The municipal bodies (urban local bodies) which are statutorily responsible for the provision and maintenance of basic infrastructure and services in cities and towns are experiencing tremendous fiscal stress even to operate and maintain the existing services at satisfactory levels, let alone augment them. While their responsibility to meet the growing demand to maintain existing services at satisfactory level is increasing rapidly, there is no commensurate increase in their revenue base, which has in fact been depleting constantly. Faced with such a situation the urban local bodies are becoming increasingly dependent on higher levels of government for their operation and maintenance requirements. What is worse, many urban local bodies have accumulated huge debts and are facing serious problems in even servicing their debt. This has serious repercussions on the availability and quality of urban basic services in urban areas of the country.

Municipal bodies of the country are facing a peculiar situation where the demand for services has been rising due to urbanization and urban growth, but on the supply side, the local resource base has been constantly declining. In effective local governance, inefficient management practices, poor planning process, lack of periodical revision of municipal tax rates/user charges, poor information system and record management are some of the basic weaknesses in the present municipal administration system. Many municipalities in India, particularly those belong to small and medium size cities are poorly staffed, that the staff responsibilities are unclear and often fragmented, and that their capabilities and motivation to deal with the increasing complex urban needs are extremely low. The result is
that the resources at their command which are scare to begin with, are not put to efficient use and are, in a sense wasted.

Present study conducted to identify the gaps and suggest suitable measures to strengthen the ULBs. Study has been divided into seven Chapters. First chapter consist of General profile of Chhattisgarh, An overview of Urban Local Bodies, objective of the study, Methodology and Review of Literature.

In second chapter role of Central and State Finance Commissions in the development of ULBs has been given. Third and fourth chapter reviews the revenue and expenditure pattern of the Urban Local Bodies.

Resource gap of Urban Local Bodies have been calculated in the Fifth chapter and in sixth chapter on different parameters performance evaluation has been done. Seventh chapter deals with summary, conclusion and suggestions.