CHAPTER – VII

SUMMARY, POLICY IMPLICATIONS AND CONCLUSION

The in depth study made on the finances of Tirunelveli City Municipal Corporation has revealed many socially relevant and useful points. The major findings of the study are listed below.

Findings

a) Revenue Side

1. The income from tax collected by the Corporation has been increasing in the study period. But the increasing trend is marked by certain exceptional years, during those years the income from tax has dipped and showed negative growth rates.

2. The tax collected from other heads such as motor vehicles tax, entertainment tax exchange on entertainment show, additional surcharge on land revenue, magisterial fines, pilgrim tax, education tax had been increasing. The rate of growth tax collected by other heads shows erratic trend.

3. The Corporation received substantial amount of revenue in the offices, market fees, license fees, bus stand fees, slaughter house fees fall under this category.

4. The Corporation revenue position is strengthened by the receipt of grants in aid from the state governments. During the study period it has increased many times. During 2004-05 the grants in aid received by the Corporation stood Rs. 122579 thousand.
5. The receipts of the Corporation in the form of miscellaneous income have been increasing. The miscellaneous income includes, recoveries on account of services rendered, income from investments, lapsed deposits, surplus from provident fund. Legal expenses fall under this head.

6. Another important source of revenue to the Corporation is income from special properties. This revenue has surged ahead and recorded very high growth rates, 110.3 and 86.9 percent during 2000-2001 and 2004-05 respectively.

7. The revenue from special services has been declining sharply and it constitutes a very small proportion of the total revenue.

8. The revenue from loans also falling considerably during the study period.

9. The income from deposits has increased from Rs. 24479 thousand in 1994 - 95 to Rs. 56560 thousand in 2003-04. The Corporation gets a fair amount of interest from its deposits.

10. Income from advances has been declining during the study period.

11. The total income of the Corporation plummeted from Rs. 130011 thousands in 1994-95 to Rs. 52.8206 thousand in 2004-05. The income of the Corporation quadrupled during the study period.

12. The tax income collected by the Tirunelveli City Municipal Corporation differs significantly among years and between months.

13. The receipts of the Corporation have been quite high in the months of February and March.
b) **Expenditure Side**

1. The expenditure on general administration has been increasing during the study period, but it is marked by heterogeneous growth rates.

2. Expenditure on public work is another important source of expenditure. The expenditure on public works like roads, channels of public toilets and pay-and-use buildings has been increasing sharply during the study period.

3. *Educational expenditure of the Corporation was high during 2001-02 and has fallen in recent years.*

4. The expenditure of the Corporation on water supply and drainage has been increasing at an alarming rate. It was Rs. 13850 thousand in 1994-95, shot upto Rs. 100457 thousand during 2004-05. This is the most significant expenditure incurred by the Corporation.

5. The expenditure on Town planning has been declining.

6. The expenditure on obligatory services viz, the lighting, public health and sanitation has been increasing dramatically. It has doubled between 1994-95 to 2004-05.

7. Expenditure on discretionary services on the contrary has been falling.

8. The total expenditure of the Corporation during study showed an increasing trend, except in 2000-01 and 2002-03.

9. Expenditure on loan given and expenditure on paid advances have been falling during the study period.

10. The annual growth rate of expenditure on general administration is Rs. 11442.7 thousands.
11. The rate of growth of public expenditure is very high in general administration, Rs. 11442.7, followed by water supply and drainage expenses Rs. 7418.709 thousands.

12. The rate of growth of expenditure on town planning, discretionary services, on loans and expenditure on pay and advances have been falling during the study period.

SUGGESTIONS

In the light of the above findings the following suggestions are made to improve the finances of the Tirunelveli City Municipality Corporation.

1. The income of the Corporation especially from water tax, property tax and house tax can be increased substantially if efforts are made in the beginning of the year itself. The Corporation is gearing up the tax collecting machinery only in the months of February and March. This practice should be changed.

2. The income of the Corporation has been increasing after the franchising the services of tax collection to the nationalized banks. This practice is very effective and efficient. The tax paying public find this system very convenient and easy. So this system should be widened and more banks can be given the franchise to collect taxes for the Corporation.

3. The outstanding dues in water tax, property tax, house tax should be collected on war footing.

4. The structure of property tax, water tax, house tax and professional should be rationalized in tune with raising public expenditure.
5. The expenditure incurred by the Corporation in the waste disposal is enormous. Taxes should be levied on the people who are responsible for wastes. The cost of waste disposal should be collected from those people.

6. The Corporation can make use of the solid waste collected to generate electricity on the lines of Chennai Municipal Corporation.

7. The Corporation can augment the revenue by auctioning the public land to organise fairs and exhibitions. The Corporation can collect a fee from the organizers of the industrial fairs and exhibitions. In recent years the revenue from this source has been falling steeply.

8. There is an urgent need to prune the expenditure of the Corporation on water supply and it is mounting every year. The wastage of water should be reduced.

9. Installing of water metres should be made mandatory. This will make the users use the water prudently. Indirectly it helps to reduce the expenditure of the Corporation on water supply.

10. The grants in aid, the most attractive source of revenue to the Corporation has been increasing at a decreasing rate. The Corporation has to make efforts to avoid more grants aid from the state governments.

11. The expenditure on general administration should be reduced. Then expenditure on this head can be reduced by improving the efficiency of the people working in the administrative department.

12. The town planning should be made more scientific. The Corporation has to provide all necessary infrastructure facilities. This will pave the way for more trade, commerce, logistics and ultimately pay more dividend to the Corporation.
CONCLUSION

The study on the finances of Tirunelveli City Municipality Corporation unravelled many interesting facts. On the revenue side, the Corporation’s position is very strong. There is buoyancy in the tax collection which is evident from the growth of receipts during the study period. The Corporation is able to widen the tax base and is able to bring more people under the tax net. But the growth of revenue shows an erratic trend, marked by fluctuations. This fluctuations in the revenue receipts of the Corporation pose many administrative difficulties to the Corporation. Many times the resources are scanty for the Corporation to carry out its obligatory functions. The monthly collection of tax revenue also exhibits heterogeneous trend. The collection of revenue during different months is not uniform. During February and March the collection of tax revenue is very heavy but in the other ten months the collection is rather poor. It is also important for the Corporation to rationalize the water and House tax structure. The Corporation must devise a policy of pricing with regard to the cool involved in the waste disposal. It is also important for the Corporation to prune the administrative expenditure incurred by it. With better tax enforcement and compliance the Corporation can tide over all the difficulties especially in financial affairs to carry out its development activities in Tirunelveli.