“AN ANALYTICAL STUDY OF BUDGETARY PROVISIONS OF PUNE MUNICIPAL CORPORATION (PMC) ON VARIOUS PROJECTS”

ABSTRACT OF A THESIS

SUBMITTED TO
SAVITRIBAI PHULE PUNE UNIVERSITY

FOR AWARD OF DEGREE OF
DOCTOR OF PHILOSOPHY (Ph.D.)
IN THE FACULTY OF COMMERCE

SUBMITTED BY
SHRI. SHRIPAD M. DHEKANE
M. Com.

UNDER THE GUIDANCE OF
DR. MUKUND M. TAPKIR
M.Com., L.L.B., M. B. A., Ph.D.

RESEARCH CENTRE
B. M. C. C., PUNE

OCTOBER 2015
I. NATURE AND SCOPE OF THE STUDY

Introduction

The process of development is very complex & multifaceted in nature. Development is just not growth. It is coupled with various other parameters of enrichment activities. Modern concept of development encompasses issues like input of quality of life, provides fair & equal opportunities & development of economy.

Hence development is related with issues involving improvement of systems, enrichment of quality of life, provides equal opportunities of growth, utilization of resources & evaluation of environment favourable to all concerned Stakeholders. Therefore development of studies have a great relevance today.

The present study deals with budgeting system of Pune city. It is worth understanding however growing city plans for its development; utilizes various resources & creates environment for development. From this point of view the researcher has analysed the budgeting process of Pune Municipal Corporation.

Pune City

Pune has been known as oxford of the East & the cultural capital of India. Pune is one of the historical cities of India with a Glorious Past, an Innovative Present and a Promising future. The Pune Municipal Corporation Administers the city. Pune is among the greenest urban areas in the country. Pune Municipal Corporation is well known as Pune Mahanagar Palika serving citizens since 1950.

The Pune Municipal Corporation (PMC) was established on 15th February 1950. The PMC controles the whole administration of Pune. The executive power of the corporation is vested in the Municipal Commissioner, an IAS officer appointed by the Maharashtra State Government. The corporation consists of directly elected corporators headed by a Mayor.

About PMC

The Civic body
Name Pune Municipal Corporation
Governing Act The Bombay Provincial Municipal Corporation Act, 1949

Mode of Governance

General Body : Policy Making
Standing Committee : Financial Decisions
Municipal Commissioner : Chief Executive

Some Important Statistics

<table>
<thead>
<tr>
<th>Area of Jurisdiction</th>
<th>430 sq. km.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>4.2 million</td>
</tr>
<tr>
<td>Staff Strength</td>
<td>16,827</td>
</tr>
<tr>
<td>Annual Budget</td>
<td>Rs. 4.70 Billion</td>
</tr>
<tr>
<td>Worth of Assets</td>
<td>Rs. 1700 Billion</td>
</tr>
<tr>
<td>Parks and Gardens</td>
<td>76 + 7 Swimming Pool</td>
</tr>
<tr>
<td>Boating Clubs</td>
<td>2</td>
</tr>
<tr>
<td>Schools and Colleges</td>
<td>843 (5,00,000)</td>
</tr>
<tr>
<td>Disp. and Hospitals</td>
<td>55 (4000 patients/day)</td>
</tr>
<tr>
<td>Zoo</td>
<td>1</td>
</tr>
<tr>
<td>Aquarium</td>
<td>1</td>
</tr>
<tr>
<td>Fire Brigade Centers</td>
<td>1</td>
</tr>
<tr>
<td>Main Center</td>
<td>1</td>
</tr>
<tr>
<td>Sub Center</td>
<td>1</td>
</tr>
<tr>
<td>Power Supply</td>
<td>650 MW</td>
</tr>
<tr>
<td>Telecom</td>
<td>5,00,000</td>
</tr>
<tr>
<td>Water Supply Capacity</td>
<td>650 MLD</td>
</tr>
<tr>
<td>Network Length</td>
<td>2000 km.</td>
</tr>
<tr>
<td>Road Length</td>
<td>650 km.</td>
</tr>
<tr>
<td>Transportation</td>
<td>Surface, Rail and Air</td>
</tr>
<tr>
<td>No. of Slums</td>
<td>553</td>
</tr>
<tr>
<td>Declared Slums</td>
<td>347</td>
</tr>
</tbody>
</table>
Statement of the Problem

In this study the researcher has analysed the process of budgeting & its implications on development of P. M. C.

The P.M.C. is a major civic body & has a large quantum of resources. Its size is enormous & covers a vast geographical territory. In terms of Population Pune is a rapidly increasing city with influx of people from different places. It is having a long history of six decades of development.

However with increase in size, quantum & enlarged avenue of activities, the corporation is becoming a complex structure. It needs a more programatic & systematic approach of management.

From this point of view study of budgeting process becomes very important. Without having a systematic & planned approach to development the institution cannot progress. This process depends to a great extent on the process of budgeting and allocation of resources. Hence the present study has it’s own importance.

Considering this benchmark the researcher has analysed the budgeting process of P.M.C. Therefore the title of the study is “An Analytical Study of Budgetory provisions of Pune Municipal Corporation on various Projects”

Relevance of the study

PMC has celebrated its Golden Jubilee in 2000. As an effect of globalisation the development scenario of Pune city has changed. The Information Technology sector made the city a prime hub of IT in India. Now Pune is not only Education Hub, it also Auto Hub creating immense employment opportunities & higher education facilities. The GDP Growth rate for India was 8 to 8.5% but at the same time the growth rate of Pune city was 10%.

The ‘Pensioners City’ brand of the city has changed to “YOUTH PUNE” as the average age of Pune citizen is 34.

The revenue collection of PMC has grown upto Rs. 2,320 CR. in 2008-09 from Rs. 361.29 CR. in year 1998-99. The population has increased from 15 lakhs in 1991 to 40 lakhs in 2008 and projected to cross 60 Lakhs in 2020. The growth of population, revenue and the rate of infrastructure development are not commensurate with each other. Therefore there are serious problems of development of city. The additional constructions of 1 crore sq.ft. every year creates much stress on roads, public transport, water supply, sewage, garbage disposal and all other infrastructural facilities. The public transport is available only for 22% which leads to increase in the numbers of private vehicles on roads making roads crowded and making pollution problem serious. High level of pollution, inadequate techniques of waste management, insufficient water supply, low capacity of drainage, lack of public health facilities etc. had made the citizens worried about the future of the city.

PMC authorities are taking serious steps to control the situation and minimize the adverse effects. The development Plans, Various consulting
Institutes and NGOs are making sincere efforts to take up the challenge of future.

**FITCH** the financial rating organization has awarded ‘AA - (Ind)’ rating to PMC certifying positively the strong economic condition of PMC.

**Objectives of Study**
The study is carried out to fulfill following objectives-

1. To study the process of budget preparation and budget allocation of PMC
2. To study the criteria and bases of the budget provisions and its continuity to various project of development.
3. To critically evaluate the outcome of budget provisions on various aspects of development.
4. To study the role of citizens in effective utilization of budgetory provisions on various developed projects.
5. To evaluate the opinions of officers of PMC regarding the previous budgeting process.
6. To examine the views of Corporators towards the budgeting.
7. To analyse the opinions & views of the beneficiaries towards the projects.

**Minor objectives of the study**

The minor objectives of the Study are as follows.

1) To analyse the budget provisions for select projects.
2) To identify the factors responsible for success or failure of budget allocation to certain selected projects.

**Rational of the Objectives**

The study will be helpful to find out the facts and figures of the budgetory allocations of PMC resources. It will also be possible to know the rationale behind the budgetory provisions.

The outcome of the study will enable to suggest more effective ways of utilizing the resources of PMC. The study will also conclude as to whether the resource allocation is done with a long term objectives or a short sighted one.

It will also be possible to advise what should be the priorities before the PMC and how those priorities could be met.
Statement of the Hypothesis

The principal premises of the study are:

A-1. The process of budgeting needs a more programatic broadbased approach.

A-2. The prevailing system of budgeting needs to be more pro-people & target oriented.

A-3. The benificiaries are not satisfied with the type of projects & schemes launched by P.M.C. due to limited knowledge & lack of focussed approach.

A-4. The budget allocation, methods of budget preparations should be more focussed and have higher involvement of different stakeholders.

Justification of Hypothesis

(i) The prevailing system of budgeting is quite old and lacks involvement of different stakeholders.

(ii) Most of the schemes & projects do not deliver what is promised & there is great degree of disappointment amongst the beneficiaries.

(iii) New & technology driven systems can definitely help to improve the quality of budgeting.

(iv) A broadbased & pro-people target oriented budgeting system is the need of the hour.

Working Definitions of terms used

Budget: The word budget is described in Oxford dictionary as ‘an estimate of income and expenditure for the specific period.’ This universally accepted definitions is considered with provisions of governing act\(^1\). The Bombay Provincial Municipal Corporations Act, 1949 under section 96 has specified budget as, ‘Budget presented by the Chairman of the Standing Committee & approved by general body.’

Budgetary Provisions\(^1\): The funds earmarked for utilizations on a particular projects.

Project: Any development activity undertaken by PMC.

Adequate Provisions: The amount of funds made available to meet the expenses of a project in one financial year.

Overall Development: It includes socio economics, infrastructural, transport and all other types of development of city.
Research questions raised

The researcher has made an attempt to answer the following questions through this research.

1) How the existing system of budgeting really works?
2) How the budgeting process is really implemented & what are the implications.
3) In what way the select projects & schemes are implemented & what are its implications.
4) What are the suggestions to be made for developing efficient method of budgeting?

Research Strategy

The approach of the researcher is to analyse, examine & explain the process of budgeting of P.M.C. It is an important aspect of the research process that it should be focussed at certain selected questions raised in the form of objectives of the study. Therefore the strategy of this research is divide in following steps.

- To define the budget process of PMC.
- To identify the salient features of PMC.
- To evaluate the phases of budgeting process.
- To identify the strengths of the prevailing budgeting system.
- To enlist the weaknesses of the prevailing budgeting system.
- To analyse the effectiveness of budgeting system.

Universe, Population & Sampling

- For the purpose of this study the territorial universe is Pune City.
- The Institutional universe is Pune Municipal Corporation.
- The study of projects & schemes is having ten years duration. Hence the time form of the study is 10 years from 2003-2004 to 2013-2014.
- The study involves different stakeholders. They constitute the universe of the study. The stakeholders who studied are
  (i) The beneficiaries
  (ii) The Corporators of PMC
  (iii) The officers of the PMC

Features of Sample

(i) It is a representative sample.
(ii) Selected at random from 16 different zones of P.M.C.
(iii) Represents the population of the representative population.
(iv) Justifies the purpose of the study.
(v) The sample respondents are all beneficiaries of the scheme.

**Sources of Data Collection**

The Primary & Secondary data shall be collected from following sources.

A. **Primary data**: The Data collected from above respondents will be primary data. This data is useful to draw certain specific conclusions.

B. **Secondary data**: The Data & Reports published by PMC Authorities is considered as secondary data.

C. **Published Data**: A) Copies of budgets approved by general body.

   B) Annual report published by PMC

   C) Reports presented by various consulting authorities for various projects.

   D) Reports published by the Local News Papers & Journals.

**Methods of Data Collection**

The researcher has used a set of methods to collect data from different classes of respondents. These methods are explained here.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Class of Respondents</th>
<th>Method of data collection</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Beneficiaries of the scheme</td>
<td>Questionaire method</td>
<td>To seek first hand information from the beneficiaries.</td>
</tr>
<tr>
<td>2</td>
<td>Corporators of PMC</td>
<td>Questionaire &amp; altitude scale</td>
<td>To know the opinions of the corporators about the schemes launched by PMC</td>
</tr>
<tr>
<td>3</td>
<td>Officers of the PMC</td>
<td>Questionaire method &amp; altitude scale</td>
<td>To know opinions of the officers regarding implementation of the scheme. To assess their views towards effectivity of the scheme.</td>
</tr>
</tbody>
</table>
Limitations of present study

Present study has the following limitations:

1. In terms of method of analysis, sample size being small; statistical analysis is not rightly done for evaluation of data.
2. Data being highly qualitative and opinion based and sample size being small, the conclusion appears more representative and cannot be generalized.
3. The study of scheme and projects is done by using pure secondary and numerical data. Other aspects such as analysis of process and qualitative aspect of the study are not taken into account, which is a major limitation of the study.

Chapter Scheme

The written report is framed in such a way that it will contain qualities of popular report as well as report for administrator. A layman interested in knowing the developments around him can understand the report where as the technical information will be useful for administrators & decision makers.

The scheme is as follows :-

Chapter I   Nature & Scope of the Study
Chapter II  Review of Literature
Chapter III  Concept & Functions of Municipal Corporation
Chapter IV  Growth of Municipal Corporation & Developmental Administration
Chapter V  Pune Municipal Corporation : A Profile
Chapter VI  A Critical Analysis of Budgeting system
Chapter VII  Data Analysis
Chapter VIII  Conclusions & Suggestions

II. REVIEW OF LITERATURE

1. The book edited by Ramani V.V., ‘Good Governance’\textsuperscript{2,1} covers various aspects of governance. In the very beginning, the author has rightly quoted by Kofi Annan “good governance is the most important factor in eradicating poverty and promoting development.” The quote clearly indicates the importance of good governance in modern public administration.


3. Sastry K. in his book ‘Human-Centric Governance’ has explained urgent need to develop a new system of human centric governance.
The author has explained how the ideals of a civic society can be developed through this approach.

4. Article by Simonis titled, ‘Defining Good Governance’ explains the concept of good governance, its role in socio-economic development and how good governance can be instrumental to achieve goals of poverty reduction and establishing meaningful form of civic administration.

With above refered and other books some research paper studied for the purpose are given below.

Transparency and Accountability in Municipal Governance: Role of Institution Development performance Management and Citizen Charter by Dr. P. K. Mohanty

Studied the transparency and accountability in Municipal Governance. Researcher found out through this research the effectiveness of Municipal governance depends on how the interaction between various stakeholders are managed to provide the desired goals of providing civic infrastructure and service to the citizens in a transparent and accountable manner.2.8

JNNURM: Works, Achievements and problems in Pune by Tanvi Kulkarni (CCS working paper No. 199 Summer Research Internship Programme, 2008, centre for civil society)

This paper focused on Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and it’s execution at the level of Pune city. The objectives of this research paper are to observe how the mission is being implemented in Pune, to examine whether the projects undertaken by the municipal authority are in sync with the plans for solving the problems of the city, to analyze the implications of the initiative in the city. According to the conclusion of this

Urban Issues, Reforms and ways forward in India by Chetan Vaidya

This paper focused on analysis of urban trends, projected population, service delivery, institutional arrangements, Municipal finance, innovative financing, etc. It has also described status of JNNURM. JNNURM was launched in December 2005 to meet the challenges of growing urbanization and to enable Indian cities to develop to the level of global standard. According to conclusion of this research paper great progress has been made in developing the framework for reform linked investment in urban infrastructure. As per population projection in 2026, level of urbanization will be different in various states. India’s future urban strategy should recognize these differences and plan accordingly. To improve urban governance and delivery of services there should be constitutional amendment as well administrative action; most importantly inter-government transfer should have built in incentives.

To improve performance and capacity building should be an important component of the future urban programme.2.11

In its report, "Governance for Sustainable Human Development", the UNDP acknowledges the following as core characteristics of good governance.
1) Participation.
2) Rule of law.
3) Transparency.
4) Responsiveness.
5) Consensus orientation.
6) Equity.
7) Effectiveness and efficiency.
8) Accountability.
9) Strategic vision.

The General Assembly adopted its first explicit resolution on "Promoting and Consolidating Democracy" to provide means for consolidating democracy through:

(a) Promoting pluralism.
(b) Promoting, protecting and respecting all human rights.
(c) Strengthening the rule of law.
(d) Developing, nurturing and maintaining a new electoral system that provides for the free and fair expression of the people's will through genuine and periodic elections.
(e) Creating and improving the legal framework and necessary mechanisms for enabling the participation of all members of civil society in the promotion and consolidation of democracy.
(f) Strengthening democracy through good governance.
(g) Strengthening democracy by promoting sustainable development.
(h) Enhancing social cohesion and solidarity.

III. CONCEPT OF MUNICIPAL CORPORATION

Introduction

The concept of Municipal Corporation is not new if one considers the old Roman system of local administration. The researcher introduced this idea with a view to monitor the function of local authority in a small country in an effective manner. The idea was utilised for the establishment of local civic authority which will work to address the problems of local authority, people, citizens and other habitat. The principal of this is to protect the interest of citizens, provide facilities, development of an appropriate defence mechanism and collect revenue on behalf of government.

In India even in ancient time the concept of local authority was in vogue. There are many instances of local administration quoted in the era of Ramayana and Mahabharat. Jahapat indicate the sin.
In ancient scripture the Manusmriti, Sukraniti and Kamandikaya, Nitisar; the idea of appropriate local administrative was rightly explained. The concept of Kul nagar and Gana Rajya was an example of systematic local administration.

In Kautilya Arthashastra\textsuperscript{3.a} elaborate explanation of duty and role of civic authority is rightly depicted. Kautilya was one of the pioneer exponents of civic authority who rightfully established need for strong control over local authority and established a right link between civic authority and the central government. He has explained the functions and duties to be performed by civic authority. The mode of collection of revenue and types of taxes levied. Today’s idea is further developed and position of civic authority, countries administration, civic body and Municipal Corporation has gained significant importance.

**Definition of Municipal Corporation**

The term of Municipal Corporation is defined by many experts. However, it will be appropriate to take a few important definitions which are as follows:

1. Municipal Corporation is an incorporated political subdivision of a state that is composed of the citizens of a designated geographic area and which performs certain state functions on a local level and possesses such power as are conferred upon by the state\textsuperscript{3.1}.
2. A municipal corporation is a city, town, or borough that has governmental powers\textsuperscript{3.2}.
3. **Goel S. L. defines** Municipal Corporation is an incorporated political subdivision of a state that is composed of the citizens of a designated geographic area and which performs certain state functions on a local level and possesses such power as are conferred upon by the state\textsuperscript{3.3}.
4. In the words of **W. B. Mumo** "A municipal corporation is a subordinate political body established by the authority of law, its existence evidenced, by general or special character with a corporate name, with defined limits and population and with delegated powers of local government. It is created by law and depends for its existence as well as its powers upon the state or nation\textsuperscript{3.4}".

**Progress of Local Government**

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1687-1881</td>
<td>Local government was viewed and utilized to collect central and provincial finances.</td>
</tr>
<tr>
<td>1882-1919</td>
<td>Local government began to be review as self- government.</td>
</tr>
<tr>
<td>1920-1937</td>
<td>Local government came within the jurisdiction of provinces and further was transferred to popular control.</td>
</tr>
<tr>
<td>1938-1949</td>
<td>Local government was in a state of repair and reconstruction.</td>
</tr>
<tr>
<td>1950-1991</td>
<td>Local government has been keyed to the requirement of the constitutions.</td>
</tr>
</tbody>
</table>
Forms of Urban Government

Main Characteristics of Urban Local Government

| Municipal Corporation | • Established in metropolitan areas or big cities  
• Wider functions and larger powers than councils, enjoy more autonomy and have larger revenue resources.  
• Separation of deliberative from executive functions and vesting of all executive powers in an appointed authority who is independent of the elected body. | Constituted in "large urban areas" |
|-----------------------|-------------------------------------------------------------------------------------------------|----------------------------------|
| Municipal Committee/ Council | • Most popular form of local government in urban areas  
• Set up in cities and large towns.  
• Extent of State control is relatively larger than corporations. | Constituted in "small urban areas" |
| Nagar Panchayat | Constituted after 1992 | Constituted in "areas in transition from rural to urban" |
| Notified Area Committee | • Set up by State government in medium and small towns  
• Created for areas which do not fulfill conditions for important | Abolished |
Municipal Corporation Act

Prior to 1992, Indian local government did not have a constitutional status but only a statutory status under state law. Therefore, the governance of urban areas was directly under the control of the state government. This changed with the enactment of the 74th Constitution Amendment Act, 1992. For the first time in the history of urban governance, Urban Local Bodies (ULBs) were granted a constitutional position as the third tier of government. These bodies were given a constitutional outline for conducting regular elections, powers and financial devolution. The Amendment assigned local bodies with the responsibility of providing basic services. Urban Local Bodies are classified depending on the population.

- Nagar Panchayats: for urban areas
- Municipal Councils: for smaller urban areas
- Municipal Corporations: for metropolitan areas

Functions of Municipal Corporation
IV. GROWTH OF MUNICIPAL CORPORATION

Municipal Corporation as a concept is related with local authority. Every country with sizable population divides its region into cities, township and other form of urban areas. There is often a great degree of decentralization when it comes to management of a nation. Decentralization of administration usually take placed by establishing regions, provinces, townships, metros and other local units. In huge country like India the management of urban areas is not possible without having a systematic approach towards urban administration. Accordingly Municipal Corporation was established in different parts of the country. Madras claims to have established the first Municipal Corporation in 17th Century under British Raj and the many other cities and urban came into existence because of growth in population. Today urbanization is a major phenomenon in all over the country. However; with urbanization many problems have emerged. The growth of complex cities have created problems like enhancement of slum growing, burden of poor performance, illiteracy and lack of employment opportunity etc. Thus urbanization is no longer a boon, but a phenomena with many problems.

Municipal Corporations in India

In 1961 one out of every five Indians lived in urban areas. Ten years earlier i.e. 1951, one Indian out of every seven was town-dweller. In 1981 one- fourth of India's population was living in towns. Thus urban population has been increasing at an accelerated rate. Urbanization is an integral part of the process of development. Industrialization and urbanization are inseparable. A transformation from an agricultural society to an Industrial one occurs along rural- urban dimensions. A shift from rural to urban society brings about changes not only in the economic structure but also in social pattern and cultural profiles.

The number of urban local government has been increasing as a result of increase in urban and suburban population. The following table shows the number and various forms of urban government:

**Number of Municipal Corporations in India**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Municipal Corporation</td>
<td>24</td>
<td>30</td>
<td>32</td>
<td>68</td>
</tr>
<tr>
<td>2</td>
<td>Municipal Council</td>
<td>1473</td>
<td>1473</td>
<td>1493</td>
<td>1493</td>
</tr>
<tr>
<td>3</td>
<td>Cantonment Boards</td>
<td>55</td>
<td>59</td>
<td>58</td>
<td>62</td>
</tr>
<tr>
<td>4</td>
<td>Notified Areas Committees</td>
<td>115</td>
<td>115</td>
<td>202</td>
<td>202</td>
</tr>
<tr>
<td>5</td>
<td>Town Area Committees</td>
<td>385</td>
<td>385</td>
<td>385</td>
<td>385</td>
</tr>
</tbody>
</table>
In India urbanization is taking place at a very fast rate after 1960. The number has crossed 100 by 2000. Municipal Corporation counseals has increase by almost 30% and notified area has almost doubled their number. This indicates the pace is very high in India. Pune Municipal Corporation Current Status and Its Income and Expenditure from year 2001-2010 is as shown in the chart.

Income and Expenditure of the PMC (“A” Budget)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-01</td>
<td>453.24</td>
<td>400.56</td>
</tr>
<tr>
<td>2001-02</td>
<td>496.02</td>
<td>461.98</td>
</tr>
<tr>
<td>2002-03</td>
<td>561.45</td>
<td>528.30</td>
</tr>
<tr>
<td>2003-04</td>
<td>599.21</td>
<td>592.84</td>
</tr>
<tr>
<td>2004-05</td>
<td>705.25</td>
<td>686.79</td>
</tr>
<tr>
<td>2005-06</td>
<td>1046.90</td>
<td>842.99</td>
</tr>
<tr>
<td>2006-07</td>
<td>1157.21</td>
<td>1064.51</td>
</tr>
<tr>
<td>2007-08</td>
<td>1713.04</td>
<td>1320.94</td>
</tr>
<tr>
<td>2008-09</td>
<td>1575.31</td>
<td>1504.50</td>
</tr>
</tbody>
</table>

The organisation is lead by Mayor as a Public Representative who is an indirectly elected leader of the corporators. The administration is lead by Commissioner an IAS officer and The organisational structure is as shown in Chart.
The organization of Municipal Corporation Administrative wing indicate that Municipal Commissioner is the chief of the entire executive body. He look after the various activities of corporation for which he is assisted by 3 additional commissioners who take care of land and estate of special functions. There are 4 deputy Commissioners and 16 Zonal officers to look after administration of different wards and Zones.

Budget of any organisation is a backbone for development. In the same way it is also useful concept for PMC. The Budge Making Process and the Components of PMC Budget are studied in this research.
The principal function of corporation is to develop cities. Unless and until corporation worked for the development of cities; it will not be able to justify its existence. From this point of view the Corporation undertakes various activities of development, improvement and progressive welfare of the society. Thus the activities undertaken by the corporation needed to be studied. The corporation presently help to work on activities like Public health, education department both primary and secondary, slum improvement, urban transport, women and child development, backward class development, etc. To what extent the corporation has given justice to budgetary provisions to fulfill the objectives has to be studied. The expenditures incurred and revenue earned by the corporation is presented here.
Revenue expenditures and Capital expenditures (Department-wise classification)

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Department</th>
<th>Revenue Expenditure</th>
<th>Capital Expenditure</th>
<th>Total</th>
<th>% Of Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Water</td>
<td>354</td>
<td>369</td>
<td>723</td>
<td>16%</td>
</tr>
<tr>
<td>2</td>
<td>Road Improvement Department</td>
<td>85</td>
<td>585</td>
<td>670</td>
<td>15%</td>
</tr>
<tr>
<td>3</td>
<td>Sanitation And Solid Waste Management</td>
<td>262</td>
<td>117</td>
<td>380</td>
<td>8%</td>
</tr>
<tr>
<td>4</td>
<td>Education</td>
<td>340</td>
<td>34</td>
<td>374</td>
<td>8%</td>
</tr>
<tr>
<td>5</td>
<td>Public Health</td>
<td>162</td>
<td>36</td>
<td>198</td>
<td>4%</td>
</tr>
<tr>
<td>6</td>
<td>Slum Improvement</td>
<td>33</td>
<td>58</td>
<td>91</td>
<td>2%</td>
</tr>
</tbody>
</table>

The data presented in the above table helps to draw many useful observations:

i. The revenue on various heads of department is on rise. However, the actual expenditures on this head of expenditure is not enhancing in the same proportion.

ii. There is a continuous increase in the capital expenditures and is higher than the rate of revenue increase.

iii. The receipts from the heads is coming from tax collected from citizen, developmental grant from the State or the Central Government as well as other national and international agency.

The quantum of receipts generated by the corporation basically is meant for the improvement of existing structure, modification of present system and development of new structure. It is also observed that the income is meant for the development of the area like road cleaning, waste transport, sanitation and solid waste management, slum improvement, urban transport, etc.

Researcher has contacted various stakeholders of PMC. The facilitity users i.e. Beneficiaries the decision makers i.e. Corporators and the Officers responsible for implementation were contacted for research work. The profile of same is as below.
### Profile of the respondents: Beneficiariis

#### Age-wise classification

<table>
<thead>
<tr>
<th>Age group</th>
<th>18 - 25</th>
<th>25 - 35</th>
<th>35 – 45</th>
<th>45 - 55</th>
<th>55 – 65</th>
<th>Above 65</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of respondents</td>
<td>71</td>
<td>75</td>
<td>79</td>
<td>54</td>
<td>52</td>
<td>29</td>
</tr>
</tbody>
</table>

#### Social Background

<table>
<thead>
<tr>
<th>Social background</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>220</td>
</tr>
<tr>
<td>Urban</td>
<td>140</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>360</strong></td>
</tr>
</tbody>
</table>

#### Income group

<table>
<thead>
<tr>
<th>Income</th>
<th>5,000 – 10,000</th>
<th>10,000 – 15,000</th>
<th>15,000 – 20,000</th>
<th>20,000 – 25,000</th>
<th>25,000 – 30,000</th>
<th>30,000 – 35,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of respondents</td>
<td>119</td>
<td>46</td>
<td>77</td>
<td>56</td>
<td>25</td>
<td>37</td>
</tr>
</tbody>
</table>

#### Nature of Occupation

<table>
<thead>
<tr>
<th>Occupation</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self employed</td>
<td>117</td>
</tr>
<tr>
<td>Private enterprise</td>
<td>50</td>
</tr>
<tr>
<td>Service sector</td>
<td>94</td>
</tr>
<tr>
<td>Semi-Government</td>
<td>63</td>
</tr>
<tr>
<td>Government</td>
<td>36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>360</strong></td>
</tr>
</tbody>
</table>

### Profile of Corporator

#### Classification according to education:

<table>
<thead>
<tr>
<th>Qualification</th>
<th>No. of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto graduation</td>
<td>18</td>
</tr>
<tr>
<td>Graduation</td>
<td>12</td>
</tr>
<tr>
<td>Post graduation</td>
<td>06</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>
### Gender wise classification

<table>
<thead>
<tr>
<th>Gender</th>
<th>No. of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>24</td>
</tr>
<tr>
<td>Female</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>

### Income groups

<table>
<thead>
<tr>
<th>Income groups</th>
<th>No. of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle income group</td>
<td>16</td>
</tr>
<tr>
<td>Higher middle income group</td>
<td>11</td>
</tr>
<tr>
<td>Higher income group</td>
<td>09</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>

### Tenure of Service as corporator

<table>
<thead>
<tr>
<th>Tenure of service</th>
<th>No. of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>14</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>10</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; and above</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>

### Profile of the Officers of PMC

<table>
<thead>
<tr>
<th>Qualification</th>
<th>No. of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto XII</td>
<td>24</td>
</tr>
<tr>
<td>UG</td>
<td>21</td>
</tr>
<tr>
<td>PG</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>
Tenure of Service

<table>
<thead>
<tr>
<th>Tenure of service</th>
<th>No. of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 – 10</td>
<td>12</td>
</tr>
<tr>
<td>10 – 15</td>
<td>37</td>
</tr>
<tr>
<td>15 and above</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>

Training Program attended

<table>
<thead>
<tr>
<th>Attend Training program</th>
<th>No. of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>54</td>
</tr>
<tr>
<td>No</td>
<td>06</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>

With above profiled respondent the responses were sought by various questionnaires and after analysing their responses some suggestions are made by researcher. The main suggestions are stated below:

V. SUGGESTIONS

A large number of services are offered by Pune Municipal Corporation to help the people; similarly, various types of projects of public interest are also undertaken by Pune Municipal Corporation. To what extent these projects and schemes are successful is definitely an issue of interest. As it is noticed that many schemes are started with great enthusiasm; however, the response and success rate is very poor. The results of various projects launched are often rarely assessed and the impact levels are not properly measured. As there is hardly any attempt made to evaluate the performance of the projects. The pitfalls and limitations also are not rightly understood. A larger or broader scale of success is considered as an achievement and the micro level pitfalls and limitations are neglected. The bottlenecks in execution, limitation of formulation of plans and gaps in communication of ideas regarding projects contributes heavily to the projects failure. However, it is rarely taken into account. This is the reason of limited response to Government Projects and Schemes. Here few important suggestions are made to improve the functional efficiency, quality of implementation and for removal of bottleneck in execution of projects. If the purpose of government programmes is to improve the quality of life of citizens and beneficiaries these it is essential that the focus of the activity should be more people and result oriented. However, most of the activities are formulated without taking into account the real needs of the people and their expectation from the Government. As the aspiration and need of the people are not rightly respected, the project and scheme turn into a failure. People participation is low and the beneficiaries offer a lukewarm
response. A few suggestions are made here to improve the success rate of the scheme:

A. The suggestion to improve the system of planning.
B. Suggestion to improve the quality of projects and scheme.
C. Suggestion to improve response of beneficiaries to such scheme.

The Researcher suggested a Model for the stages of Budget Process and its implementation after his study. The Model is as described below.

**Diagram 1: Model**
Summary of Verification

<table>
<thead>
<tr>
<th>Sr. no.</th>
<th>Statement</th>
<th>Sources of data</th>
<th>Nature of explanation</th>
<th>Result of hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The process of budgeting needs a more pragmatic broadband approach.</td>
<td>Secondary data</td>
<td>Conceptual</td>
<td>Accepted and fair utilized</td>
</tr>
<tr>
<td>2</td>
<td>The prevailing system of budgeting needs to more pro-people and target oriented.</td>
<td>Secondary data</td>
<td>Conceptual</td>
<td>Accepted and fair utilized</td>
</tr>
<tr>
<td>3</td>
<td>The beneficiaries are not satisfied with the type of projects &amp; schemes launched by P.M.C. due to limited knowledge &amp; lack of focused approach.</td>
<td>Primary data</td>
<td>Tabulated and analytical</td>
<td>Accepted and fair utilized</td>
</tr>
<tr>
<td>4</td>
<td>The budget allocation methods of budget preparation should be more focused and have uniform involvement of different stakeholders.</td>
<td>Primary data</td>
<td>Tabulated and analytical</td>
<td>Accepted and fair utilized</td>
</tr>
</tbody>
</table>

Guidelines for future study

Present study deals with budget and budgeting system in Municipal Corporation of Pune. However there are certain areas which are not rightly considered in this study. The areas in which further studies are possible are mentioned here:

2. An analysis of implementation of projects and schemes of Municipal Corporation
3. A critical study of budgeting system and budget allocation processes.
4. A new look at general budgeting and budgeting for special section in the corporate areas.

Limitations of present study

Present study has the following limitations:

4. In terms of method of analysis, sample size being small; statistical analysis are not rightly done for evaluation of data.
5. Data being highly qualitative and opinion based and sample size being small, the conclusion appears more representative and cannot be generalized.

6. The study of scheme and projects is done by using pure secondary and numerical data. Other aspects such as analysis of process and qualitative aspect of the study are not taken into account, which is a major limitation of the study.

BIBLIOGRAPHY

Books
1. Dr. Rao K. V. Research Methodology in Commerce & Management, Sterling Publishers
3. V.V.Ramani’ Good Governance’ Perspective & Experiences, The Icfai University, Pran Publication, Hyderabad, India - 2007
8. I.S.A. Baud & S.DEWIT, New Forms of Urban Governance in India, SAGE Publications, New Delhi, 2008
11. Dr. Maheshwari Shriram, Local Government of India, Orient Longmain Publication, New Delhi, April 1971, page no. 13 – 16
13. Dr. Maheshwari Shriram, Local Government of India, Orient Longmain Publication, New Delhi, April 1971
15. Dr. Maheshwari Shriram, Local Government of India, Orient Longmain Publication, New Delhi, April 1971, page no. 174
18. Dr. Maheshwari Shriram, Local Government of India, Orient Longmain Publication, New Delhi, April 1971
20. Prof. Athwale A S, Prof. Bairagi K P, Environmental Awareness, Success Publication, Page No.6.4 to 6.5
21. Indian Economy, Dhankar Publication Pvt. Ltd. 2011, Page no. 10

Websites
1. www.punemunicipalcorporation.org
2. www.punemunicipalcorporation.org
3. www.oxforddictionary.com
4. www.businessdictionary.com
14. www.shodhganga.com
16. ccsenet.org/journal/index/phd/ass/article/view/3431
17. www.shodhganga.com
18. collections.infocollections.org/ukedu/en/JS0753e/13.html
27. collections.infocollections.org/ukedu/en/d/Js0753e/13.html
29. rdarc.itakura.toyo.ac.jp/webdav/ask/public/ACP2010/2.pdf
30. ccsenet.org/journal/index.php/ass/article/view/3431
32. www.academia.edu/_Urban_growth_management_as_an_approach for_livable_and_sustainable_communities
34. www.cgg.gov.in/.../Municipal_Accountability_Transparency.pdf
37. http://www.unesco.org/most/p2basu.htm
42. http://mpra.ub.uni-muenchen.de/30017/
45. Moud.gov.in/null(march 2002)
48. Moud.gov.in/lnservicelevel.

Journals/Research Papers
2. ‘E-Governance and Sustainable Economic Development’ - Mohapatra Surjit
3. ‘E – seva’ - Gupta Vivek
5. Urban Issues, Reforms and ways forward in India - Chetan Vaidya
6. Words and Concepts in urban development and planning in India: An analysis in the context for regional variation and changing policy perspectives by Amitabh Kundu, Somnath Basu
8. Challenges of financing physical Infrastructure and Services in Brihan-Mumbai Municipal Corporation by Sanjay Rode
10. Development administration is concerned with maximizing innovation for development. - Edward W. Weidner,

Reports
1. Census 2011
5. JNNURM – Report published by Govt. of India
6. Maratha Chamber of Commerce & Janwani Publication of PMC Budget.

Shri. Shripad Dhekane
Research Student

Dr. Mukund Tapkir
Research Guide