1	2	3
1	Total Expenditure as shown in the Municipal Budgets	117695.47	119930.60
	<i>Less-</i>		
2	Sale of commodities and services, treated as deduction of consumption expenditure	6246.99	8282.90
3	Gross increase in inventories	78.20	340.00
4	Current expenditure of departmental commercial undertakings	-	-
5	Loans (incomings)	957.56	1881.45
	<i>Add-</i>		
6	Net increase in inventories	879.36	1541.45
7	Total adjustments	6403.39	8962.83
	Total expenditure as shown in the economic classification.	111292.08	110967.70

CHAPTER V

Notes on the Accounts, their Derivation and Rationale Account I. Transactions in Commodities and Services and Transfers:

Current Account of Municipal Committees/Corporations in the State:

Account -1

This account deals with the current revenue and expenditure of all the Municipal Committees/Corporations in the State. All departments other than those listed under Account II in the chapter are considered as administrative for the purpose of this classification. The current expenditure of administrative departments consists of the final outlay, of Municipal Committees/Corporations on current account which represents consumption. The final outlays are made up of purchases of commodities and services and wages and salaries payments. Besides final outlays, Municipal Committees/Corporations make transfer payments, i.e. grants scholarships, prizes etc. to the rest of the economy which indirectly add, to the disposable income of the community. To meet the current expenditure, Municipal Committees/Corporations appropriate a part of the income of the community through a variety of taxes, miscellaneous receipts accruing during the course of administration. In addition, Municipal Committees/Corporations have an investment income from property and entrepreneurship. The Municipal Committees/Corporations also receive revenue grants, contributions and recoveries from the State Government and others. The excess of the current receipts over current expenditure denote the savings of the Municipal Committees/Corporations available for capital formation. Some of the items included in this Account are explained as below:-

Expenditure:-

Item 1.1 Wages and Salaries: - This item includes pay of the establishments (other than traveling and daily allowances), other allowances and honorarium and 50 per cent to the expenditure incurred on unclassified miscellaneous heads. Wages and Salaries also include contributions to provident funds.

Item 1.2 Commodities and Services:- This item includes all expenditure under contingency, office supplies, fuel and light, expenditure on repairs and maintenance, printing, traveling and daily allowances, telephone and telegraph charges, taxes and rent of hired buildings and machinery and equipment, 50 per cent lump-sum miscellaneous unclassified, charges and other items for current operation.

Item No.2 Transfer Payments: - Transfer payments include grants, scholarships, stipends, prizes and awards, etc.

Item No.3 Savings on current account: The balancing item on the current account of the Municipal Committees/Corporations represents the savings of this sector, i.e. surplus of current receipts over current expenditure.

Revenue:

Item No. 1 Tax Revenue: Tax revenue is classified into direct and indirect taxes. Direct taxes are levied by public authorities at regular intervals on income from employment, property, capital, gains, etc. and on financial assets and the net or total worth of enterprises non-profit institutions or households. Taxes falling under this category of Municipal Committees/Corporations are profession and trade tax, servant taxes on house and lands, taxes on goods and services that the chargeable to business expenses and taxes on the possession or use of goods and services by households are treated as indirect taxes. The main categories in the Municipal Committees/Corporations Budgets are octroi, terminal tax, taxes on vehicles and animals, fees for vehicle licenses, dangerous and offensive trade license fees, licence fees for job porters, tolls on vehicles and animals, local rates, advertisement tax, miscellaneous other taxes and duties.

Item No.2 Income from property and entrepreneurship: - This records the income receivable by the Municipal Committees/Corporations from departmental Commercial Undertakings as well as the net rent, interest and dividend accruing to them from the ownership of building or financial assets.

Item No.3 Miscellaneous Receipts: - This item includes fines and penalties, births and deaths registration fees, copying fees etc.

Item No.4 Revenue Grants, Contributions and Recoveries: - These are current receipts accruing from the State Government and various Committees and Boards.

Account II - Transactions in Commodities and Services and Transfers:

Current Account of Departmental Commercial Undertakings.

The Departmental Commercial Undertakings, briefly be defined agencies producing goods and services that are not provided free of charge. The essential characteristics distinguishing these departments from other administrative departments are that they charge for what they provide according to use and are thus able to meet a part or most of their costs from their sale proceeds. In this study electricity, transport and water supply have been classified as Departmental Commercial Undertakings.

The expenditure side of the Departmental Commercial Undertakings spell out the current expenditure into wages and salaries, commodities and services, repairs and maintenance, interest, provision for depreciation and profit which is transferred to Administrative Departments. Repairs and maintenance expenditure is shown separately because of the importance of such expenditure of the efficient working of commercial enterprises. This expenditure is further divided equally between wages and salaries and commodities and services since the required details are not available in budgets of the Municipal Committees/Corporations. On the revenue side the gross sale proceeds are given.

Account III- Transactions in Commodities and Services and Transfers:-

Capital Account of Administration and Departmental Commercial Undertakings of Municipal Committees/Corporations.

This Account is concerned with the total capital outlay representing physical assets and formation by the Administrative Departments and Commercial Undertakings of the Municipal Committee/Corporations. The savings transferred from Account I and capital grants received by the Municipal Committees/Corporations constituted the source of finance for all expenditure recorded in this Account.

The difference between savings and capital formation is often used in economic analysis as a measure of budgetary deficit. The deficit which is shown as balancing item in Account III along-with net increase in financial assets and liabilities in Account IV gives the total requirements of finances of the Municipal Committees/Corporations. Gross fixed capital formation classified into buildings and other constructions and machinery and equipments as given below of Administrative Departments of Departmental Commercial Undertaking.

Item 1.1 Buildings and Other Constructions: - This item includes all expenditure on works of buildings and reservoirs, constructions of roads and payments of streets.

Item 1.2 (a) Machinery and equipments: Machinery and equipments includes expenditure incurred on the purchase of tools and plants by the Municipal Committees/Corporations of the State.

1.2 (b) Renewals and replacements: - Expenditure on repairs and renewals on water supply works has been divided into renewals and repairs on 50:50 basis.

Item 1.5 Increase in Inventories: - This item represents increase or decrease in work stores and stock of goods, etc. Suspense Account is included under the head 'Work Stores'.

Revenue:-

Receipt on capital Account: - Receipts available for capital formation consists of gross savings on Current Account brought over from accounts I and II, capital grants, contributions and recoveries from the State Government and other institutions.

Account IV- Changes in financial assets and Liabilities:-

Capital Account of Municipal Committees/Corporations in the State.

This Account which shows the changes in the financial assets and liabilities of the Municipal Committees/Corporations in the State is converted with transactions in financial investments and repayment of loans and advances. The balancing items of this Account representing net financial assets and liabilities when added to the deficit in Account III which gives the total requirements of finance of the Municipal Committees/Corporations for fixed assets formation and for the accumulation of financial claims against the rest of the economy.

Account V- Cash and capital reconciliation account of Municipal Committees/Corporations in the State.

This account sums up the net position in respect of Accounts III and IV showing the effect of all transactions of the Municipal Committees/Corporations in the State, on its cash position. As stated earlier, Account III gives the net position in respect of all transactions in commodities and services and transfers while account IV bring out the net position in respect of financial assets and liabilities

Functional Classification

CHAPTER VI

PRINCIPLES OF FUNCTIONAL CLASSIFICATION

Economic classification groups the primary items of expenditure by their economic character while functional classification groups them according to the particular purpose they serve. It is designed to show how expenditure is divided into different types of service provided. It gives information about public expenditure devoted to a particular service or group of services, say education, health or housing and community, services etc.

The functional classification excludes current expenditure on goods and services of Departmental Commercial Undertakings. These enterprises produce goods and services that are sold largely outside the public sector. Their current expenditure on goods and services is an intermediate expenditure which represents cost of production and net expenditure on final goods and services. It may also be noted that the functional classification is not applied to receipts except to those which may be considered as offsets to expenditure on goods and services included in this type of classification such as proceed from sale of goods and services.

All items of expenditure have been grouped under different broad functional categories. The U.N reports i.e., a Manual for Economic and functional Classification of Government Transactions, 1958 and a System of National Accounts, 1968 serve as guidelines.

The list of major and minor purpose categories as under:-

1. General public services.
 - 1.1 General administration, external affairs, public order and safety.
 - 1.2 General research.
2. Defence
3. Education
 - 3.1 Administration, regulation and research.
 - 3.2 Schools, universities and institutions including subsidiary services.
4. Health.
 - 4.1 Administration, regulation and research.
 - 4.2 Hospitals, clinics and other Health Services.
5. Social security and welfare services.
6. Housing and other Community amenities.
7. Cultural, Recreational and Religious services.
8. Economic Services.
 - General Administration Regulation and Research.
 - Agricultural Forestry, Fishing and Hunting.
 - Mining, Manufacturing and Construction.
 - Electricity, Gas, Steam and water.
 - Water Supply.
 - Transport and Communication.
 - Other Economic Services.
9. Other Services.
 - 9.1 Relief Operation.
 - 9.2 Interest (other misc. services)
 - 9.3 Public Debt.

Economic and Functional Classification have been combined into a single two way cross classification by significant economic and functional categories. It relates to budgetary expenditure for the year 2006-07 (Accounts) 2007-08 (Revised Estimates). The Table 6.1 splits up horizontally, the expenditure on each service for the years under review into significant economic categories. The broad division of economic classification are current and capital expenditure while that of functional classification are general government services, defence, education medical and public health, social security welfare services, housing and community amenities, cultural, recreational and religious services, economic services and other purposes. From this, it is very easy to see the nature of expenditure on each group of services. For example, it can be seen how much is spent on goods and services of a gross capital formation for promoting education health, water supply etc. Table 6.2 depicts the percentage distribution of the total expenditure among the functional categories. These figures when presented for number of years would be useful in studying trends in the expenditure.

Table 6.1- Economic and Functional Classification of Municipal Budgets-2006-07 Accounts

(Current Expenditure)									
S.No.	Economic classification/ Functional classification	Wages and Salaries	Purchase of goods and services	Consum- ption expenditure (2+3)	Less Outside sales	Net consumption expenditure (4-5)	Interest	Other current transfer s	Total current expenditure (6+7+8)
0	1	2	3	4	5	6	7	8	9
1	General Government Services	13483.64	3753.81	17237.45	492.27	16745.18	-	300.79	17045.97
2	Defence	-	-	-	-	-	-	-	-
3	Education	17.32	1.35	18.67	-	18.67	-	-	18.67
4	Medical and public health	16554.47	1814.99	18369.46	-	18369.46	-	-	18369.46
5	Social security and welfare services	-	-	-	-	-	-	-	-
6	Housing and community services	5115.54	9596.62	14712.16	(Rs. In Lakhs)		-	1345.99	16058.15
7	Cultural recreational and religious services	1552.11	248.67	1800.78	-	1800.78	-	-	1800.78
8	Economic services	6172.37	3899.12	10071.49	-	10071.49	-	1233.27	11304.76
i)	Agricultural, Forestry, Fishing and hunting.	27.17	6.31	33.48	-	33.48	-	-	33.48
ii)	Water supply	6145.20	3892.80	10038.01	-	10038.01	-	1233.27	11271.28
iii)	Transport services	-	-	-	-	-	-	-	-
iv)	Electricity Services	-	-	-	-	-	-	-	-
9	Other purposes	-	-	-	-	-	22.16	-	22.16
i)	Interest	-	-	-	-	-	22.16	-	22.16
ii)	Loans and advances	-	-	-	-	-	-	-	-
Grand total		42895.45	19314.56	62210.01	492.27	61717.74	22.16	2880.05	64619.95

Table 6.1 Contd-Economic and Functional Classification of Municipal Budgets-2006-07 Accounts

(Capital Expenditure)									
SN.	Building and other Construction	Machinery and equipment	Net increase in stocks	Renewals and replacements	Loans-Advances		Grants	Total capital expenditure	Grand Total 9+17
					For Capital Formation	For Current Consumption			
0	10	11	12	13	14	15	16	17	18
1	3620.77	-	-	-	-	-	156.42	3777.19	20823.16
2	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	18.67
4	187.12	-	-	-	-	-	-	187.12	18556.58
5	-	-	-	-	-	-	-	-	-
6	29609.06	944.46	78.20	-	115.07	-	196.96	30943.75	47001.90
7	2234.61	-	-	-	-	-	-	2234.61	4035.39
8	12074.91	30.84	-	4.13	66.21	-	-	12176.09	23480.85
i)	-	-	-	-	-	-	-	-	33.48
ii)	12074.91	30.84	-	4.13	66.21	-	-	12176.09	23447.37
iii)	-	-	-	-	-	-	-	-	-
iv)	-	-	-	-	-	-	-	-	-
9	-	-	-	-	3264.49	-	-	3264.49	3286.65
i)	-	-	-	-	-	-	-	-	22.16
ii)	-	-	-	-	3264.49	-	-	3264.49	3264.49
		975.30	78.20	4.13	3445.77	-	353.38	52583.25	117203.20

Table 6.2- Economic and Functional Classification of Municipal Budgets-2007-08 (Revised Estimates)

(Rs. In Lakhs)

(Current Expenditure)									
S.No.	Economic classification Functional classification	Wages and Salaries	Purchase of goods and services	Consumption expenditure (2+3)	Less Outside sales	Net consumption expenditure (4-5)	Interest	Other current transfers	Total current expenditure (6+7+8)
0	1	2	3	4	5	6	7	8	9
1	General Government Services	15091.63	3647.11	18738.74	519.85	18218.89	-	457.45	18676.34
2	Defence	-	-	-	-	-	-	-	-
3	Education	8.61	0.80	9.41	-	9.41	-	-	9.41
4	Medical and public health	18899.69	2079.38	20979.07	-	20979.07	-	-	20979.07
5	Social security and welfare services	-	-	-	-	-	-	-	-
6	Housing and community services	6171.42	8784.72	14956.14	-	14956.14	-	1047.39	16003.53
7	Cultural recreational and religious services	1798.70	262.15	2060.85	-	2060.85	-	-	2060.85
8	Economic services	7131.89	4301.40	11433.29	-	11433.29	-	920.75	12354.04
i)	Agricultural, Forestry, Fishing and hunting.	38.35	8.03	46.38	-	46.38	-	-	46.38
ii)	Water supply	7093.54	4293.37	11386.91	-	11386.91	-	920.75	12307.66
iii)	Transport services	-	-	-	-	-	-	-	-
iv)	Electricity Services	-	-	-	-	-	-	-	-
9	Other purposes	-	-	-	-	-	35.11	-	35.11
i)	Interest	-	-	-	-	-	35.11	-	35.11
ii)	Loans and advances	-	-	-	-	-	-	-	-
Grand total		49101.94	19075.56	68177.50	519.85	67657.65	35.11	2425.59	70118.35

Table 6.2 Contd. Economic and Functional Classification of Municipal Budgets-2007-08 Revised Estimates

(Rs. In Lakhs)

(Capital Expenditure)									
SN.	Building and other construction	Machinery and equipment	Net increase in stocks	Renewals and replacements	Loans & Advances		Grants	Total Capital expenditure	Grand Total 9+17
					For Capital Formation	For Current consumption			
0	10	11	12	13	14	15	16	17	18
1	3902.22	-	-	-	-	-	61.51	3963.73	22640.07
2	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	9.41
4	357.21	-	-	-	-	-	-	357.21	21336.28
5	-	-	-	-	-	-	-	-	-
6	25128.77	1272.61	340.00	-	152.12	-	44.78	26938.28	42941.81
7	2049.27	-	-	-	-	-	-	2049.27	4110.12
8	13123.40	80.00	-	5.80	28.52	-	-	13237.72	25591.76
i)	-	-	-	-	-	-	-	-	46.38
ii)	13123.40	80.00	-	5.80	28.52	-	-	13237.72	25545.38
iii)	-	-	-	-	-	-	-	-	-
iv)	-	-	-	-	-	-	-	-	-
9	-	-	-	-	2746.19	-	-	2746.19	2781.30
i)	-	-	-	-	-	-	-	-	35.11
ii)	-	-	-	-	2746.19	-	-	2746.19	2746.19
	44560.87	1352.61	340.00	5.80	2926.83	-	106.29	49292.40	119410.75

CHAPTER VII

DETAILED FUNCTIONAL CLASSIFICATION SCHEME

This chapter presents a detailed scheme for the functional classification of the Municipal Committees / Corporations budgetary expenditure. The principles of the scheme have already been discussed in the previous chapter.

The detailed scheme which is presented in the following pages is put forward as an illustration of the classification of Municipal Committees / Corporations expenditure by purpose. It can be further expanded by introducing more Programme/activities under the main category of expenditure.

Table 7.1 presents the functional classification of Municipal Committees / Corporations budgetary expenditure with percentage distribution for the years 2006-07 (Accounts) and 2007-08 (Revised Estimates).

**Table No. 7.1 Functional classification of Municipal Committees/
Corporations Budgetary Expenditure and their percentages.**

(Rs.in Lakhs)

Functional Classification			
SN	Heads/ Sub Heads	Accounts 2006-07	Revised Estimates 2007-08
0	1	2	3
1.	General Government Services	20823.16 (17.77)	22640.07 (18.96)
2	Defence	-	-
3.	Education	18.67 (0.02)	9.41 (0.01)
4.	Medical and public health	18556.58 (15.83)	21336.28 (17.87)
5.	Social security and welfare services	-	-
6.	Housing and community services	47001.90 (40.10)	42941.81 (35.96)
7.	Cultural recreational and religious services	4035.39 (3.44)	4110.12 (3.44)
8.	Economic services	23480.85 (20.04)	25591.76 (21.43)
i)	Agricultural, Forestry, Fishing and hunting.	33.48 (0.03)	46.38 (0.04)
ii)	Water supply	23447.37 (20.01)	25545.38 (21.39)
iii)	Transport services	-	-
iv)	Electricity Services	-	-
9.	Other Services	3286.65 (2.80)	2781.30 (2.33)
i)	Interest	22.16 (0.02)	35.11 (0.03)
ii)	Loans and advances	3264.49 (2.78)	2746.19 (2.30)
	Total	117203.20 (100.00)	119410.75 (100.00)

Figures in bracket show percentages to total.

Table 7.2 gives information regarding expenditure and their percentages under development and non-development categories. Developmental and non-developmental expenditure of Municipal Committees / Corporations come to Rs. 119410.75 Lakhs in 2007.08 (Revised Estimates) and Rs. 117203.20 Lakhs in 2006-07 (Accounts).

Table No 7.2 Development and non-development Expenditure

(Rs.in Lakhs)

SN	Heads/ Sub Heads	Accounts 2006-07	Revised Estimates 2007-08
0	1	2	3
A	Development Expenditure	93093.39 (79.43)	93989.38 (78.71)
1.	Education	18.67 (0.02)	9.41 (0.01)
2.	Medical and public health	18556.58 (15.83)	21336.28 (17.87)
3.	Social security and welfare services	-	-
4.	Housing and community services	47001.90 (40.10)	42941.81 (35.96)
5.	Cultural recreational and religious services	4035.39 (3.44)	4110.12 (3.44)
6.	Economic Services	23480.85 (20.04)	25591.76 (21.43)
B.	Non Development Expenditure	24109.81 (20.57)	25421.37 (21.29)
1.	General government Services.	20823.16 (17.77)	22640.07 (18.96)
2.	Defence	-	-
3.	Other Services	3286.65 (2.80)	2781.30 (2.33)
i)	Interest	22.16 (0.02)	35.11 (0.03)
ii)	Loans and Advances	3264.49 (2.78)	2746.19 (2.30)
Grand Total (A+B)		117203.20 (100.00)	119410.75 (100.00)

Figures in bracket show percentages to total.

CHAPTER VIII

NOTES ON FUNCTIONAL CATEGORIES

1. **General Government Services:** - It includes remuneration of Heads of Committees /Corporation, Executive Officer, Secretary and their supporting staff. It also covers expenditure incurred on tax on land and buildings, taxes on vehicles, animals, dogs, advertisement tax, tax on entry of goods into local areas, rents on municipal lands and buildings, the tehbazari fees, building application fees, composition for and other taxes and duties on commodities and services.
2. **Defence:** - No expenditure is incurred at local bodies level under this functional head. The activities relating to this head come under the Centre and State Governments.
3. **Education:** - This head relates to expenditure incurred on general regulation and promotion of school systems, provision, management and support to primary schools, secondary schools and colleges, technical training institutions such as craft schools, sewing schools, and balwari schools. It includes scholarships and grants to individuals for educational and training purposes. Subsidiary Services such as transportation of schools, children, school meals of other ancillary services designed to promote and facilitate school attendance are covered under this head of expenditure
4. **Medical and Public Health**
 - (a) **Medical:-** It includes establishment expenses on hospitals and dispensaries, medical and dental clinics, provision of drugs and appliances and similar field Programme, charges for lunatics antirabic treatment of paupers and outlays in respect of hospitals and dispensaries and services of individual doctors, dentists, etc.
 - (b) **Public Health:** - It includes expenditure on public health direction, municipal engineer and supporting staff, vaccination, prevention and control of malaria and other epidemic diseases, burning and burial of paupers, slaughter houses, conservancy system and prevention of food adulteration.
5. **Social Security and Welfare Services:** - It consists of expenditure on relief measures. It comprises of payment of funds in cases accident, injury, sickness and other benefits to compensate for the loss. Welfare services include expenditure on child welfare, homes for and care of disabled, contributions to family welfare agencies etc.
6. **Housing and Community Services:** - This head includes expenditure on promotion of activities and facilities in respect of housing and capital expenditure in connection with housing. It covers expenditure for provision, assistance or support of housing and slum improvement activities. It also includes, street lighting street watering and fire brigade services, construction of public toilets and urinals, rehri/rickshaw stands, municipal booths and shops, octroi barriers and payment of streets and drains, Disbursement of loans to employees such as safai sewaks and other low income category of people for purchase and construction of houses.
7. **Cultural, Recreational and Religious Services:-** It includes expenditure for unkeep of facilities such as land scaping and development of parks, dak bungalow as and sarais, public libraries, play-grounds, athletic fields, swimming pools, hostels and other lodging places which are not operated on a commercial basis. Expenditure for religious purposes and contributions to religious organizations.
8. **Economic Services-**
 - (a) **Agriculture, Forestry, Fishing and hunting:-** It includes expenditure incurred on plantation or road side trees, bushing and plant protection measures. Expenditure on removal of dairies, construction of dairy sheds, etc.
 - (b) **Water Supply:** - It comprises expenditure on the schemes executed by Water Supply and Sewerage Board on behalf of Municipal Committees/Corporations expenditure. It includes expenditure on wages and salaries of staff, road cutting, water rates, water and sewerage connection charges, storm water drainage, purchase of material machinery and equipments, cost of canal water, subsidy

regarding water and sewerage connection charges repair of meters and consumer connections, repairs and renewals of pipes and hydrants installation of tube wells, construction of water tanks, development of slums and expenditure on collection, purification and distribution of water. Loans given to households for installation of water and sewerage connections.

(c) **Transport Services:** - It includes the expenditure incurred on roads and bridges.

9. **Other purposes:** - Under this head are included interest payments and repayments of loans of general character which have not been classified elsewhere.

APPENDIX

Statement showing the income and expenditure of all Municipal Committees / Corporations as given in their Budgets.

(Rs.000)

Income & Expenditure						
SN	Districts	Name of the MC's	2006-07 Accounts		2007-08 Revised Estimates	
			Income	Expend.	Income	Expend.
0	1	2	3	4	5	6
1	Gurdaspur	Gurdaspur	51610	62400	64900	62240
		Sujanpur	27253	19530	27853	22455
		Fatehgarh Churian	8902	9549	10240	10240
		Quadian	11525	11857	15820	15820
		Dhariwal	12852	11055	11929	13507
		DeraBaba Nanak	3653	7852	3555	3555
		Sri Hargobind pur	3345	1454	3272	3272
		Dina Nagar	22838	22847	22050	22050
		Batala	77280	76365	120327	140148
		Pathankot	129076	131351	161397	137237
		Total	348334	354260	441343	430524
2	Amritsar	Amritsar Corp	1084929	1784442	2127218	1415607
		Ajnala	28180	27733	16366	16266
		Rayya	14475	14397	12720	12050
		Jan diala Guru	26324	25920	25406	24572
		Majitha	5156	4895	7029	6792
		Ramdas	2443	3009	2948	2848
		Raja Sansi	10306	9814	13442	11278
		Total	1171813	1870210	2205129	1489413
3.	Tarn Taran	Tarn Taran	20713	20524	28789	26189
		Khem Karan	15274	15122	35150	35120
		Patti	2360	2354	2560	2510
		Total	38347	38000	66499	63819
4	Kapurthala	1. Kpurthala	162365	110343	107400	107400
		2.Sultanpur Lodhi	18740	18476	14625	15272
		3. Phagwara	115890	141095	128500	128500
		4. Begowal	7386	9317	8742	7207
		5. Bhulath	7455	6688	10525	8831
		6. Dhilwan	5497	9703	6102	6307
		Total	319333	295622	275894	273517

(Rs.000)

Income & Expenditure						
SN	Districts	Name of the MC's	2006-07 Accounts		2007-08 Revised Estimates	
			Income	Expend.	Income	Expend.
0	1	2	3	4	5	6
5	Jalandhar	Jalandhar Corp	1386156	1385276	1216261	1315289
		2. Adampur	14302	35382	19877	38670
		3. Alawalpur	4269	4055	5400	5400
		4. Bhogpur	16017	14522	16816	17124
		5. Kartarpur	37662	38252	19029	20000
		6. Nakodar	40404	46516	44555	44010
		7. Nur Mahal	27254	28144	22365	27407
		8. Philaur	38880	17360	41476	18332
		9. Gorya	25944	25791	38530	38530
		10. Shakhkot	15391	13870	12940	13854
		11. Lohian Khas	12705	8844	9218	7674
			Total	1618984	1618012	1446467
6	Nawan Shehar	1. Nawan Shehar	62176	61107	100000	100000
		2. Banga	39630	42386	42100	42100
		3. Balachaur	18901	21776	25400	25400
		4. Rahon	9614	12021	8670	9418
		Total	130321	137290	176170	176918
7	Hoshiarpur	1. Hoshiarpur	186721	183596	187600	187000
		2. Garhshankar	25462	23425	41637	38600
		3. Sham Chaurasi	7998	4621	4951	4750
		4. Haryana	6346	6081	7470	7344
		5. Mukerian	26004	21217	35700	34700
		6. Urmar Tanda	31696	30081	28537	25066
		7. Gardhiwala	11498	10390	12175	11500
		8. Dasuya	29263	30173	21049	21049
		9. Mahilpur	19054	17838	22260	27060
			Total	344042	327422	361379
8	Rupnagar	1. Rupnagar	40095	46795	39004	45258
		2. Anandpur Sahib	10272	10390	10983	10863
		3. Morinda	27440	28115	31851	31263
		4. Nangal	173117	167596	170119	170049
		Total	250924	252896	251957	257433

(Rs.000)

Income & Expenditure						
SN	Districts	Name of the MC's	2006-07 Accounts		2007-08 Revised Estimates	
			Income	Expend.	Income	Expend.
0	1	2	3	4	5	6
9.	S.A.S Nagar	1.S.A.S Nagar	273734	249317	253914	261105
		2. Dera Bassi	86948	74583	85300	92249
		3. Zirakpur	187931	173065	172168	180592
		4 Kharar	150624	147397	143330	141044
		5.Kurali	38208	37460	35098	33406
		6.Naya Gaon	3081	378	19070	15056
		Total	740526	682200	708880	723452
10	Ludhiana	1.Ludhiana Corp.	3132489	2894647	2945277	3075157
		2. Raikot	31701	34872	29450	29963
		3. Jagraon	53579	65409	62610	62209
		4. Doraha	38119	37492	38769	40000
		5. Khanna	181045	172329	176550	178442
		6. Samrala	23185	23979	19597	29620
		7. Payal	8244	8926	7700	7700
		8. Machiwara	28431	28318	24700	24700
		9.Mullanpur Dakha	16237	19457	21300	21300
		10. Maloud	6411	7006	5140	6025
		11. Sahnewal	30337	29972	34904	35546
				Total	3549778	3322407
11	Firozpur	1. Firozpur	59171	56207	73818	74110
		2.GuruHar Sahai	23824	29467	25700	32798
		3.Talwandi Bhai	17507	19821	17865	17182
		4. Zira	36234	37458	49600	49600
		5. Abohar	195208	148839	184700	142721
		6. Fazilka	79435	73444	60832	63030
		7. Jalalabad	36664	47853	57370	57607
		8. Makhu	7660	8593	11004	11000
				Total	455703	421682
12	Faridkot	1. Faridkot	50308	51235	53899	54664
		2. Kotkapura	78621	78275	91360	86267
		3. Jaitu	31326	30019	35970	34910
		Total	160255	159529	181229	175841
13	Mukatsar	1. Mukatsar	58290	54571	89000	89000
		2. Malout	44650	47734	52624	57034
		3. Giddarbaha	37560	36589	66980	74505
		4. Baiwala	2149	2278	4243	3775
		Total	142649	141172	212847	224314
14	Moga	1. Moga	209734	209562	203767	161726
		2.Bagha Purana	18956	23088	21602	20306
		3. Bathri Kalan	5959	4571	7900	7950
		4. Dharamkot	18828	16780	22922	22922
		Total	253477	254001	256191	212904

(Rs.000)

Income & Expenditure						
SN	Districts	Name of the MC's	2006-07 Accounts		2007-08 Revised Estimates	
			Income	Expend.	Income	Expend.
0	1	2	3	4	5	6
15	Bathinda	1. Bathinda	413099	369749	377473	393400
		2.Rampur Phul	36408	34431	48752	46724
		3.Bhucho Mandi	17421	17296	13798	13551
		4. Goniana	18550	13714	25080	23421
		5. Maur Mandi	21828	21762	23560	23812
		6.Raman Mandi	13193	13039	19800	19800
		7. Kot Fattah	7073	5239	3410	3411
		8. Sangat	2659	2705	4787	2495
		Total	530231	477935	516660	526614
16	Mansa	1. Mansa	74119	71257	66592	66559
		2. Budhlada	15071	15908	19428	19096
		3. Baretta	8583	12058	21290	21290
		4. Sardulgarh	13331	14504	14795	18009
		5. Bhiki	7368	1900	8858	2875
		Total	118472	115627	130963	127829
17	Sangrur	1. Sangrur	74142	70739	114991	111100
		2. Sunam	50265	53744	42938	45068
		3.Malerkotala	75795	107284	111578	111042
		4. Lehra gaga	16071	21088	15283	20300
		5. Dhuri	29729	29204	41925	41639
		6.Ahmedgarh	40704	44005	42746	41110
		7.Bhawanigarh	14046	14414	15120	13142
		8.Longowal	4457	6980	7160	6355
		9.Dirba	9133	8413	13123	13700
		10.Khanauri	16724	17236	10915	12554
		11. Moonak	19275	18272	8691	11160
		12.Cheema	9783	9180	10220	9570
		Total	360124	400559	434690	436740
18	Barnala	1. Barnal	175091	118288	135245	104815
		2.Dhanaula	13881	9083	8515	14261
		3. Tapa	10468	10569	14457	14244
		4. Bhadaur	7848	10665	11400	12800
		5. Hundaya	9722	7517	17165	8870
		Total	217010	156122	186782	154990

(Rs.000)

Income & Expenditure						
SN	Districts	Name of the MC's	2006-07 Accounts		2007-08 Revised Estimates	
			Income	Expend.	Income	Expend.
0	1	2	3	4	5	6
19	Patiala	1. Patiala	357206	243939	473988	330725
		2. Rajpura	113058	148633	132910	136135
		3. Nabha	80638	79329	79854	82263
		4. Banur	14461	12545	21079	15925
		6. Samana	37794	41621	43534	52486
		7. Patran	20534	20525	27904	21750
		8. Sanaur	11395	15339	10337	10027
		9. Ghanaur	6374	2881	10050	5086
		10. Ghagga	5490	5740	5202	5939
			Total	646950	570552	804858
20	Fatehgarh Sahib	1. Gobindgarh	230470	83031	275400	87250
		2. Sirhind	56024	52606	64050	64000
		3. Bassi Pathana	12997	12997	18905	18172
		4. Amlloh	12725	12875	15702	14200
		5. Khamano	10858	12540	12160	12725
			Total	323074	174049	386217
Punjab			11718347	11769547	12891041	11993060