CHAPTER VI
FINANCIAL IMPLICATION OF THE IMPHAL MUNICIPAL BOARD

Finance is one of the most important factors for the successful working of any government whether it is in a Laissez-faire State or a monarchichal State since all the processes of the government revolves round finance. To quote Kamandakiya Nitisara - 'the treasury is the root of the kings'. Since, local government is also a government though with limited scope, finance plays an important role for its administration also. The local Acts of most countries in the world give a list of the sources of income of the local government. The Assam Municipal Acts which were extended to Manipur and the Manipur Municipalities Act, 1976 contain a long list of sources of revenue but 'most of them are inelastic and the yield from some of them is not significant'. These Acts also contained a list of items on which the expenditure is to be made. The State government also looks after the finance of the local government through audit. Section 69 of the Manipur Municipalities Act, 1976 also lays down that 'a Board shall maintain such account for

every financial year in such forms and submit such state-
ments to the Deputy Commissioner, and the State government
as may be prescribed'.

Income

The Municipalities throughout India derive its in-
come from - taxes and fees, grants-in-aid and loan. The
Imphal Municipal Board also derives income mainly from
these items.

Taxes, fees and rents: The Imphal Municipal Board
under the authorisation of the Municipal Acts tries to collect
a number of taxes but most of them are unfruitful. On the
seventh meeting of the Imphal Municipal Board held on ele-
venth July, 1956, the Board resolved that the government
be moved to accord a general sanction under Section 59(1)
of the Assam Municipal Act 1923, as extended to the State
of Manipur, empowering the Imphal Municipal Board to impose
within the limits of the Municipality the taxes or any of
them in accordance with the procedure laid down in Section
59(1) of the Act.

(m) Taxes on buildings;
(n) Taxes on the entry of goods into a local
area for consumption, use or sale therein,
popularly known as Octroi;
(o) Taxes on professions, trades, callings and employment;
(p) Service taxes;
(q) Taxes on advertisements other than advertisement published in the newspapers;
(r) Amusement and show tax;
(s) Duty on transfer of property;
(t) Taxes on goods and passengers carried by road or inland waterways;
(u) Local tax on motor vehicles;
(v) Local duties of excise on the following goods manufactured or produced in the Municipality area:
   (a) alcoholic liquors for human consumption;
   (b) opium, Indian hemp and other narcotic drugs and narcotics; but not including medicinal and toilet preparations containing any substance mentioned in (a) and (b) above; these duties being additional to similar duties that may be levied by the State Government.
Provided

(i) That both the taxes mentioned in (n) and (t) shall not be imposed in respect of the same goods;

(ii) That a specific sanction of the Government as to the rates and manner of levy in respect of the tax mentioned in (u) shall first be obtained.

Most of the taxes mentioned above have not been realised and another important tax which levied in most states but not fruitful for the Imphal Municipal Board even though many attempt has been made for the realisation of it is the 'Holding Tax'. Since, the holding tax is not realised lighting tax also cannot levied. For 'Holding Tax' the Board has always been trying to levy.

Only a few taxes has been realised by the Imphal Municipal Board. The taxes are:

(i) Municipal tax: It is a tax levied for both land and latrine in the Khusiramband Bazar area. The area is bounded in the north by Khuyathong, south by Cachar Road, east by Imphal Dimapur Road and west by Naga and
Nambul River. The method of the way for levying the tax is that when land revenue is Rupees 1, the Municipal tax will bear Rupees 1.36 paisa. Yearwise collection of the Municipal tax by the Imphal Municipal Board is given below:

1956-57 = Rupees 21,008-12-6
1957-58 = Rupees 14,914.42
1958-59 = Rupees 24,176.36
1959-60 = Rupees 50,875.26
1960-61 = Rupees 40,050.27
1961-62 = Rupees 37,786.27
1962-63 = Rupees 44,075.04
1963-64 = Rupees 37,101.59
1964-65 = Rupees 45,146.54
1965-66 = Rupees 20,383.67
1966-67 = Rupees 48,656.21
1967-68 = Rupees 56,127.85
1968-69 = Rupees 30,808.26
1969-70 = Rupees 28,828.27
1970-71 = Rupees 29,099.30
1971-72 = Rupees 67,782.25

1972-73 = Rupees 26,237.72
1973-74 = Rupees 20,272.09
1974-75 = Rupees 20,556.87
1975-76 = Rupees 23,077.64
1976-77 = Rupees 9,748.23
1977-78 = Rupees 14,578.64
1978-79 = Rupees 2,570.00
1979-80 = Rupees 22,530.00*

The disparities of the Municipal tax may be due to the disparities in taking land revenue. Sometimes, due to the request of a particular locality, the tax was reduced. On sixth June, 1959, due to the application of the secretary, Imphal Kabui Village Development Board, the Municipal Board after a long discussion, the presumptive land revenue for the purpose of Municipal tax in respect of the two places namely Kakhuabong and Majorkhol had been revised².

Octroi tax: Major source of the income of the Imphal Municipal Board is the Octroi duty. The Octroi tax has been impose from the time of Town Fund Committee. This tax has been imposed on all imported and exported commodities. On fifth July, 1957, the Imphal Municipal Board resolved


* Office Record. (The arrear of Municipal tax from the year 1976 upto October 1978 was Rupees 1,58 lakhs).
to be moved to the Manipur Administration to sanction
the imposition of Octroi duty on the following articles
and at the rates indicated against each:

<table>
<thead>
<tr>
<th>Serial Number</th>
<th>Name of Articles</th>
<th>Rupees - Naya paise</th>
<th>Octroi rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Brick</td>
<td>2.50</td>
<td>per 1000 Numbers of 10&quot;x5&quot;x3 size and proportionately for other sizes.</td>
</tr>
<tr>
<td>2.</td>
<td>Concrete</td>
<td>1.25</td>
<td>per 100 Cubic feet.</td>
</tr>
<tr>
<td>3.</td>
<td>Mortar</td>
<td>.50</td>
<td>per 10 maunds.</td>
</tr>
<tr>
<td>4.</td>
<td>Cement</td>
<td>.50</td>
<td>per bag of 122 pounds.</td>
</tr>
<tr>
<td>5.</td>
<td>Hard Wares</td>
<td>1.50</td>
<td>per maund.</td>
</tr>
<tr>
<td>6.</td>
<td>Imported mustard oil and vegetable ghee</td>
<td>.50</td>
<td>per maund.</td>
</tr>
<tr>
<td>7.</td>
<td>Imported Ngari, phabou and kwa</td>
<td>.50</td>
<td>per maund.</td>
</tr>
<tr>
<td>8.</td>
<td>Wheat</td>
<td>.50</td>
<td>per maund.</td>
</tr>
<tr>
<td>9.</td>
<td>Lime</td>
<td>.06</td>
<td>per cubic feet (small qualities brought in headload may be exempted)</td>
</tr>
<tr>
<td>Serial Number</td>
<td>Name of Articles</td>
<td>Rupees - Naya paisa</td>
<td>Octroi rates</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------</td>
<td>---------------------</td>
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</tr>
<tr>
<td>10</td>
<td>Imported jewellery</td>
<td>.06</td>
<td>per Rupee.</td>
</tr>
<tr>
<td>11</td>
<td>Timber</td>
<td>.06</td>
<td>per Cubic feet.</td>
</tr>
<tr>
<td>12</td>
<td>Wood Post</td>
<td>.03</td>
<td>per post.</td>
</tr>
<tr>
<td>13</td>
<td>Cycles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Cycle parts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Motor Vehicles and parts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Radio and parts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Gramophone Records and parts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Microphone sets and parts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Cameras and parts</td>
<td>.03</td>
<td>per Rupee.</td>
</tr>
<tr>
<td>20</td>
<td>Photographic materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Torch lights and parts shells and lighters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Toilet soaps</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Watches, clocks and parts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serial Number</td>
<td>Name of Articles</td>
<td>Rupees</td>
<td>Octroi rates</td>
</tr>
<tr>
<td>---------------</td>
<td>-----------------</td>
<td>--------</td>
<td>--------------</td>
</tr>
<tr>
<td>24.</td>
<td>Machines of all kinds and types for printing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25.</td>
<td>Electric equipments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26.</td>
<td>Firearms and ammunitions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27.</td>
<td>Wool yarn</td>
<td>.03</td>
<td>per Rupee.</td>
</tr>
<tr>
<td>28.</td>
<td>Silk yarn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29.</td>
<td>Tarpolins</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30.</td>
<td>Fountain pen and parts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31.</td>
<td>Sport goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32.</td>
<td>Brass wares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>33.</td>
<td>Metal Utensils</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34.</td>
<td>Enamel goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35.</td>
<td>Shoes, Sandals (excluding wooden sandals, boots and other kinds of footwear and leathers)</td>
<td>.02</td>
<td>per Rupee.</td>
</tr>
<tr>
<td>36.</td>
<td>Glasspanes and wares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serial Number</td>
<td>Name of Articles</td>
<td>Rupees</td>
<td>Octroi rates</td>
</tr>
<tr>
<td>---------------</td>
<td>-----------------------------------</td>
<td>--------</td>
<td>--------------</td>
</tr>
<tr>
<td>37.</td>
<td>Crockery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>38.</td>
<td>Umbrellas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>39.</td>
<td>Trunks and Suitcases and parts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40.</td>
<td>Hold-alls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>41.</td>
<td>Lamp and parts</td>
<td>.02</td>
<td>per Rupee.</td>
</tr>
<tr>
<td>42.</td>
<td>Gunny bags</td>
<td></td>
<td></td>
</tr>
<tr>
<td>43.</td>
<td>Sugar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>44.</td>
<td>Candles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45.</td>
<td>Matches</td>
<td></td>
<td></td>
</tr>
<tr>
<td>46.</td>
<td>Tea, Coffee and Cocoa</td>
<td></td>
<td></td>
</tr>
<tr>
<td>47.</td>
<td>Chilies</td>
<td>1.00</td>
<td>per maund.</td>
</tr>
<tr>
<td>48.</td>
<td>Ginjer</td>
<td>.25</td>
<td>per maund.</td>
</tr>
<tr>
<td>49.</td>
<td>Maize</td>
<td>.25</td>
<td>per maund.</td>
</tr>
<tr>
<td>50.</td>
<td>Liquor - foreign</td>
<td>.10</td>
<td>per Rupee.</td>
</tr>
<tr>
<td></td>
<td>Indian made</td>
<td>.05</td>
<td>per Rupee.</td>
</tr>
<tr>
<td></td>
<td>Country made (local)</td>
<td>.25</td>
<td>per Seer.</td>
</tr>
<tr>
<td>51.</td>
<td>Ganja</td>
<td>1.00</td>
<td>per Seer.</td>
</tr>
<tr>
<td>52.</td>
<td>Opium</td>
<td>10.00</td>
<td>per Seer.</td>
</tr>
<tr>
<td>53.</td>
<td>Gold bullion</td>
<td>2.00</td>
<td>per tola.</td>
</tr>
<tr>
<td>54.</td>
<td>Silver bullion</td>
<td>.05</td>
<td>per tola.</td>
</tr>
</tbody>
</table>
Generally, the Imphal Municipal Board levies barring a few items like pharmaceuticals, taxes on all other goods, in between Rupees 02 and Rupees 0.15 per kilogram as Octroi tax. Yearwise collection of the amount by Octroi tax is given below:

1956-57 = Rupees 26,928.89
1957-58 = Rupees 24,654.07
1958-59 = Rupees 59,223.31
1959-60 = Rupees 69,356.43
1960-61 = Rupees 73,583.76
1961-62 = Rupees 95,306.60
1962-63 = Rupees 44,075.04
1963-64 = Rupees 1,05,785.54
1964-65 = Rupees 1,09,697.75
1965-66 = Rupees 1,09,776.36
1966-67 = Rupees 1,38,236.62
1967-68 = Rupees 1,58,840.19
1968-69 = Rupees 3,04,790.24
1969-70 = Rupees 6,08,296.08
1970-71 = Rupees 6,92,041.89
1971-72 = Rupees 6,94,762.56
1972-73 = Rupees 10,56,798.81
1973-74 = Rupees 10,33,143.27
1974-75 = Rupees 11,38,317.67
1975-76 = Rupees 18,37,478.18
1976-77 = Rupees 22,37,572.65
1977-78 = Rupees 17,74,596.71
1978-79 = Rupees 29,57,225.47
1979-80 = Rupees 26,03,278.44 *

The collection of Octroi tax by Imphal Municipal Board has some loopholes. Octroi evasion by traders in Manipur is almost to the tune of Rupees 25 lakhs per annum, according to a quick enquiry report by the Economic cell of the Manipur Cultural Integration Conference. The amount collected from the Octroi tax is irregular except during the President's Rule (1969-72). It is these irregularities in collection which aroused the suspicion of even casual observers that something was wrong. With the comments of the local press, a change has been brought for Octroi as it has been lent out to M/S Shivakaran Kesherimmell Jain of Thangal Bazer for forty lakhs per annum from June 1982.

For the tax, the Municipal and Octroi are the only taxes levied by the Board but it also realised fees under special Acts, Bye-laws and Rules. The fees are:

* Official Record.
(1) Rickshaw Registration fee: The Imphal Municipal Board resolved on twenty-second September, 1956 that the fee for the registration of Rickshaws for the first time shall be Rupees 10/- and the fee for annual renewal of such registration shall be Rupees 5/- as before. The rate is not change at present also. Yearwise collection of Rickshaw registration fee is given below:

1956-57 = Rupees 4,076.40
1957-58 = Rupees 3,058.00
1958-59 = Rupees 3,198.00
1959-60 = Rupees 10,507.00
1960-61 = Rupees 6,198.00
1961-62 = Rupees 5,260.00
1962-63 = Rupees 55,239.00
1963-64 = Rupees 6,724.50
1964-65 = Rupees 6,044.00
1965-66 = Rupees 7,073.00
1966-67 = Rupees 6,924.00
1967-68 = Rupees 11,979.00
1968-69 = Rupees 15,377.00
1969-70 = Rupees 11,646.00
1970-71 = Rupees 7,280.00
1971-72 = Rupees 8,819.00
1972-73 = Rupees 9,810.00
1973-74 = Rupees 18,719.00
1974-75 = Rupees 22,892.00
1975-76 = Rupees 32,301.00
1976-77 = Rupees 34,108.00
1977-78 = Rupees 33,967.00
1978-79 = Rupees 35,294.00
1979-80 = Rupees 25,955.00*

(ii) Rickshaw Driving license fee: The Imphal Municipality is not only the registering authority of the Rickshaws but also the licensing authority. The license fee is Rupees 10/- and if a Rickshaw Driver drives the Rickshaw without license, a penalty may be imposed with a fine not exceeding Rupees 5/- which may be raised to Rupees 7/- for a continued offence. The license of a driver will be subject to cancellation for a continued offence. Yearwise collection from this item is given below:

1956-57 = Rupees 998-11-0
1957-58 = Rupees 2,821.00
1958-59 = Rupees 3,198.00
1959-60 = Rupees 4,603.00
1960-61 = Rupees 6,885.00
1961-62 = Rupees 5,172.00

* Office Record.
1962-63 = Rupees 6,195.00
1963-64 = Rupees 6,800.00
1964-65 = Rupees 6,648.00
1965-66 = Rupees 7,638.00
1966-67 = Rupees 7,236.00
1967-68 = Rupees 9,266.00
1968-69 = Rupees 7,826.00
1969-70 = Rupees 9,698.00
1970-71 = Rupees 6,820.00
1971-72 = Rupees 8,819.00
1972-73 = Rupees 8,006.00
1973-74 = Rupees 16,136.00
1974-75 = Rupees 22,833.00
1975-76 = Rupees 27,865.00
1976-77 = Rupees 33,750.00
1977-78 = Rupees 30,402.00
1978-79 = Rupees 31,826.00
1979-80 = Rupees 32,636.00*

There had been significant increase in the collection of license fee from 1966-67 to 1979-80, which is an indication of the tremendous increase in town population and traffic as also the development of the town.

* Office Record.
(iii) License fee for Hotel and Restaurant: The Imphal Municipal Board on twenty-first July, 1958 fixed the license fees for Hotels Restaurants and sweet shops. The Board on the above date resolved that under section 59 (2) of the Assam Municipal Act, 1923 as extended to Manipur, license fees for Hotels etc, may be fixed as follows subject to the approval of the Manipur Administration.

Class of Hotels, Restaurants: License fee per annum.

Class - I - Where the business is run in a big scale with separate room for kitchen, dining hall and lodging accommodation.

Class - II - With separate rooms for kitchen and dining hall with a large variety of food for scale.

Class - III - Where the business is run in a small scale and arrangement for cooking and eating is made in the same room.

Rupees 100/- annually

Rupees 50/- annually

Rupees 25/- annually
The division of the class of the Hotels and Restaurant and disparities of rates according to the class is still continuing. Unlike other sources of income, it seems that the amount from the Hotel and Restaurant license fee has been decreasing from time to time. In 1963-64 the amount was Rupees 7,140.00. But in 1968-69, it was decreased to Rupees 4,907.00. But after a decade in 1978-79, it was Rupees 4,715.00, and in 1979-80 it again decreased to Rupees 3,695.00*.

(iv) Application fee: A 50 paise per application fee has been taking by the Board since its establishment for every application made to the Board. Yearwise collection of the total amount from the application fee is given below:

1956-57 = Rupees 556.10
1957-58 = Rupees 252.00
1958-59 = Rupees 331.70
1959-60 = Rupees 1,093.56
1960-61 = Rupees 500.70
1961-62 = Rupees 1,176.74
1962-63 = Rupees 651.70
1963-64 = Rupees 970.84

* Office Record.
1964-65 = Rupees 824.76
1965-66 = Rupees 608.32
1966-67 = Rupees 596.81
1967-68 = Rupees 1,095.12
1968-69 = Rupees 1,079.62
1969-70 = Rupees 928.00
1970-71 = Rupees 586.50
1971-72 = Rupees 657.00
1972-73 = Rupees 610.00
1973-74 = Rupees 1,480.50
1974-75 = Rupees 5,675.50
1975-76 = Rupees 4,898.50
1976-77 = Rupees 3,506.00
1977-78 = Rupees 2,053.50
1978-79 = Rupees 1,472.00
1979-80 = Rupees 1,054.00*

(v) Besides, the above a certain amount of income has been collected from the license fee under the food adulteration Act. The rate of this is Rupees 20/- per annum and Rupees 10/- per annum for the license fee for Hawker. The Board also takes feeding charges from the individual livestock for a day as follows:

* Office Record.
Fines:

- Buffalo (Male or Female) - Rupees 7.50
- Horse and Mare - Rupees 7.50
- Cow, Bull, Bullock and Heifer - Rupees 7.50
- Pig (Male or Female) - Rupees 4.50
- Goat (Male or Female) - Rupees 4.50
- Sheep (Male or Female) - Rupees 4.50
- Calves (Male or Female) - Rupees 3.00

Feeding Charges:

- Buffalo (Male or Female) - Rupees 3.00
- Horse and Mare - Rupees 3.00
- Cow, Bull, Bullock and - Rupees 3.00
- Pig (Male or Female) - Rupees 3.00
- Goat (Male or Female) - Rupees 1.50
- Sheep (Male or Female) - Rupees 1.50
- Calves (Male or Female) - Rupees 1.50

Revenue derived from the Municipal property and others:

The construction of shops, buildings, public halls and sheds in the Municipal markets is also one of the major works taken up by the Imphal Municipal Board. The shops and buildings are lent out on monthly as well as annual rates. Such amounts collected as revenue from the Municipal properties
contribute a lot to the financial position of the Board. The items under this head are as follows:

(a) Rent from Municipal peddlers and Buildings:

For the realisation of rents from the Municipal peddlers, the shops are divided into three categories - pucca stall, wooden stall and shopsite. Rupees 25/- per month has been realised from a 8x5 feet pucca stall and 85 paise per square feet per month has been realised from a wooden stall. Both these types of stall has been constructed by the Board. And shopsite is that type of the shop which has been constructed by the lessee but the site is own by the Municipality. 10 paise per square feet per month has been taken as rents from these shopsites.

The Imphal Municipal Board also own some buildings which have been lent out. The buildings are - Hotel Manipur, Gandhi Memorial Hall, Old Municipal godown and old Octroi check post building. The rent realised from the lessee of Hotel Manipur varies from time to time. Its annual demand in the year 1974-75 was Rupees 21,600.00\(^5\). But the present rate is Rupees 74,196.00\(^*\). The rate of the rent for the Gandhi Memorial Hall is of two types according to the nature.

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\(^5\) Budget for the year 1974-75.

\(^*\) Office Record.
The charge is Rupees 310/- if it for Drama per show and if
is for a meeting it is only Rupees 210/- per meeting.

Due to the increasing number of Municipal peddlers
and the rate of the rent realised from Municipal buildings,
the total amount collected from these are increasing tremen-
dously. By 1966-67, the total amount collected from the
Municipal peddlers and buildings were Rupees 1,00,53,25 only
but by 1979-80, the total amount became Rupees 2,44,080.18*.

(b) **Women vendor’s rent**: It is also sometimes
used as tax. Women markets of Manipur may be the biggest
markets for women for the whole of India. Unlike other parts
of India, women of Manipur have been the traders and sellers
of essential commodities for day to day life. In every Muni-
cipal Markets, there are women vendors. Most of the sheds
for these women vendors are constructed by the Board, hence,
rent is charged from the women vendors. The rate or the lice-
ns fees charged from the women vendors of the new market
and laxmi bazar is different from the rents charged from
other women vendors of other Municipal markets. The rate of
license fee from women vendors of new market and laxmi bazar
is Rupees 6/- per annum whereas it is only Rupees 3/- per annum
for the women vendors of other Municipal markets. The total

* Office Record.
amount collected from this side in 1956-57 was Rupees 511.00, after a decade in 1966-67, it was Rupees 848.50 but in 1977-78 it was turned into Rupees 11,449.00*.  

(c) Other amounts realised as Revenue from the Municipal Properties: Rupees 5/- per month is taken as sunshed charge from the peddlers. It is also sometimes used as sunshed tax. Application forms are also sold. It is of two types - Tender forms which are sold in between Rupees 5/- to Rupees 15/- per form and prescribed application form is sold at Rupees 1/- per form. Fines collected from the breakers of Municipal law also contributes a little to financial position of the Board, Lighting charges are realised from the Municipal stalls and women vendors according to the consumption but this amount is paid to the Electricity Department. 

Grants-in-aid and Loan: The Imphal Municipal Board received grants-in-aid from the Union Government and Manipur Government from time to time. The Maharaja of Manipur provided grants-in-aid amounting Rupees 4,000/- to Rupees 4,500/- to the town fund committee in order to provide the Municipal services and it also had undertaken various conservancy and

* Office Record.
other duties in town outside the British Reserve, the
cost for such specific purposes being met by the State
again. The grants-in-aid is thus a payment received by
the local government from the higher governments in order
to provide efficient statutory and non-statutory services.

The grants provided for the Imphal Municipal Board
may be divided into two groups — general and specific. The
general grant can be used by the Board for any purpose but
specific grants can be used only for the specific purposes
for which the grant is provided. At the third meeting of
the first Imphal Municipal Board held on thirteen June,
1956, it was resolved that the government may be pleased
to make a grant of Rupees 50,000/- only during the year to
serve as the starting fund. For the first time an advance
of Rupees 15,000/- was sanctioned by the Chief Commissioner in
the year of its establishment. On twenty-eight August,
1956, the government of Manipur again provided a grant of
Rupees 50,000/- for the construction of an office building
under the second five year plan. The Board again resolved
on its fifteenth meeting held on tenth September, 1956 that


twenty-eight August, 1956.
the Government of Manipur may be moved to include the provision of Rupees 10,000/- for tools and equipments for conservancy already proposed for 1956-57, under five year plan. For the general grant, on fifth December, 1956, the Board resolved that the government may be moved to make a general purpose grant of Rupees 20,000/- per annum from the current year. In 1957-58, the Board received Rupees 30,000/- for the purchase of Peak Hotel from the Government of India. On twenty-fourth April, 1959, the Board discussed letter Number D/3701-ISM/58 from the Government of India, Ministry of Health sanctioning a grants-in-aid of Rupees 17,601/- for meeting the additional expenditure on pay revision and increase in Ad-hoc Dearness Allowance. It resolved to request the said government to continue the grants-in-aid at the rate of Rupees 8,000/- only per year for two years that is, 1959-60 and 1960-61. Besides, during the year 1958-59, the Board also received a sum of Rupees 1,00,000.00 and Rupees 96,500.00 for the construction of Public Hall and Municipal shops at Kakhulong from the government of India.

The total grant received from the government by the Board was raised to Rupees 6,78,000.00 by 1961-62. In 1962-63, a general grant for improvement of Rupees 5,00,000.00 and two specific grants, one for the purchase of sanitary equipments amounting Rupees 10,640.00 and another for payment of street lighting amounting Rupees 82,000.00 had received by the Board. The amount of the grant is not constant, sometimes it raised and at other times it falls. By 1963-64, it was only Rupees 2,35,000.00 but it rose to Rupees 6,15,00.00 in 1964-65. The rate decreased in two succeeding years as Rupees 4,79,000.00 in 1965-66 and Rupees 2,23,719.00 in 1966-67. It raised a little from 1967-68 as the grant in this year was Rupees 4,73,763.53 and in 1968-69 was Rupees 7,80,600.00. The smallest amount of grant in 1970s was provided 1969-70, in this year the grant was only Rupees 1,85,300.00. In the year 1970-71 it became Rupees 7,66,188.75 but it increased to Rupees 8,86,000.00 in 1971-72 and Rupees 11,15,000.00 in 1972-73. The up and down is found in between 1973-74 to 1976-77 as the grants were - Rupees 10,74,000.00 in 1973-74; Rupees 15,15,052.00 in 1974-75; Rupees 7,54,830.00 in 1975-76 and Rupees 7,72,300.00 in 1976-77. In 1977-78, the

13. Office Record.
Board received the grants of Rupees 3 lakhs and Rupees 7 lakhs in 1978-79 and Rupees 4 lakhs in 1979-80*.

There was only one evidence for getting donation by the Imphal Municipal Board other than the government grants. The first Imphal Municipal Board received a donation of Rupees 1,00,000/- only for the construction of a public hall from the All Manipur Agricultural Society Ltd.14

The Imphal Municipal Board had taken loans only at the time of the first and fifth Municipal Boards. The first Board had taken a loan of Rupees 40,000.00 from the government of India in 1957-5815 for the purchase of Peak Hotel. In succeeding year, in 1958-59, Rupees one lakh and ninetyfive thousand and five hundred only had taken as a loan from the government of India for the construction of Gandhi Memorial Hall and construction of Municipal shops at Kakholong respectively16. No record is found for taking loans by the second, third and fourth Municipal Boards.

* The figures are from the Office Record.


By the fifth Municipal Board, in 1976-77, a loan of Rupees 2,90,000.00 was sanctioned by the Government of Manipur 17. Again in 1977-78, Rupees 4 lakhs for the construction of Roads and Rupees 2 lakhs for the construction of Bazaar was taken as loan and only two lakhs has been taken as loan from the government for the improvement of Road in 1978-79 18.

However, there is no record for taking the loan except available in the financial statement as well refund for it by the first Imphal Municipal Board.

Besides the above mentioned sources of the income, the Imphal Municipal Board has also getting a small amount from the clearance of septic latrines, disposal of dead bodies, sale of compost manure and lease of Agricultural land at sweeper colony. Over all per capita income of the Board is given below :-

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Population</th>
<th>Per Capita Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>4,30,083.15</td>
<td>76,800</td>
<td>5.60</td>
</tr>
<tr>
<td>1971</td>
<td>16,81,685.25</td>
<td>1,21,671</td>
<td>15.47</td>
</tr>
</tbody>
</table>

17. Audit Report.
18. Ibid.
Side by side with the increase of population in the Imphal Municipal area, there has been a corresponding rise in the per capita income.

Expenditure

It is needless to say that the discussion of any kind of administration is not complete without a discussion of the expenditure side. The Municipal Acts not only provide the area from which the source should be collected but also provide the area to which it must spent. The expenditures made by the Municipal Board have been classified into two - obligatory and discretionary. Section 60 of the Assam Municipal Act clearly lays down the obligatory function of the Board as the following:

(a) payment of and payment of interest on, any loan incurred under the provisions of any law;

(b) payment of salaries, gratuities, provident fund, leave allowances and pensions to its employees;

(c) the liabilities and obligations arising from a trust legally imposed upon or accepted by the Municipal Board; and

(d) the payment of expenses of paupers, lunatics
and lepers who are inhabitants of the Municipality and are sent to public Asylums, which in the opinion of the state government is to be paid by the Board.

Under this Act, all other expenditure are discretionary. It must be at the discretion of the Municipal fund, to construct and develop roads, bridges, drains, latrines, urinals, water supply, lighting, maintenance and establishment of schools, municipal markets, dispensaries and vaccination, provision of burial and burning grounds and prevention of epidemic disease for both human and animal.

Section 67 of the Manipur Municipalities Act, 1976 lays down that all funds received by it in accordance with the provision of this Act and all sums accruing to under the provision of any law for the time being be applied for the purposes of this Act within the limits of the Municipality. And it shall be lawful for a Board subject to rules made under this Act, the acquisition of land or on the construction, maintenance or repair of works for the purpose of obtaining a supply of water required for the inhabitants of the Municipality or on establishing slaughter house or places for the disposal of night soil or sewage or carcasses of animals or for drainage works or for the purpose of providing mechanically propelled transport facilities
for the conveyance of the public or for setting up of
dairies or farms for the supply, distribution and procuring of milk or milk products for the benefits of the
inhabitants of the Municipality or for any other purpose calculated to promote the health, safety or convenience of the inhabitants of the Municipality; or to take a contribution towards expenditure incurred by any other local authority or out of any public fund for measures affecting public health, safety or convenience of public calculated to benefit the residents within the limit of contributing Municipality; or to create scholarship tenable outside the limit of the Municipality; or to utilise the Municipal fire brigade and the mechanical appliance beyond the Municipal limits; or to meet with previous sanction of the State government, any other kind of contribution as may be deemed necessary by the Board.

A close scrutiny of the Act, working and expenditure made of the Imphal Municipal Board shows that it falls into the two categories stated earlier: the obligatory and discretionary. The payment of the pay, pensions and gratuity of its employees and liabilities and obligations arising from a trust or grant imposed upon or accepted by the Imphal Municipal Board may be group as the obligatory expenditures. The expenditures incurred on the remaining services
as mentioned above may be classed as discretionary expenditure.

The expenditure of the Imphal Municipal Board is made generally through its four important sections: General Administration, Engineering section, Public Health and Sanitary section and the Urban Community Development Project when the Imphal Municipality was the implementing agency for it. The remaining sections—the Accounts and Assessment does not incur much expenditure. The major particulars for expenditures are, the expenditures for office establishments, lighting, sanitation, roads, drains, buildings, grants-in-aid and contingency.

The expenditures made by the Imphal Municipal Board in various years is given below:

1956-57 = Rupees 1,28,971-12-0
1957-58 = Rupees 1,51,878.59
1958-59 = Rupees 3,10,749.68
1959-60 = Rupees 5,71,364.68
1960-61 = Rupees 6,24,288.78
1961-62 = Rupees 9,87,832.19
1962-63 = Rupees 8,28,779.19
1963-64 = Rupees 8,43,872.75
1964-65 = Rupees 6,17,808.16
1965-66 = Rupees 11,28,044.97
1966-67 = Rupees 12,28,390.35
1967-68 = Rupees 10,37,564.32
1968-69 = Rupees 11,04,311.35
1969-70 = Rupees 16,45,942.41
1970-71 = Rupees 22,24,470.00
1971-72 = Rupees 18,71,774.63
1972-73 = Rupees 21,73,788.10
1973-74 = Rupees 27,97,467.70
1974-75 = Rupees 22,14,727.45
1975-76 = Rupees 24,89,892.36
1976-77 = Rupees 42,25,463.38
1977-78 = Rupees 36,73,112.50
1978-79 = Rupees 36,21,494.35
1979-80 = Rupees 39,74,597.90*

The per capita expenditure of the Imphal Municipal Board was :

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Expenditure</th>
<th>Per-capita Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>67,800</td>
<td>6,24,288.78</td>
<td>8.15</td>
</tr>
<tr>
<td>1971</td>
<td>1,21,671</td>
<td>22,24,470.00</td>
<td>18.30</td>
</tr>
</tbody>
</table>

In comparison with the Shillong Municipal Board

* Office Record.
its growth is more rapid as the per capita expenditure of the Shillong Municipal Board in 1960-61 was Rupees 9.94 and in 1970-71 it increased to only Rupees 14.6019.

Audit and Budget

In order to look after the taxpayers' money, that is, whether it has been properly used or not, audit is the vital factor in financial Administration. Sub-section two of section 69 clearly stated that the State Government depute a suitable official to audit the accounts of a Board, as soon as may be after the end of each financial year and such official shall send a copy of his report to the State Government. Sub-section 3 and 4 of the same Section continue that the Board shall comply with such directions as the State Government may deem fit to issue after going through the audit report respecting it and the Board shall pay out of the Municipal Fund such sum as may be determined by the State government by way of charges for such audit.

The financial administration of the Imphal Municipal Board has been audited from time to time by the Examiner, Local Fund Accounts of the Government of Manipur. Naturally, in its examination the examiner found out the malpractices.

In some cases the amounts entered in the relevant columns of the collection Register did not tally with those entered in the relevant columns of the cash book. And again 'from random check of the overtime bills, excess payment of overtime allowance to the employees of the office of the Imphal Municipality had been detected'. Sometimes, the Examiner also points out that the Board unutilised the grants and loans provided by the Government. The grants sanctioned in the year 1975-76 and loan taken in 1977-78 was unutilised in the specified period till the last day of audit.

It is also found out that the Board does not accept the lowest tender without reason and an important happening which is found out by the Examiner is that on scrutiny of the cash book along with the vouchers, it was noticed that some of the items of expenditures were incurred without obtaining actual payees receipts, such payment cannot be accepted by audit. But the audit conducted to the financial administration of the Imphal Municipal Board is just as what Dr. Rao expressed that the present system of audit

21. Ibid.
is just like locking the door after theft has been committed.

The local government also prepares and passes its own budget the Imphal Municipal Board, since its establishment passed its budget in its financial year. It is of two stages — budget estimates and revised budget. Through the budget of the Imphal Municipal Board, a tax payer can have the knowledge prior to actual work, all the developmental programmes which will be undertaken by the Board for the year.

Hence, in connection with the problem of finance, the Imphal Municipal Board has to prepare the budget keeping in view the heads of income and expenditure. It has to take care the aspects of audit as well. A notable thing in the financial administration of the Imphal Municipal Board is that expenditure is more than the income. Hence, the additional sum is generally from the higher government through grants and loans which strengthen the higher government to have greater control over the Board.

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