CHAPTER – III
MUNICIPAL CORPORATION:
ADMINISTRATIVE FUNCTIONS
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Municipal Corporation is the topmost form of Urban Local Governments and is created for big cities. In the words of the Maharashtra Municipal Corporation Act every large Urban areas so specified by the State Government under subsection [2] shall form a city and there shall be a Municipal Corporation for such larger Urban area known by the name of Municipal Corporation.\(^1\) The Rural Urban Relationship Committee recommended the Corporation form of Government only for those cities which, have a population of not less than five lakhs and an annual income of not less than one Corer rupees.\(^2\) According to Benjamin Baker, The Municipal Corporation is the product of an Action by Sovereign power usually the State legislature and because of this its meaning various in accordance with the practice of the State in which it is located in its most elemental sense. It is a local public cooperation whose main purpose is to govern the affairs of the area under its juridiscation.\(^3\) it is definite that a Municipal Corporation is a Sovereign Act of legislature in that capacity it is an administrative agency. It is a body corporate consisting of elected representatives of people and in such capacity it performs certain welfare activities. But it has also a legal basis.

3.1 Structure Pattern of Municipal Corporation on the Municipal Authorities.

The Municipal Corporations in Maharashtra are generally structured on the pattern of Bombay Municipal Corporation which was provided in Bombay Municipal Corporation Act. 1988. Aurangabad Municipal Corporation was established in 1982. Since work continously. The chief feature of Act 1888 is the Separation of deliberative and executive functions and where in the deliberative wing comprises the Corporation and the Standing Committee and the Executive wings consists of the Municipal Commissioner. Aurangabad Municipal Corporation provides three coordinate authorities – the Corporation the
Standing Committee and the Municipal Commissioner. The "Corporation" or the Corporation council comprising of directly elected representative of the people is one of the Municipal authorities but "Municipal Corporation" refers to the entire body compareate inclusive of all the three authorities Corporation, Standing Committee and Commissioner all the three authorities in respect of their constitutions, powers and functions Status and position as follows.

3.2 The Corporation Council:-

The councilors are elected on the basis of adult franchise through secret ballot. The Aurangabad city is divided into 99 wards. These member councillors to be elected by the people. A person is twenty one years old to be chosen as a councilor if his name has been included in the electoral rolls for the ward.

3.2.1 Elections:-

Municipal Corporation is a important part of Urban Local Government. Aurangabad Municipal Corporation Council has elected member, co-opted member. Member whose seats are reserved etc. member included in council. Aurangabad Municipal Corporation is democratic, Autonomous local Urban Government representatives of people’s organization. Aurangabad Municipal has many authorities to solve people's problems and their hopes. The provision of Maharashtra Municipal Corporations Act 1949. Aurangabad Municipal Corporation has 104 councilors and 99 wards. 99 councilors are elected by people and five councilors are co-opted members in Corporations.

3.2.2 Qualification for elections as Councillor :-

Becoming Municipal Corporations councilors they follow some rules. Every person whose name is included in any ward roll. These people are not disqualified for any reason in elections these people are quality for election.
1. He should be Indian Citizen
2. His age should be Twenty five years old
3. He should not be a defaulter of Municipal Corporation.
4. He should not be quarrels ones.

3.3.3 Disqualification for Being a Councillor :-

It was held that the Municipal Commissioner could not take upon himself the task of ordering the disqualification.

1. He had to make a reference to the judge of small cause court or civil judge (S.D.) in the view of section 12 (1) of Act and abide by the orders.
2. False caste certificate.
3. Living children more than two.
4. Prohibiting criminal – background persons to be elected: a sonassing wealth.
5. The person who is in the job of Municipal Corporation on permanent post.
6. Who is not our nation’s citizen.
7. If the person was a judge in court.

All these things are disqualify in Municipal Corporations elections. ⁴

3.3.4 Duration of Corporation:-

Every Corporation, unless sooner dissolved, shall continue for period of five years from the date appointed for its first meeting and longer. A Corporation constituted upon the dissolution of a Corporation be expiration of its duration shall continue for the remainder of the period for which the dissolved Corporation would have continued under sub-section [1] has it not so dissolved.

The term of office of the councilors shall be coterminous with the duration of the Corporation. ⁵

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3.3.5 Reservation for scheduled castes scheduled tribes and women:-

There shall also be reservation of seats for the scheduled castes and the scheduled tribes and the number of seats so reserved shall been the same preparation to the total number of seats to be filled by direct elections as the population of the scheduled castes and scheduled tribes in the Municipal area bears to the total population of the area and such seats may be allotted by rotation to different constitutions in the Corporation not less than one half of the total number of reserved seats shall be further reserved for women belonging to SC/ST further not less than one half [including the number of seats reserved for women belonging to SC/ST] of the total number of seats by direct election shall be reserved for women and may be allotted by rotation to different constituencies in the Corporation. The State legislature may also reserve seats in favour of backward class also.6

3.4 Mayor and Deputy Mayor :-

All Municipal Corporation Acts of various states provide for the office of Mayor and Deputy Mayor

1. The Maharashtra Municipal Corporation Act 1949 shall subject to the provision of sub section [1A] at its first meeting after the general elections. Elect from amongst the councilors one of its number to be the mayor and another to be the Deputy Mayor the tenure of the Mayor and the Deputy Mayor shall be of two and half year.

2. The mayor and the Deputy Mayor shall hold office until a new Mayor and new Deputy Mayor have been elected under sub-section [1] and, in a year in which general elections have been held, shall do so not withstanding that they have not been returned as councillors on the result of the elections.
3. The retiring Mayor or Deputy Mayor shall be eligible for re-elections to either office.

4. The Deputy Mayor may resign his office at any time by notice in writing to the mayor and the Mayor may resign his office at any time by notice in writing to the Corporation.

5. If any causal vacancy accrue in the office of Mayor or Deputy Mayor, the Corporation shall, as soon as convenient offer the occurrence of the vacancy choose one of its number of Deputy Mayor so elected shall hold office so long only as the person in whose place he is appointed would have been entitled to hold it if the vacancy had not occurred.

6. The Mayor or the Deputy Mayor may be removed from the office by the State Government, if he fails to convinces two consecutive meetings of the Corporation as specified by or under this Act. And the Mayor or Deputy Mayor so removed shall not be eligible for re-election or reappointment as Mayor or as the case may be Deputy Mayor during the remainder term of his office.

Providing that, no such Mayor or Deputy Mayor shall be removed from office unless he has been given a reasonable opportunity to furnish an explanation. Provided further that, removal of the Mayor or Deputy Mayor from the office under this sub-section shall not affect his continuance as councillor for the remainder term of his office.

3.4.1 Honoraria, Fees and Allowances :-

With the previous sanction of the State Government the Municipal Corporation may pay each councilor such honoraria fees or other allowance as may be prescribed by rules made by the Corporation under this section Aurangabad Municipal Corporation have also provided Honoraria and allowances for per month 7500/- each councillors in Aurangabad Municipal Corporation.
3.4.2 Powers and Functions of Mayor :-

Mayor and Deputy Mayor powers and functions therefore differ from State to State but in Maharashtra State broadly these can be mentioned as follows :-

The statutory function is to preside over the meetings of the council and guide its deliberations: to maintain decorum and exclude any objectionable portion from the record of the proceeding of the council. He is also empowered to expel and even suspend member for gross misconduct or disorderly misbehavior. In the case of a tie he exercises his casting vote he may call special meetings of the council when considered necessary and shall have to call a meeting when asked by a specified number of Councillors.

He being the first citizen of the city has to perform a large number of social duties and most of his official time is therefore, consumed by functions of social and public nature such as receiving distinguished visitors, visiting institutions as chief Guest, laying foundation stones, performing opening ceremonies, attending public meetings and participating in National celebrations etc. A perusal of the above motioned powers and functions of Mayor confirms. He is the head of city Government.

3.5 Standing Committee :-

In the organizational hierarchy the Standing Committee is second to the Corporation. This is the most powerful committee of any Municipal Corporation. A Standing Committee consisting of the Mayor, the senior Deputy Mayor and other councillors elected by the councillors of the Corporation from amongst members. Aurangabad Municipal Corporation a standing committee have sixteen members. Half the member of this committee retire at the end of each year. The committee elects its own chairperson from among its councillors Mayor is the chairperson of the
Standing Committee. The Commissioner shall be its ex-officio member and shall have right to votes. The executive officer of the Corporation shall be its secretary. The Standing Committee may require the Commissioner to produce any record. Correspondence plan under control Standing Committees Administrative and Functions in nature.

3.6 Ward Committee :-

The decentralize Municipal services ward committees have also been in corporate as a Municipal authority to deal with all such civil matters which directly affect the individual residents and being more readily accessible they are expected to meet day to day need to public more effectively. A ward committee consist of

a) All the councilors elected from the wards comprised in the zone.

b) the person if any nominated by the administrator U/s. [3] [b] [1], if his name is registered as on elector within the territorial limits of the zone concern.

In every city there shall be constituted ward committees comprising such contiguous electoral wards as may be divided by the Corporation in according to the following types.
Table No. 3.1
Constitution of Ward Committee

<table>
<thead>
<tr>
<th>Population</th>
<th>Minimum Number of Ward Committee</th>
<th>Additional Ward Committee for Additional Population</th>
<th>Maximum Number of Ward Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above 3 lakhs and up to 4.5 lakhs</td>
<td>03</td>
<td>-</td>
<td>04</td>
</tr>
<tr>
<td>Above 4.5 lakhs and up to 12 lakhs</td>
<td>04</td>
<td>1,50,000</td>
<td>09</td>
</tr>
<tr>
<td>Above 12 lakhs and up to 24 lakhs</td>
<td>09</td>
<td>3,00,000</td>
<td>13</td>
</tr>
<tr>
<td>Above 24 lakhs</td>
<td>13</td>
<td>6,00,000</td>
<td>25</td>
</tr>
</tbody>
</table>


The ward officer is the executive head of the Municipal Corporation. The ward officer is responsible to Deputy Commissioner. The ward officer now renamed as Assistant Municipal Commissioner are also appointed by the Corporation to assist the Municipal Corporation to assist the Corporation in carrying out the ward level work of the Corporation. The ward officer is assisted by a complaints officer in each ward for attending to the public complaints. Office superintendent as well as a head clerk and a number of inspectors and clerks working in the one roof to providing a supervisory set up in the form of the ward officer, complaints officer and others are simultaneously efforts, been made to co-ordinate certain functions.\textsuperscript{12}
3.6.1 Transport Committee:—

This committee is appointed to manage transport undertaking in accordance with the provisions of the Act. The Committee consists of nine members one of them is the chairperson of the Standing Committee ex-officio and the remaining are appointed by the cooperation from among its member or non councillors. The State Government appoints a person to be the transport manager of the transport undertaking.\(^\text{13}\)

3.6.2 Special and Ad-hoc Committee:—

The Corporation may constitute as many special and for Ad-hoc committees as considered necessary for the exercise of any power on discharge of any functions by which the Corporation may be resolution, delegate to them for inquiring in to reporting or advising upon such matters which the Corporation may refer to them.\(^\text{14}\)

3.7 Municipal Commissioner:—

At the apex of the Municipal Administration hierarchy Municipal Commissioner is there. The Municipal Commissioner position is made very powerful and quite independent of the elected body. The whole Municipal Administration is directly under the Commissioner and the heads of various departments report only to him or his deputy.

3.7.1 Appointment of the Commissioner:—

The Commissioner shall from time to time be appointed by the State Government on a three year term basis is the sold head of the executive branch. He belongs to cadre and he is a senior administration at least of the level of deputy secretary.\(^\text{15}\)

Government for incapacity misconduct neglect of duty and shall with be so remember it at a meeting of the Corporation not less than five-eighths of the whole number of councilors vote in favour of a resolution requiring his removal.\(^\text{16}\)
3.7.2 Powers and Functions of the Commissioner:-

The Commissioner usually devotes his whole time and attention to his office. The powers and functions of the Municipal Commissioner are many and varied. He is one of the statutory Municipal authorities to carry out the provisions of the Corporation Act. His most important statutory function is to execute the resolutions of the council and its committee. He is authorized to attend the meetings of the council and of any of its committee. He can participate in discussion and express his views on various points but he has not the right to vote. He is custodian of all Municipal records. He is to prepare the budget estimates and after these have been passed to submit them to the State Government for approval. He is to keep the Mayor informed of all the official correspondence which he might enter into with the State Government. He has been clothed with a vast variety of powers. He can make appointments to posts carrying a certain grade.

The Commissioner has special extraordinary powers during the time of emergency. He can take immediate action on the occurrence or threatened occurrence of any sudden accident or unforeseen event involving or likely involve extensive changes to any property of the Corporation of danger to human life, but he has to inform the Corporation of the action taken, reasons for the same and cost involved.

The multi dimensional nature of the activities of the Commissioner makes him the pivot of Municipal Administration. The Commissioner has certain specific powers regarding the creation of posts. His role is hard the work is heavy and the pressure on him tremendous. Yet he can survive and do good work to make the city life clean and livable.
3.8 Duties and Responsibilities of Aurangabad Municipal Corporation :-

Aurangabad Municipal Corporation's duties and responsibility are determined according to Maharashtra Municipal Corporation Act. 1949. As per the Acts duties and responsibility carried out by the Municipal Corporation are as follows:

Making rules and byelaws, giving direction, making appointments, budgeting financial control, vigilance investigation and discussion of the civic issues.

The Municipal Act makes a detailed provision of functions obligatory and discretionary on the line of the Bombay Municipal Corporation Act 1949, the duties and functions of Aurangabad Municipal Corporations are as follows:

3.8.1 Obligatory Functions :-

1. Provision of sanitation and public health.
2. Public Latrines.
3. Lighting the public streets and public places.
4. Fire brigade.
5. Hospital and Dispensaries
6. Sewerage and Drainage.
7. Disposal of Dead Bodies.
10. Regulating dangerous trades which affects public safety.
11. Regulation of places for occupations
12. Running schools for primary education.
13. Registration of births and deaths.
15. Taking measure for preventing and checking.
16. Constructing and maintaining public streets and bridges.
17. Running and maintaining water supply schemes.
18. Removing dangerous building etc.
19. Providing relief to destitute people in times of famine and scarcity.
20. Welfare measure for scheduled castes and tribes etc.
21. Removing encroachment on Government properties.

3.8.2 **Discretionary functions are as follows :-**

1. To provide milk to the expectant or nursing mothers and school going.
2. To establish institutions for taking care of the disabled and handicapped persons.
3. To destroy harmful animals and birds.
4. To provide facilities like libraries, swimming pools etc.
5. To provide mechanically propelled transport facilities or trams in their respective jurisdiction.
6. To open libraries, museums, art galleries botanical gardens, Zoo.
7. To provide facilities like public gardens, exhibitions for promotion of sports, ambulance service, marriage registration etc.
8. Public bathrooms.
9. To supply electricity and domestic gas.
10. Slum improvement.
11. To open shops of essential commodities during the period of scarcity.
13. Calamity relief.
14. To provide grants or donation to private primary / secondary schools and students
15. Sanitary dwelling for the poor.
16. To open and non maternity homes and infant welfare home.
In the 12th schedule under the 74th Amendment of the constitution has proposed a large number of functions. But the Government of Maharashtra has incorporated 6 out of 18 functions in the 12th schedule through on Amendment to Maharashtra Municipal Act. 1965 in section 49 in 1994. These functions are as follows:

1) Planning for social and economic development (obligatory)
2) Urban forestry, protection of environment and promoting a ecological aspect (obligatory)
3) Urban Poverty Alleviation (Discretionary)
4) Slum improvement and upgradation (Discretionary)
5) Control on the slaughterhouses and regulation of fineries (Discretionary)
6) Cattle pounds and prevention of cruelty to animals (Discretionary)

The Central Government of India control the overall development initiatives in Urban areas through the ministry of Urban affairs and employment however State Government have a significant control on the staffing finances and administration of the Municipal Corporation the State Government exercise control through their Urban Development Department. The 74th constitutional Amendment Act and the conformity Municipal legislation by different State Governments including Maharashtra have paved a new path for public participation through the ward committee empowerment of women and weaker sections of the society.

3.9 Personnel Administration of Urban Governments:

Efficient and effective functioning of any organization depends mainly on the competence of the staff employed for implementing its policies and programmes in developing countries local bodies have the potential of serving as engines of economic development. If any breakthrough is to be achieved in economic development through the agency of
local bodies, it is the staff that will have to Act as a catalyst in that process Municipal personnel system thus needs to be a sound one.

According to a study made by the United Nations, Municipal Personnel System can be classified into three categories.\textsuperscript{18}

1) Separate Personnel System.
2) Unified Personnel System.
3) Integrated Personnel System.

\textbf{3.9.1 Separate Personnel System :-}

A Separate Personnel System is one in which each local authority has the power to appoint and administer its own personnel and they are not transferable to any other jurisdiction by a central body. In the past, Municipal bodies in most states in India practiced Separate Personnel System. This system has been in vogue in various countries likes limited states U. K. Japan, Newzeland etc.

\textbf{3.9.2 Unified Personnel System :-}

These system or provincialisation of Municipal services was considered to be a remedy for the ailments from which the prevailing Municipal personnel system suffered under a Unified Personnel System. All or certain categories of local authorities from a single carrier service for the entire State and it is distinct from the State / National civil service and it is the State Government which administers and controls the service. The employees are transferable between Local Governments within the state. Local Governments thus get divested of the authority to recruit and administer personnel. The countries which have adopted this system include Ireland, Thailand, Nigeria.

\textbf{3.9.3 Integrated Personnel System :-}

In Integrated Personnel System, the personnel of the State Government and those of Local Government from part of the some
service and in which vertical as well as horizontal transferability is possible in other wards, the State Government may constitute as integrated service for some or all categories of personnel for the Urban Government. The Integrated Personnel System exists in various under-developed countries like Nepal, Taiwan.

3.9.4 Position in India :-

In India all the three systems viz. Separate, unified and integrated are followed in various states. The integrated system is followed in Tamilnadu, and other southern states wherein officers serving Municipal Government are transferable horizontally between Municipalities and also vertically between National, State and Municipal Government. The unified model in vogue in Rajasthan, Uttar Pradesh, Punjab and Haryana where Municipal services have been unified up to the supervisory and clerical levels but the lowest level employees continue to be recruited and controlled at the Municipal level. The separate personnel model is obtainable in West Bengal, Maharashtra and Gujarat where the Municipal authorities enjoy exclusive competence to recruit and manage their own personnel subject to the rules framed by the concerned State Government to control certain aspects of the management of Municipal personnel. Thus personnel system of Urban Local Government in our country differ from State to State and even in the same State as there in unified personnel system operates so far as higher echelons of Municipal services at lower levels.19

3.10 Recruitment:–

Recruitment is the big problem of personnel administration. Recruitment constitutes cornerstone of the whole personnel structure. The Municipal Administration is close to public Municipal bodies should have a sound policy and system of recruitment in order to get competent staff. The State Government makes recruitment. There are two methods
of recruitment of public personnel. They are 1. Recruitment by promotion and 2. Direct recruitment.

The State Government makes appointment to the Municipal Corporation services such as those of executive officers, secretaries, Municipal engineer’s Municipal health officers etc. also on the evident that Municipal Corporation does not enjoy any autonomy worth the name in the recruitment of personnel for the management of senior and middle level positions. For recruitment to lower posts, the Corporation and the Commissioner have to abide by the rules and regulation which may be framed by the State Government. These posts carrying emoluments of Rs. 200 and below. The power of appointment to all posts caring a minimum salary exclusive of allowance of Rs. 500 or more vest in the Corporation and the appointment of officers with a minimum salary of less than Rs. 500 vests in Commissioner.

3.11 Promotion:-

Promotion is great signification in personnel administration. The provincialisation of Municipal services has increased the opportunities for promotions. It has been provided that fifty percent of posts will be filled by promotion. The promotion is a vacancy in higher grade a person from lower grade can be promoted. In the Municipal Corporation all the top and middle level administrative executives, professionals and technical positions filled by the State Government seventy five percent of posts of lower division clerks, upper division clerks, superintendents and other corresponding posts are filled through promotion on the basic of seniority while twenty five percent of the posts are filled from outside.

3.12 Training :-

Training helps the administration to function efficiently. It prepares the civil servants to handle the task entrusted to him. Training is the conscious effort, on the part of management to give assistance and
direction to the employees in learning their jobs and their Actual
development. Broadly training of two kinds 1. informal training and 2.
formal training. Formal training is again divisible in the pre-entry training
and post entry training.

Formal training by experience. This is when a civil servant learns
the work of his job by gradual experience without being guided by
anybody and informal training by guidance direction advice and
assistance. That is when a civil servant learns the work of his job with the
help and under the guidance of someone pre-entry training is a given a
training given to the individual long before he joins the Government job.
Post entry training given to the individual after he joins the service. After
entering in to the services the department gives him necessary training in
the methods of procedures of the work of his job.24

Institutional development in the field of training that it is
exclusively focused on the Municipal employees. 1963 Government of
India appointed a committee known as Nuruddin Committee on the
training of Municipal employees. The Committee emphasized the need
for imparting training to the Municipal personnel in different types of
Municipal bodies, professionization of Municipal Administration was
considered necessary in view of the increasing complexities of urban
administration. The committee recommended. The setting up of training
institute at the central level which would organize high level, imaginative
training programmes, and coordinate the training Activities throughout
the country and promote necessary uniformity in the programmes of
different State level institutes. The Committee observed, "It would be one
of the central institutes major responsibilities to prescribe the standard of
training and research and it should serve as model in this respect."

I.I.P.A., New Delhi institute arranges the training programmes for
the Municipal personnel at their institutes of public administration. It is
desirable that State Government should establish a centre for research and training in Municipal Administration at one of their universities to serve as a nucleus for the regional centre which can be financially supported by the Central Government like other regional centre. In the absence of any arrangements of their own for the training of Municipal employees. The State Governments in this part of the country are woefully failing in their duty to ensure trained personnel for the efficient functioning of their Municipal institutions the State Government sponsored institution in collaboration with the universities to training centre for Municipal and other urban institutions personnel.

3.13 Local Finances :-

All Local Self Government institution close to day to day life of the people. Administratively and financially Local Finance is most important part of any Local Government no organization can exist, without finances. That is why Kautilya the great Indian Philosopher, remarked all undertakings depend upon finance, hence for most attention should be paid to the treasury. In facts, finance constitutes the backbone, the life and blood of Government. The principal of Local Finance is social welfare. It contributes a unique part to the socio-economic development of country.

The main sources of financial of local bodies in India are taxes, Grant-in-aid from the State Government, Revenue from non tax sources under control of local bodies. Assignment of share of taxes levied and collected by the State Government.

3.14 Aurangabad Municipal Corporation Revenue Sources:-

The sources of revenue income both tax revenue and non-tax Revenue are prescribed for Municipal Council under Maharashtra Municipal Council, Nagar Panchayats and Industry Town Act 1965, for Municipal Corporation the Bombay Municipal Act. 1988, for Nagpur

**Own Sources -**

A] Tax-Revenue  
B] Non Tax-Revenue

**External Sources -**

A] Grant  
B] Loans

3.14.1 Own Sources :-

A] **Tax-Revenue**

Local bodies have been given right to impose certain taxes assigned to them, but these vary from State to State. The local bodies are empowered to impose all the taxes. However, in practice all the taxes, are not imposed. In most cases, certain limit in respect of rates of these taxes have been laid down, and in some states sanction of the State Government is necessary for levying particular tax. All taxes which can be levied by the local bodies are in the State list and reference of which given in the constitution.27 The tax revenue sources of local bodies are as follows:

**1) Taxes on Property :-**

Property tax is levied on buildings and lands on the basis of their rental values of all the buildings and lands situated within the jurisdiction of the civic bodies. The ratable value is fixed on the basis of the annual rent amount that is actually received or that received tax is levied on the basis of percentage of this ratable value. Property tax is basically collected from house owner or lease holders besides general tax, the property tax includes following taxes like i] Property tax, ii] Service tax, such as water tax, drainage tax, scavenging tax, lighting tax, fire tax, iii]
betterment tax and contribution iv] tax on transfer of immovable property, v] local cess vi] other surcharges and cesses, such as health cess,, library cess, education tax etc. The power of fix rates of these taxes concerned to the civic bodies. The main object of property tax is to make available funds to meet capital expenditure required for the works of water supply and sewerage.

2] Tax on goods – it includes Octroi and terminal tax.

Tax major income source of Municipal Corporation revenue is octri. Octri depends on the weight or quantity. It is levied at different rates by different Municipal Corporations for similar articles the civic bodies can collect this tax or they collect this tax from outside agency.

3] Passenger tax.

4] Tax on profession, Trade, Calling employment etc.


6] Other taxes, such as theater tax, exhibition tax, fairs tax, taxes on mines etc.

7] Share of taxes from the State Government.

B] Non Tax Revenue :-

The sources of non tax revenue of Aurangabad Municipal Corporation is consists of i) Fees, like parking fees, permit fees for bazaars, businesses and professions fee. ii) fines iii) income from public undertakings, such as town ways, buses distribution of electricity.28

3.14.2 External Sources:-

A] Government Grants:-

Grant in aid is an important constituent of Municipal finance. A payment make from the treasury of the State Government to a local authority. For the purpose of assisting that authority in carrying out a part or all of its activities is known as Grant-in-aid.29 The State Government grants received by the Municipal Corporations are as follows -
1) Primary education grant.
2) Motor vehicle tax grant
3) Entertainment tax grant
4) Grant for water supply scheme
5) Grant-in-aid for implementation of the development plan.
6) Child welfare and women health grant.
7) Slum improvement grant
8) Low cost sanitation.
9) Road grant
10) Nehru Employment scheme etc.

Government grants are received for those schemes.

B) Loans:-

Municipal bodies are obliged to borrow from State Government and other agencies to meet emergencies and for capital expenditure which they can not afford out of their revenue. Municipal Corporation invests these fund in facilities like school buildings, drainages, water supply, dispensaries, constructions of roads etc. generally LIC, HUDCO and World Bank have provided loans to the civic bodies on along term basis for their major schemes.

3.15 74th Constitution Amendment and Local Revenue :-

The 74th Constitution Amendment Act. 1992 proposed to set up a State Finance Commission in every five years. This Finance Commission constituted under Article 243-I to review the financial position of Panchyati Raj Institutions shall also review the financial position of Municipalities and will make recommendations to the Governor.

The recommendations of the Finance Commission will cover the following

1) Distribution between the State Government and Municipalities of the proceeds of the taxes, duties, tolls and fees livable by the state.
2) Allocation of share of such proceeds between the Municipalities at all levels in the state.

3) Determination of taxes, duties, tolls and fees to be assigned or appropriated by the Municipalities.

4) Grant-in-aid to Municipalities from the consolidated fund of the state.

5) Measures needed to improve the financial position of the Municipalities.

Today our local and State Government unable to provide the continuously growing demand for services because of their limited financial resources with this background it becomes necessary to think of alternative income source of finance technical excellence and support also. In India Public Private Partnership (PPP) models for development. The private section engage to different types of arrangements for Urban financial matters.

In the case of certain functions such as solid waste management, water sources development, transmission. The private sector participation under arrangement.\(^\text{32}\) Such as

1) Build – Operate - Transfer (BOT)

2) Built – Own Operate (BOO)

3) Built - Own operate Transfer (BOOT)

4) Built Own Lease Transfer (BOLT)

Municipal Bonds is an important source of finance. For ULB this fund is used for the creation of civic amenities consist of water supply, sanitation, constructions and road maintenance, street lighting, solid waste management. The Ahmadabad Municipal Corporation was the first ULB to access the capital market in January 1998. It issued Rs. 1000 millions in bond. This was a remarkable achievement since it was the first Municipal bond issued in India without a State guarantee and represented
the first step toward a fully marked based system of Local Government finance.33

3.16 Municipal Expenditure:-

Municipal Corporation provides social services and civic amenities. The term expenditure is related to this. Generally expenditure of Municipal Corporation is divided into two parts. First is revenue expenditure and second is capital expenditure. The Revenue expenditure is current source of expenditure annually recurring in nature. This money spent on establishment, repairing maintenance. Recurring amount is small than capital amount. This expenditure is not productive one or direct return money. The Municipal Corporation incurs capital expenditure on basic amenities and new infrastructure facilities, this type of expenditure is large in amount and it is not regularly recurring. It is to be met out of capital receipts. Municipal Corporation collects all revenue and spends on providing facilities to citizens.

Generally Corporation's expenditure on general administration collection of taxes, public safety-fire lighting, street lighting, expenditure on public health – drainage, water supply, barrel ground, expenditure on education, hospitals and dispensaries, public gardens, swimming tanks, public libraries, auditoriums, industrial exhibitions, museums etc.

Aurangabad Municipal Corporation capital expenditure on water supply construction of roads, bridges road widening, hospitals and dispensaries, school buildings, drainage and sewerage schemes. These basic facilities providing in slum and Urban areas. Urban local financial assistance to providing these services World Bank, Life Insurance, Corporation; HUDCO etc. are the financial sources.

In this way the expenditure by the Urban Local Bodies are basically for providing various services, facilities to the citizens in 1992, 74th Constitute Amendment has added a list of 18 services in twelve schedule.
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Sources: Aurangabad Municipal Corporation, 2001 to 2012 all budget.
Table No. 3.3
Expenditure of Aurangabad Municipal Cooperation (In Thousands)

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Sources :- Aurangabad Municipal Corporation, 2001 to 2012 all budget.
It is seen from table 3.3 that the grants provided under different heads has been not incurred. When researcher tried to no the causes of unexpended amount she found that internal politics came across for granting the funds. It is also found that political representatives ward member are not aware about sanctioning the great and providing various services to the people it means most of ward members are neglected towards their duties.
Reference :-


2. Chopra Sharda : "Dynamics of Municipal Administration, Abhijit Publication, Delhi, First Published, 2005, P. 16.


5. Ibid., P. 98-99.


13. Ibid., P. 84.


18. Ibid., P. 180.
19. Ibid., P. 184-185.
26. Ibid., P. 201.
28. Ibid., P. 106.
30. Ibid. P. 212.