



**GOVERNMENT OF HARYANA**

**ECONOMIC AND FUNCTIONAL CLASSIFICATION  
OF BUDGETS OF  
MUNICIPAL COMMITTEES/COUNCILS/  
CORPORATIONS IN HARYANA  
2012-13**

**ISSUED BY:  
DEPARTMENT OF ECONOMIC AND STATISTICAL ANALYSIS  
HARYANA**

Publication No. 1097  
Available on website  
[www.esaharyana.gov.in](http://www.esaharyana.gov.in)



**GOVERNMENT OF HARYANA**

**ECONOMIC AND FUNCTIONAL CLASSIFICATION  
OF BUDGETS OF  
MUNICIPAL COMMITTEES/COUNCILS/  
CORPORATIONS IN HARYANA  
2012-13**

**ISSUED BY:  
DEPARTMENT OF ECONOMIC AND STATISTICAL ANALYSIS  
HARYANA**

## **PREFACE**

Economic and Functional Classification of the Budgets of Municipal Committees/ Councils/Corporations in Haryana is an attempt to recast the State Municipal transactions in order to assess the economic and functional significance of these transactions. Economic Classification groups together the items of receipts and expenditure by their economic characters such as consumption expenditure, capital formation, transfer payments etc. whereas the Functional Classification groups them according to the particular purpose of function they perform such as education, medical & public health, economic services etc. It indicates the relative changes in the income and expenditure of Municipal Committees/ Councils/Corporations in Haryana during a year as compared to previous year.

The Department of Economic and Statistical Analysis, Haryana has been doing Economic and Functional Classification of the Budgets of Municipal Committees/ Councils/ Corporations in accordance with the guidelines of the Central Statistical Office (CSO), Govt. of India since 1966-67 and publishes the report periodically. The present report contains the information related to Economic and Functional Classification of the Budgets of Municipal Committees/Councils/Corporations from the year 2010-11 to 2012-13.

I take this opportunity to thank the CSO for providing valuable guidance. Efforts made by the District Statistical Officers for collection of data from Municipal Committees/Councils/ Corporations are thankfully acknowledged. The cooperation extended by various Municipal Committees/Councils/Corporations for providing required data is also highly appreciated and acknowledged.

The concerted efforts made by Sh. Sandeep Grewal, Research Officer and other team members namely; Sh. Harpal Singh, Assistant Research Officer, Sh. Rajesh Duhan, Field Assistant and Smt. Parmila Rani, Steno-typist under the supervision of Sh. Bhoop Singh Yadav, Deputy Director and overall guidance from Dr. Nathu Ram Sheoran, Addl. Director in bringing out this report are also acknowledged.

I hope that this report will provide an useful information for administrators, planners and research scholars interested in the study of Municipal Committees/ Councils/ Corporations Budgets.

**Panchkula**  
**Dated: 22 April, 2015**

**J.S. DALAL,**  
**Director,**  
**Deptt. of Economic & Statistical Analysis,**  
**Haryana.**

## **CONTENTS**

<b>Sr. No.</b>	<b>Chapter</b>	<b>Page(s)</b>
<b>I</b>	<b>Introduction</b>	<b>1</b>
<b>II</b>	<b>Set of Accounts –Economic Classification</b>	<b>2-8</b>
<b>III</b>	<b>Main Findings-Economic Classification</b>	<b>9-14</b>
<b>IV</b>	<b>Notes on the Accounts, their Derivation and Rationale</b>	<b>15-18</b>
<b>V</b>	<b>Reconciliation: Income and Expenditure</b>	<b>19-20</b>
<b>VI</b>	<b>Principles of Functional Classification</b>	<b>21-29</b>
<b>VII</b>	<b>Functional Classification Scheme</b>	<b>30-31</b>
<b>VIII</b>	<b>Notes on Functional Categories</b>	<b>32-33</b>

## CHAPTER-I

### INTRODUCTION

The budget of a Municipal Committee/Council/Corporation presents detailed information about its revenue and expenditure and other financial transactions during the financial year in terms of various departments and purposes but it does not clearly explain the economic significance of various items of revenue and expenditure as these items are not recorded separately therein. Therefore, from the study of budget document (G-1 Form), as they are, it is not possible to have a clear idea of consumption expenditure, capital formation, current receipts etc. of a Municipal Committee/ Council/Corporation. The accounts shown in the budget are, therefore, required to be re-classified and re-grouped into meaningful economic categories for understanding the real economic impact of the budgetary transactions of a Municipal Committee/ Council/Corporation. Thus, in the present report an attempt has been made to bring together the details of significant heads under various accounts.

Besides, the items of revenue and expenditure of Municipal Committees/Councils/Corporations have also been re-classified and re-grouped according to particular purpose of function they perform such as education, medical and public health, economic services etc. The two types of classification are integrated into Economic-cum-Functional Classification and Services are split horizontally into economic categories and vertically into functional categories.

The present study covers the budgets of 9 Municipal Corporations, 14 Municipal Councils and 54 Municipal Committees that existed in Haryana as on October, 2013.

\*\*\*\*\*

## CHAPTER-II

### THE SET OF ACCOUNTS

The following five accounts containing the re-classified data of all the Municipal Committees/Councils/Corporations in the State for the years 2010-11, 2011-12 and 2012-13 are presented in this chapter:—

**Account-I** Transactions in Commodities and Services and Transfers:

Current Account of Administrative Departments of Municipal Committees/Councils/Corporations.

**Account-II** Transactions in Commodities and Services and Transfers:

Current Account of Departmental Commercial Undertakings of Municipal Committees/Councils/Corporations.

**Account-III** Transactions in Commodities and Services and Transfers:

Capital Account of Administrative Departments and Departmental Commercial Undertakings of Municipal Committees/Councils/Corporations.

**Account-IV** Changes in Financial Assets and Liabilities:

Capital Account of Municipal Committees/Councils/Corporations.

**Account-V** Cash and Capital Reconciliation Account of Municipal Committees/Councils/Corporations.

**ACCOUNT-I**  
**Transactions in Commodities and Services and Transfers:**  
**Current Account of Administrative Departments of Municipal Committees/Councils/Corporations in Haryana**

(₹ Lakh)

Sr. No.	Expenditure	2010-11	2011-12	2012-13	Sr. No.	Revenue	2010-11	2011-12	2012-13
1	2	3	4	5	6	7	8	9	10
<b>1</b>	<b>Consumption Expenditure</b>	<b>49765</b>	<b>70267</b>	<b>77556</b>	<b>1</b>	<b>Tax Revenue@</b>	<b>19912</b>	<b>27305</b>	<b>49741</b>
1.1	Wages & Salaries	33514	43194	47175	1.1	Taxes on Income	128	429	502
1.2	Net Purchase of Commodities & Services(a+b-c)	16251	27073	30381	(a)	Profession or Trade Tax	123	385	356
(a)	Purchase of Commodities	6409	8466	7271	(b)	Servant Tax	5	44	146
(b)	Repairs and Maintenance	11304	19868	23321	1.2	Taxes on Commodities & Services	3442	7033	9296
(c)	Less Sale of Commodities (Pub.Safety,Medical, Public Health)	1462	1261	211	(a)	Octroi	-	-	-
<b>2</b>	<b>Transfer Payments</b>	<b>607</b>	<b>1081</b>	<b>291</b>	(b)	Water Tax	-	-	-
2.1	Interest	607	1081	291	(c)	Terminal Tax	206	2652	2978
2.2	Grants	-	-	-	(d)	Taxes on Vehicles	1104	1166	954
2.3	Other Current Transfers	-	-	-	(e)	Taxes on Animals (Including Fee for Registration of Dogs)	69	62	353
<b>3</b>	<b>Savings on Current Account</b>	<b>29782</b>	<b>45338</b>	<b>30052</b>	(f)	Fee for Vehicle Licenses	226	564	553
					(g)	License Fee for Job Porters	688	1227	1519
					(h)	Dangerous & Offensive Trade, License Fees and for Letting off Fire Works	544	386	213

Continue.....

Sr. No.	Expenditure	2010-11	2011-12	2012-13	Sr. No.	Revenue	2010-11	2011-12	2012-13
1	2	3	4	5	6	7	8	9	10
					(i)	Tolls on Vehicles & Animals	13	78	32
					(j)	Local Rate	495	669	593
					(k)	Income from Public Safety and Convenience	97	229	2101
					1.3	Taxes on Properties & Capital Transactions	16342	19843	39943
					(a)	Taxes on Buildings and Land	7312	10677	20708
					(b)	Income from Municipal Properties	9030	9166	19235
					<b>2</b>	<b>Administrative Receipts</b>	<b>71</b>	<b>160</b>	<b>42</b>
					<b>3</b>	<b>Revenue Grants and Contributions</b>	<b>49746</b>	<b>68605</b>	<b>32832</b>
					<b>4</b>	<b>Other Income from</b>	<b>2570</b>	<b>4750</b>	<b>6365</b>
					(a)	Profit Transferred from Departmental Commercial Undertaking (Account II)	(-)438	(-)2126	(-)1788
					(b)	Income from Investment	931	2292	1731
					(c)	Interest Receipts	2077	4584	6422
					<b>5</b>	<b>Miscellaneous Receipts</b>	<b>7855</b>	<b>15866</b>	<b>18919</b>
	<b>Total</b>	<b>80154</b>	<b>116686</b>	<b>107899</b>		<b>Total</b>	<b>80154</b>	<b>116686</b>	<b>107899</b>



**ACCOUNT-II****Transactions in Commodities and Services and Transfers: Current Account of Departmental Commercial Undertakings of Municipal Committees/Councils/Corporations in Haryana****(₹ Lakh)**

<b>Sr. No.</b>	<b>Expenditure</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>Sr. No.</b>	<b>Revenue</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
<b>1</b>	Wages and Salaries	1612	2566	2605	<b>1</b>	Gross Sale Proceeds	1208	1449	1553
<b>2</b>	Commodities & Services	16	310	54	(a)	Electricity	-	-	-
<b>3</b>	Repairs & Maintenance	18	132	682	(b)	Transport	-	-	-
<b>4</b>	Interest (Water Supply)	-	567	-	(c)	Water Supply	1208	1449	1553
<b>5</b>	Profit Transferred to Current Account	(-)438	(-)2126	(-)1788					
	<b>Total</b>	<b>1208</b>	<b>1449</b>	<b>1553</b>		<b>Total</b>	<b>1208</b>	<b>1449</b>	<b>1553</b>

**ACCOUNT-III**  
**Transactions in Commodities and Services and Transfers:**  
**Capital Account of Administrative Departments and Departmental Commercial Undertakings of**  
**Municipal Committees/Councils/Corporations in Haryana**

(₹ Lakh)

Sr. No.	Disbursement	2010-11	2011-12	2012-13	Sr. No.	Revenue	2010-11	2011-12	2012-13
1	2	3	4	5	6	7	8	9	10
1	<b>Capital Formation (A+B)</b>	<b>27525</b>	<b>16006</b>	<b>19664</b>	1	<b>Savings on Current Account</b>	<b>29783</b>	<b>45338</b>	<b>30052</b>
	<b>A. Administrative Departments</b>	<b>24228</b>	<b>10285</b>	<b>13387</b>	2	<b>Capital Transfers</b>	<b>12293</b>	<b>6356</b>	<b>15073</b>
	1.1 Buildings & Other Construction	23904	9868	12703	2.1	Capital Grants	9776	1349	5905
	1.2 Machinery & Equipment Contributions & Recoveries	324	417	684	2.2	Suspense Account	2517	5007	9168
	<b>B Departmental Commercial Undertakings</b>	<b>3297</b>	<b>5721</b>	<b>6277</b>					
	1.1 Buildings and Other Construction (Water Supply)	3182	5721	6277					
	1.2 Machinery and Equipment	115	-	-					
2	<b>Increase in Inventories (Suspense Account)</b>	<b>11290</b>	<b>3758</b>	<b>14152</b>					
3	<b>Capital Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>					
4	<b>Balance: Surplus/Deficit on all Transactions in Commodities and Transfers</b>	<b>3261</b>	<b>31930</b>	<b>11309</b>					
	<b>Total</b>	<b>42076</b>	<b>51694</b>	<b>45125</b>		<b>Total</b>	<b>42076</b>	<b>51694</b>	<b>45125</b>

**ACCOUNT-IV**

**Changes in Financial Assets and Liabilities:  
Capital Account of Municipal Committees/Councils/Corporations in Haryana**

(₹ Lakh)

Sr. No.	Outgoing	2010-11	2011-12	2012-13	Sr. No.	Incoming	2010-11	2011-12	2012-13
1	2	3	4	5	6	7	8	9	10
1	Repayment of Loan and Advances	824	1218	2001	1	Loans and Advances	4759	1153	943
2	Unearmarked Investment	200	409	228					
3	Balance : Net Increase in Financial Assets and Liabilities	3735	(-)474	(-)1286					
	<b>Total</b>	<b>4759</b>	<b>1153</b>	<b>943</b>		<b>Total</b>	<b>4759</b>	<b>1153</b>	<b>943</b>

**ACCOUNT-V****Cash and Capital Reconciliation Account of Municipal Committees/Councils/Corporations in Haryana****(₹ Lakh)**

<b>Sr. No.</b>	<b>Outgoing</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>Sr. No.</b>	<b>Incoming</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
<b>1</b>	Increase in Cash Balance	7097	31456	10023	<b>1</b>	Surplus in all Transactions in Commodities & Services and Transfer (Balancing Item 4 of Account-III)	3362	31930	11309
					<b>2</b>	Net Increase in Financial Assets/Liabilities (Balancing Item3 of Account-IV)	3735	(-)474	(-)1286
	<b>Total</b>	<b>7097</b>	<b>31456</b>	<b>10023</b>		<b>Total</b>	<b>7097</b>	<b>31456</b>	<b>10023</b>

\*\*\*\*\*

## CHAPTER-III

## MAIN FINDINGS

The main findings emerging from the economic classification of municipal budgets are depicted below:—

**Total Expenditure as per Economic Classification:**

The total expenditure of the Municipal Committees/Councils/Corporations in Haryana excluding operating expenses of Departmental Commercial Undertakings was ₹ 1,13,892 lakh during 2012-13 as compared to ₹ 93,988 lakh during 2011-12 and ₹ 90,211 lakh during 2010-11 and respectively with an increase of 21.18 percent in 2012-13 over 2011-12 and 4.19 percent in 2011-12 over 2010-11. The Municipal Committees/Councils/Corporations incurred expenditure mainly on wages and salaries of municipal staff, construction of roads, pavement and maintenance of streets and drainage works. The allocation expenditure is given in table-3.1.

**Table 3.1: Expenditure by Municipal Committees/Councils/Corporations**

(₹ Lakh)				
Sr. No	Item	2010-11 (Accounts)	2011-12 (Accounts)	2012-13 (Accounts)
1.	Final Outlays	88580 (98.19)	91280 (97.12)	111372 (97.79)
a)	Consumption Expenditure (Vide item- 1 of Account-I)	49765 (55.16)	70267 (74.76)	77556 (68.10)
b)	Capital Formation (Vide item-1 of Account-III)	27525 (30.52)	16006 (17.03)	19664 (17.26)
c)	Suspense Account (vide item-2 of Account-III)	11290 (12.52)	5007 (5.33)	14152 (12.43)
2.	Transfer Payments to the rest of the Economy	607 (0.67)	1081 (1.15)	291 (0.26)
a)	Current Transfer (Vide item-2 of Account No. 1)	607 (0.67)	1081 (1.15)	291 (0.26)
b)	Capital Transfer (Vide item –3 of Account No. III)	- -	- -	- -
3.	Financial Investment and Loans to the rest of the Economy (Vide item 1 & 2 of Account-IV)	1024 (1.14)	1627 (1.73)	2229 (1.96)
<b>*Total Exp. (as per Economic Classification)</b>		<b>90211 (100.00)</b>	<b>93988 (100.00)</b>	<b>113892 (100.00)</b>

\* Expenditure is exclusive of operating expenses of Departmental Commercial Undertakings.

**3.1 (a) Final Outlays:-** Final outlays represent direct demand for consumption expenditure, capital formation etc. of the Municipal Committees/Councils/Corporations. Final outlays constitute the major expenditure i.e. 97.79 percent in 2012-13 as against 97.12 percent in 2011-12 and 98.19 percent in 2010-11. Out of the final outlay, an amount of ₹ 77,556 lakh (68.10%), ₹ 70,267 lakh (74.76%) and ₹ 49,765 lakh (55.16%) constituted consumption expenditure during 2012-13, 2011-12 and 2010-2011 respectively.

**3.1 (b) Capital Formation:-** The expenditure incurred on capital formation during 2012-13 formed 17.26 percent of the total expenditure as against 17.03 percent during 2011-12 and 30.52 percent during 2010-11. Capital formation was to the tune of ₹ 19,664 lakh in 2012-13 as compared to ₹ 16,006 lakh in 2011-12 showing an increase of 22.85 percent in 2012-13 over 2011-12. However, it decreased by 41.85 percent in 2011-12 over 2010-11.

**3.1 (2 & 3) Transfer Payments, Financial Investments and Loans:-** The expenditure of ₹ 2,520 lakh forming 2.21 percent of the total expenditure in 2012-13 represents transfer payments on current and capital accounts, financial investment and loans and advances to the rest of the economy. The corresponding figure for 2011-12 was ₹ 2,708 lakh (2.88 percent) and for 2010-11 was ₹ 1,631 lakh (1.81 percent).

**3.2 Financial Assistance for Capital Formation:-** In addition to the capital formation directly undertaken, the assistance was also provided to the rest of the economy for capital formation. The details of amount spent for this purpose for the years under review are given in table-3.2.

**Table 3.2: Total Financial Assistance for Capital Formation**

(₹ Lakh)				
Sr. No.	Item	2010-11	2011-12	2012-13
1	2	3	4	5
1	Loans for Capital Formation	-	-	-
2	Unearmarked Investments (Vide item 2 of Account –IV)	200	409	228
	<b>Total Financial Assistance for Capital Formation</b>	<b>200</b>	<b>409</b>	<b>228</b>

**3.3 Capital Formation Out of Budgetary Resources:-** The details of total investment for capital formation by Municipal Committees/Councils/Corporations out of budgetary resources are indicated in table-3.3.

**Table 3.3: Capital Formation Out of Budgetary Resources of the Municipal Committees/ Councils/ Corporations**

(₹ Lakh)

Sr. No.	Item	2010-11	2011-12	2012-13
1	2	3	4	5
1.	Capital Formation by the Municipal Committee/ Councils/ Corporations (Vide item 1 of Account-III)	27525	16006	19664
2.	Finance Investment /Under marked Investment for capital formation to the rest of economy (Vide item 2 of Account –IV)	200	409	228
	<b>Total Capital formation out of the Budgetary Resources of Municipal Committee/Councils/ Corporation</b>	<b>27725</b>	<b>16415</b>	<b>19892</b>

The above table depicts that the total outlay provided for capital formation by Municipal Committees/Councils/Corporations out of their budgetary resources was ₹ 27,725 lakh in 2010-11, ₹ 16,415 lakh in 2011-12 and 19,892 lakh in 2012-13 showing an increase by 21.18 percent in 2012-13 over 2011-12 and decrease of 40.79 percent in 2011-12 over 2010-11. The percentage of total outlay for capital formation to the total expenditure during the years 2012-13, 2011-12 and 2010-11 was 98.85, 97.51 and 99.28 respectively.

**3.4 Current Receipts:-** In assessing the economic implications of municipal expenditure, it is necessary to examine the resources from which they are financed. The Municipal Committees/Councils/Corporations derive income mainly from taxes on buildings and land and their properties. The State Govt. also gives grants and loans to Municipal Committees/ Councils/Corporations for developmental works and for salary of the municipal staff. For proper assessment of economic implications of municipal expenditure, their sources of income have been grouped under significant economic heads in table-3.4.

**Table 3.4: Current Receipts of Municipal Committees/Councils/Corporations**

(₹ Lakh)				
Sr. No.	Item	2010-11	2011-12	2012-13
1	2	3	4	5
1.	Tax Revenue (vide item 1 of Account-I)	19912 (24.84)	27305 (23.40)	49741 (46.10)
2.	Other Income (Vide item 4 of Account-I)	2570 (3.21)	4750 (4.07)	6365 (5.90)
3.	Miscellaneous Receipts (Vide item 5 of Account-I)	7855 (9.80)	15866 (13.60)	18919 (17.53)
4.	Revenue Grants and Contributions (Vide item 3 of Account-I)	49746 (62.06)	68605 (58.79)	32832 (30.43)
5.	Administrative Receipts (Vide item 2 of Account-I)	71 (0.09)	160 (0.14)	42 (0.04)
	<b>Total*</b>	<b>80154 (100.00)</b>	<b>116686 (100.00)</b>	<b>107899 (100.00)</b>

\* Receipts are excluding receipts from Departmental Commercial Undertakings.

The total current revenue of Municipal Committees/Councils/Corporations in the State was ₹ 1,07,899 lakh in 2012-13 as against ₹ 1,16,686 lakh in 2011-12 and ₹ 80,154 lakh during 2010-11. The revenue decreased by 7.53 percent during 2012-13 over 2011-12 and increased 45.58 percent during 2011-12 over 2010-11. Out of total revenue of ₹ 1,07,899 lakh in 2012-13, ₹ 49,741 lakh 46.10 percent was from tax revenue. The corresponding percentages for 2011-12 and 2010-11 were 23.40 and 24.84 respectively.

**3.5 Current Outgoing:-** The current outgoing which consists of Consumption Expenditure and Transfer Payments were ₹ 49,765 lakh during the year 2010-11, ₹ 70,267 lakh during 2011-12 and ₹ 77,556 lakh during 2012-13. This shows increase of 33.07 percent during 2010-11 over 2009-10 and 10.37 percent during 2012-13 over 2011-12. Consumption Expenditure constitutes the major portion of the Current Outgoing. Its contribution to total Current Outgoing were 98.79 percent, 98.48 percent and 99.63 percent respectively during the above periods whereas the contribution of Transfer Payments to total Current Outgoing during the same periods were only 1.21 percent, 1.52 percent and 0.37 percent respectively. The details are given in the following table-3.5.



**Table 3.5: Current Outgoing of Municipal Committees/Councils/Corporations** (₹ Lakh)

Sr. No.	Item	2010-11	2011-12	2012-13
1	2	3	4	5
1.	Consumption Expenditure (Vide item 1 of Account –1)	49765 (98.79)	70267 (98.48)	77556 (99.63)
2.	Transfer Payments (Vide item 2 of Account-1)	607 (1.21)	1081 (1.52)	291 (0.37)
	<b>Total Current Outgoing*</b>	<b>50372 (100.00)</b>	<b>71348 (100.00)</b>	<b>77847 (100.00)</b>

\* Current outgoing excludes operating expenses of Departmental Commercial Undertakings.

**3.6 Gross Savings:-** Gross savings comprise savings of the municipal administration i.e. the surplus of municipal current receipts over municipal current expenditure.

**3.6(a) Income Surplus/Deficit:-** The income surplus/deficit of Municipal Committees/Councils/Corporations is measured by the excess of investment over net saving and is shown in table-3.6(a).

**Table 3.6(a): Income Surplus/Deficit of the Municipal Committees/Councils/Corporations** (₹ Lakh)

Sr. No.	Item	2010-11	2011-12	2012-13
1	2	3	4	5
1.	Savings by the Municipal Committees/ Councils/Corporations (Vide item 3 of Account-1)	29782	45338	30052
2.	Investment/Capital Formation by the Municipal Committees/ Councils/Corporations (Vide item 1 of Account-III)	27525	16006	19964
	<b>Income Surplus/Deficit of the Municipal Committees/ Councils/Corporations (1-2)</b>	<b>2257</b>	<b>29332</b>	<b>10388</b>

**3.6 (b) Other Surplus/Deficit:-** The other surplus/deficit on income account as indicated in the balancing items of account-III and IV forms the overall surplus/deficit which denotes the total requirements of finance over and above the savings affected by the Municipal Committees/Councils/Corporations. The overall financial position of Municipal Committees/Councils/Corporations are given in table-3.6(b).

**Table 3.6(b): Total Requirement of Finance for the Municipal Committees/Councils/Corporations**

(₹ Lakh)

Sr. No.	Item	2010-11	2011-12	2012-13
1	2	3	4	5
1.	Surplus on all Transactions on Commodities and Services and Transfer (Vide balancing item No.4 of Account -III)	3261	31930	11309
2.	Net Increase in Financial Assets (Vide balancing item No.3 of Account-1V)	3735	(-)474	(-)1286
	<b>Surplus/Deficit Denoting Total Requirements of Finance (1+2)</b>	<b>6996</b>	<b>31456</b>	<b>10023</b>

**3.7 Net Profit of Departmental Commercial Undertakings:-** The net profit of departmental Commercial Undertakings i.e. the excess of gross receipts over operating expenses exhibits the financial result of the working of these undertakings. This is taken as profit and taken to current account of Municipal Committees/Councils/Corporations and add to their savings. The derivations of the net profit are shown below in table-3.7.

**Table 3.7: Net Profit of Departmental Commercial Undertakings of Municipal Committees/ Councils/Corporations**

(₹ Lakh)

Sr. No.	Item	2010-11	2011-12	2012-13
1	2	3	4	5
1.	Gross Receipts (Vide item 1 of Account-II)	1208	1449	1553
2.	Operating Expenses (Vide item 1, 2, 3 and 4 of Account-II)	1646	3575	3341
	<b>Net Profit (1-2)</b>	<b>(-)438</b>	<b>(-)2126</b>	<b>(-)1788</b>

\*\*\*\*\*

## CHAPTER-IV

**NOTES ON THE ACCOUNTS, THEIR DERIVATION AND RATIONAL****Account I: Transactions in Commodities and Services and Transfers:  
Current Account of Municipal Committees/Councils/Corporations**

This account deals with the current revenue and expenditure of all the Municipal Committees/Councils/Corporations in the State. All departments other than those listed under Account-II in the chapter are considered as administrative for the purpose of this classification. The current expenditure of administrative departments consist of the final outlays of Municipal Committees/Councils/Corporations on current account which represents consumption. The final outlays are made up of purchases of commodities and services and wages and salaries payments. Besides final outlays, Municipal Committees/Councils/Corporations make transfer payments, i.e. grants, scholarships, prizes etc. to the rest of the economy which add indirectly to the disposable income of the community. To meet the current expenditure, Municipal Committees/ Councils/Corporations appropriate a part of the income of the community through a variety of taxes, miscellaneous receipts accruing during the course of administration. In addition, Municipal Committees/Councils/Corporations have an investment income from property and entrepreneurship. The Municipal Committees/Councils/Corporations also receive revenue grants, contributions and recoveries from the State Government and others. The excess of the current receipts over current expenditure denote the savings of the Municipal Committees/Councils/Corporations is available for capital formation. Some of the items included in this Account are explained as below:-

**Item No. 1.1 Wages and Salaries:-** This item including pay of the establishments (other than traveling and daily allowances) other allowances and honorarium and 50 percent of the expenditure incurred on un-classified miscellaneous heads. Wages and Salaries also include contributions to provident funds.

**Item No. 1.2 Commodities and Services:-** This item includes all expenditure under contingency, office supplies, fuel and light, expenditure on repairs and maintenance, printing, traveling and daily allowances, telephone and telegraph charges, taxes and rent of hired buildings, machinery and equipment, 50 per cent lump-sum miscellaneous unclassified charges and other items for current operation.

**Item No. 2 Transfer Payments:-** Transfer payments include grants, scholarships, stipends, prizes and awards etc.

**Item No. 3 Savings on Current Account:-** The balancing item on the Current Account of the Municipal Committees/Councils/Corporations represent the saving of this sector, i.e. surplus of current receipts over current expenditure.

**Item No. 4 Tax Revenue:-** This is classified into taxes on income, taxes on commodities and services and taxes on properties, and capital transactions. Taxes on income include tax on profession or trade. Taxes on commodities and services consist of octroi, terminal tax, water tax, taxes on vehicles and animals and income under the head of public safety and convenience which include lighting, fire, fee for services of fire brigade etc. Taxes on properties and capital transactions comprise taxes on buildings, land and income from municipal properties (rent of land and buildings, dak bungalows, gardens, road side trees and tehbazari fees).

**Item No. 5 Administrative Receipts:-** These comprise of all kinds of receipts from administrative services (education, medical, public health, water supply and veterinary). They exclude, however, contributions from the State Government for the purpose for administration.

**Item No. 6 Revenue Grants, Contributions and Recoveries:-** These are current receipts accruing from the State Government and various Committees and Boards.

**Item No. 7 Income from Property and Entrepreneurship:-** This record the income receivable by the Municipal Committees/Councils/Corporations from Departmental Commercial Undertakings as well as the net rent, interest and dividend accruing to them from the ownership of buildings or financial assets.

**Item No. 8 Miscellaneous Receipts:-** This item includes fines and penalties, birth and death registration fees, copying fees etc.

**Account- II: Transactions in Commodities and Services and Transfers: Current Account of Departmental Commercial Undertakings of Municipal Committees/ Councils/ Corporations**

The Departmental Commercial Undertakings briefly be defined as agencies producing goods and services that are not provided free of charge. The essential characteristics distinguishing these departments from other administrative departments are that they charge

for what they provide according to use and are thus able to meet a part or most of their costs from their sale proceeds. In this study electricity, transport and water supply have been classified as Departmental Commercial Undertakings.

The expenditure side of the Departmental Commercial Undertakings spell out the current expenditure into wages and salaries, commodities and services, repairs and maintenance, interest, provision for depreciation and profit which is transferred to Administrative Departments. Repairs and maintenance expenditure is shown separately because of the importance of such expenditure of the efficient working of commercial enterprises.

**Account–III: Transactions in Commodities and Services and Transfers: Capital Account of Administrative Departments and Departmental Commercial Undertakings of Municipal Committees/Councils/Corporations**

This Account is concerned with the total capital outlay representing physical assets and capital formation by the Administrative Departments and Commercial Undertakings of the Municipal Committees/Councils/Corporations. The savings transferred from Account I and capital grants, contributions and recoveries received by the Municipal Committees/ Councils/Corporations constitute the source of finance for all expenditure recorded in this Account. The difference between savings and capital formation and suspense account is often used in economic analysis as a measure of budgetary deficit. The surplus/deficit which is shown as balancing item in Account-III along with net increase in financial assets and liabilities in Account-IV gives the total requirements of finances of the Municipal Committees/Councils/Corporations.

**Item 1.1 Buildings and Other Constructions:-** This item includes all expenditure on works of buildings and reservoirs, construction of roads and pavement of streets.

**Item 1.2 Machinery and Equipment:-** Machinery and Equipment include expenditure incurred on the purchase of tools and plants by the Municipal Committees/ Councils/ Corporations of the State.

**Item 2 Increase in Inventories:-** This item represents increase or decrease in work stores and stock of goods etc. Suspense Account is included under the head ‘ Work Stores’ .

**Receipts on Capital Account**

Receipts available for capital formation consists of gross savings on Current Account brought over from Account-I and capital grants, contributions and recoveries from the State Government and other institutions.

**Account-IV: Changes in Financial Assets and Liabilities: Capital Account of Municipal Committees/Councils/Corporations in the State**

This account which shows the changes in the financial assets and liabilities of the Municipal Committees/Councils/Corporations in the State is concerned with transactions in financial investment and repayment of loans and advances. The balancing item of this Account representing net financial assets and liabilities when added to the deficit in Account-III which gives the total requirements of finance of the Municipal Committees/Councils/Corporations for fixed assets formation and for the accumulation of financial claims against the rest of the economy.

**Account-V: Cash and Capital Reconciliation Account of Municipal Committees/Councils/ Corporations in the State**

This Account sums up the net position in respect of Account-III and IV showing the effect of all transactions of the Municipal Committees/ Councils/ Corporations in the State on its cash position. As stated earlier, Account-III gives the net position in respect of all the transactions in commodities and services and transfers while Account-IV brings out the net position in respect of financial assets and liabilities.

\*\*\*\*\*

## CHAPTER –V

**RECONCILIATION**

In this chapter an attempt has been made to reconcile the figures relating to total income and expenditure of Municipal Committees/Councils/Corporations with the revenue and expenditure as worked out by the economic classification scheme.

**5.1 Reconciliation of Income:-** The various adjustments in the Economic Classification to arrive at the income as given in the Municipal Budgets for the years under review are spelt on in detail in the table-5.1.

**Table 5.1: Income Reconciliation of Municipal Committees/Councils/Corporations Budgets**

(₹ Lakh)				
Sr. No.	Revenue	2010-11	2011-12	2012-13
1	2	3	4	5
1.	Total Income of the Municipal Committees/Councils/Corporations Total of ( # + *)	100314	129031	127467
<b>LESS:</b>				
2.	Sale of Commodities and Services treated as deduction of consumption expenditure (Vide item 1.2c of Acct.-I)(Exp.)	1462	1261	211
3.	Suspense Account (Vide item 2.2 of Acct.-III)	2517	5007	9168
4.	Capital Transfers (Capital Grants and Contributions and recoveries) (Vide item 2.1 of Acct.-III)	9776	1349	5905
5.	Sale Proceeds of Departmental Commercial undertakings (Vide item 1 of Acct.-II)	1208	1449	1553
6.	Loans (Incomings) (Vide item 1 of Acct.-IV)	4759	1153	943
<b>ADD:</b>				
7.	Profit of Departmental Commercial Undertakings (Vide item 5 of Acct.- II)(Exp.)	(-)438	(-)2126	(-)1788
	<b>Total Adjustments (#)</b>	<b>(-)20160</b>	<b>(-)12345</b>	<b>(-)19568</b>
	<b>Revenue as shown in the Economic Classification (From Table 3.4) (*)</b>	<b>80154</b>	<b>116686</b>	<b>107899</b>

**5.2 Reconciliation Expenditure:** The various adjustments in the Economic Classification to arrive at the expenditure as given in the Municipal Budgets for the years under review are spelt on in detail in the table-5.2.

**Table 5.2: Expenditure: Reconciliation of Municipal Committees/Councils/Corporations Budgets**

(₹ Lakh)				
<b>Sr. No.</b>	<b>Expenditure (Revenue &amp; Capital)</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	Total Expenditure of Municipal Committees/Councils/Corporation	93319	98824	117444
2.	Sale of Commodities and Services Treated as deduction of Consumption Expenditure(Vide item 1.2c of Acct.- I)	1462	1261	211
3.	Operating Expenses of Departmental Commercial Undertakings (Item 2 of table 3.7)	1646	3575	3341
	<b>Total Adjustments (2+3)</b>	<b>(-)3108</b>	<b>(-)4836</b>	<b>(-)3552</b>
	<b>Expenditure as shown in the Economic Classification (From Table 3.1)</b>	<b>90211</b>	<b>93988</b>	<b>113892</b>

\*\*\*\*\*



# **FUNCTIONAL CLASSIFICATION**

## CHAPTER-VI

### PRINCIPLES OF FUNCTIONAL CLASSIFICATION

Economic classification groups the primary items of expenditure by their economic character while functional classification groups them according to the particular purpose they serve. It is designed to show how expenditure is divided into different types of services provided. It gives information about public expenditure devoted to a particular service or group of services, say education, health or housing and community services etc.

The functional classification excludes current expenditure on goods and services of Departmental Commercial Undertakings. These enterprises produce goods and services that are sold largely out-side the public sector. Their current expenditure on goods and services is an intermediate expenditure which represents cost of production and net expenditure on final goods and services. It may also be noted that the functional classification is not applied to receipts except to those which may be considered as offsets to expenditure on goods and services included in this type of classification such as proceeds from sale of goods and services.

All items of expenditure have been grouped under different broad functional categories. The U.N. reports i.e. “A Manual for Economic and Functional Classification of Government Transactions, 1958” and “ System of National Account, 1968” serve as guidelines. The functional categories are as under:-

1. General Public Services
2. Civil Defense
3. Education
4. Medical and Public Health
5. Social Security and Welfare Services
6. Housing and Community Services
7. Cultural, Recreational and Religious Services
8. Economic Services
9. Other purposes

Economic and Functional Classification have been combined into a single two way cross-classification by significant economic and functional categories. It relates to expenditure for the year 2010-11 (Accounts), 2011-12 (Accounts) and 2012-13 (Accounts). The Table 6.1, 6.2 and 6.3 splits up horizontally the expenditure on each service for the years under review into significant economic categories. The broad divisions of economic classification are current and capital expenditure while that of functional classification are general public services, defense, education, medical and public health, social security, welfare services, housing and community services, cultural, recreational and religious services, economic services and other purposes. From this, it is very easy to see the nature of expenditure on each group of services. For example, it can be seen how much is spent on goods and services, on capital formation or for promoting education, health and water supply etc.

\*\*\*\*\*

**TABLE: 6.1**  
**Economic & Functional Classification of Budgetary Expenditure of**  
**Municipal Committees/Councils/Corporations 2010-11 (Accounts)** (₹ Lakh)

Current Expenditure										
Sr . No	Name of Head	Wages and Salaries	Purchase of Goods & Services	Repair Total Maintenance	Total (3+4+5)	Less Out Side Sales	Net Consumption Expenditure (6-7)	Interests	Grants	Total Current Expenditure (8 to 10)
1	2	3	4	5	6	7	8	9	10	11
1.	General Public Service	7399	1037	1204	9640	1462	8178	190	-	8368
2.	Defense	-	-	-	-	-	-	-	-	-
3.	Education	4	4	-	8	-	8	-	-	8
4.	Medical & public Health	18409	1960	16	20385	-	20385	-	-	20385
5.	Social Society and Welfare Service	-	-	-	-	-	-	-	-	-
6.	Housing & Community Service	4483	3124	8156	15763	-	15763	417	-	16180
7.	Cultural, Recreational & Religious Services	133	6	2	141	-	141	-	-	141
8.	Economic Services	3087	277	199	3563	-	3563	-	-	3563
i)	Agriculture, Forestry, Fishing & Hunting	3087	277	199	3563	-	3563	-	-	3563
ii)	Water Supply	-	-	-	-	-	-	-	-	-
iii)	Transport Services	-	-	-	-	-	-	-	-	-
iv)	Electricity Services	-	-	-	-	-	-	-	-	-
9.	Other Purposes	-	-	-	-	-	-	-	-	-
10	Grand Total	33515	6408	9577	49500	1462	48038	607	-	48645

Continue....

**TABLE: 6.1**  
**Economic & Functional Classification of Budgetary Expenditure of**  
**Municipal Committees/Councils/Corporations 2010-11 (Accounts)**

(₹ Lakh)

Capital Expenditure									
Loans									
Sr. No.	Name of Head	Building & Other Construction	Machinery & Equipments	Increase in Inventories (Suspense Account)	For Capital Formation	For Current Consumption	Unear-marked Investment	Total Capital Expenditure (12to17)	Grand Total* (11+18)
1	2	12	13	14	15	16	17	18	19
1.	General Public Service	586	-	-	-	191	200	977	9345
2.	Defense	-	-	-	-	-	-	-	-
3.	Education	91	-	-	-	-	-	91	99
4.	Medical & Public Health	3930	93	-	-	-	-	4023	24408
5.	Social Society and Welfare Service	-	-	-	-	-	-	-	-
6.	Housing & Community Service	20017	231	11290	-	36	-	31574	47754
7.	Cultural, Recreational & Religious Services	110	-	-	-	-	--	110	251
8.	Economic Services	4078	115	-	-	598	-	4791	8354
i)	Agriculture, Forestry, Fishing & Hunting	896	-	-	-	591	-	1487	5050
ii)	Water Supply	3182	115	-	-	7	--	3304	3304
iii)	Transport Service	-	-	-	-	-	--	-	-
iv)	Electricity Services	-	-	-	-	-	-	-	-
9.	Other Purposes	-	-	-	-	-	-	-	-
10.	Grand Total	28812	439	11290	-	825	200	41566	90211

\* Budgetary expenditure is excluding operating expenses of Departmental Commercial Undertakings.

**TABLE: 6.2**  
**Economic and Functional Classification of Budgetary Expenditure of**  
**Municipal Committees/Councils/Corporations 2011-12 (Accounts)**

(₹ Lakh)

Current Expenditure										
Sr. No.	Name of Head	Wages and Salaries	Purchase of Goods & Services	Repair Total Maintenance	Total (3+4+5)	Less Out Side Sales	Net Consumption Expenditure (6-7)	Interests	Grants	Total Current Expenditure (8to10)
1	2	3	4	5	6	7	8	9	10	11
1.	General Public Service	11226	1015	356	12597	2710	9887	1647	-	11534
2.	Defense	-	-	-	-	-	-	-	-	-
3.	Education	24	-	17	41	-	41	-	-	41
4.	Medical&Public Health	20778	2479	8	23270	-	23270	-	-	23270
5.	Social Society and Welfare Service	-	-	-	-	-	-	-	-	-
6.	Housing& Community Service	9155	4778	19450	33383	-	33383	350	-	33733
7.	Cultural, Recreational & Religious Services	126	6	-	132	-	132	-	-	132
8.	Economic Services	4448	180	170	4798	-	4798	567	-	5365
i)	Agriculture, Forestry, Fishing & Hunting	1882	170	38	2090	-	2090	-	-	2090
ii)	Water Supply	2566	10	132	2708	-	2708	567	-	3275
9.	Other Purposes	-	-	-	-	-	-	-	-	-
10.	Grand Total	45762	8458	20001	74221	2710	71511	2564	-	74075

Continue.....

**TABLE : 6.2**  
**Economic and Functional Classification of Budgetary Expenditure of**  
**Municipal Committees/Councils/Corporations 2010-11 (Accounts)**

(₹ Lakh)

Capital Expenditure									
<u>Loans</u>									
Sr. No.	Name of Head	Building & Other Construction	Machinery & Equipments	Increase in Inventories (Suspense Account)	For Capital Formation	For Current Consumption	Unear-marked Investment	Total Capital Expenditure (12to17)	Grand Total* (11+18)
1	2	12	13	14	15	16	17	18	19
1.	General Public Service	933	-	-	-	-	409	1342	12876
2.	Defense	-	-	-	-	-	-	-	-
3.	Education	61	-	-	-	-	-	61	102
4.	Medical&Public Health	2105	175	-	-	-	-	2280	25550
5.	Social Society and Welfare Service	-	-	-	-	-	-	-	-
6.	Housing& Community Service	5214	242	3758	-	-	-	9214	42947
7.	Cultural, Recreational & Religious Services	59	-	-	-	-	-	59	191
8.	Economic Services	6957	-	-	-	-	-	6957	12322
i)	Agriculture, Forestry, Fishing & Hunting	1236	-	-	-	-	-	1236	3326
ii)	Water Supply	5721	-	-	-	-	-	5721	8996
iii)	Transport Service	-	-	-	-	-	-	-	-
iv)	Electricity Services	-	-	-	-	-	-	-	-
9.	Other Purposes	-	-	-	-	-	-	-	-
10.	<b>Grand Total</b>	<b>15329</b>	<b>417</b>	<b>3758</b>	<b>-</b>	<b>-</b>	<b>409</b>	<b>19913</b>	<b>93988</b>

\* Budgetary expenditure is excluding operating expenses of Departmental Commercial Undertakings.

**TABLE: 6.3**  
**Economic & Functional Classification of Budgetary Expenditure of**  
**Municipal Committees/Councils/Corporations 2011-12(Accounts)**

(₹ Lakh)

Current Expenditure										
Sr. No	Name of Head	Wages and Salaries	Purchase of Goods & Services	Repair and Maintenance	Total (3+4+5)	Less Out Side Sales	Net Consumption Expenditure (6-7)	Interests	Grants	Total Current Expenditure (8to10)
1	2	3	4	5	6	7	8	9	10	11
1.	General Public Service	12358	858	419	13635	3732	9903	241	-	10144
2.	Defense	-	-	-	-	-	-	-	-	-
3.	Education	45	-	5	50	-	50	-	-	50
4.	Medical & Public Health	19872	1990	2381	24243	-	24243	-	-	24243
5.	Social Society and Welfare Service	-	-	-	-	-	-	-	-	-
6.	Housing & Community Service	10209	4208	19514	33931	-	33931	50	-	33981
7.	Cultural, Recreational & Religious Services	125	11	-	136	-	136	-	-	136
8.	Economic Services	4171	258	689	5118	-	5118	-	-	5118
i)	Agriculture, Forestry, Fishing & Hunting	1566	204	7	1777	-	1777	-	-	1777
ii)	Water Supply	2605	54	682	3341	-	3341	-	-	3341
iii)	Transport Services	-	-	-	-	-	-	-	-	-
iv)	Electricity Services	-	-	-	-	-	-	-	-	-
9.	Other Purposes	-	-	-	-	-	-	-	-	-
10.	<b>Grand Total</b>	<b>46780</b>	<b>7325</b>	<b>23008</b>	<b>77113</b>	<b>3732</b>	<b>73381</b>	<b>291</b>	<b>-</b>	<b>73672</b>

Continue.....



**TABLE: 6.3**  
**Economic and Functional Classification of Budgetary Expenditure of**  
**Municipal Committees/Councils/Corporations 2011-12 (Accounts) (₹ Lakh)**

<b>Capital Expenditure</b>									
<b>Loans</b>									
<b>Sr. No</b>	<b>Name of Head</b>	<b>Building &amp; Other Construction</b>	<b>Machinery &amp; Equipments</b>	<b>Increase in Inventories (Suspense Account)</b>	<b>For Capital Formation</b>	<b>For Current Consumption</b>	<b>Unear-marked Investment</b>	<b>Total Capital Expenditure (12to17)</b>	<b>Grand Total* (11+18)</b>
<b>1</b>	<b>2</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>
1.	General Public Service	718	-	-	-	-	228	946	11090
2.	Defense	-	-	-	-	-	-	-	-
3.	Education	51	-	-	-	-	-	51	101
4.	Medical & Public Health	3354	409	-	-	-	-	3763	28006
5.	Social Society and Welfare Service	-	-	-	-	-	-	-	-
6.	Housing & Community Service	13371	275	14152	-	-	-	27798	61779
7.	Cultural, Recreational & Religious Services	113	-	-	-	-	-	113	249
8.	Economic Services	7549	-	-	-	-	-	7549	12667
i)	Agriculture, Forestry, Fishing & Hunting	1272	-	-	-	-	-	1272	3049
ii)	Water Supply	6277	-	-	-	-	-	6277	9618
iii)	Transport Service	-	-	-	-	-	-	-	-
iv)	Electricity Services	-	-	-	-	-	-	-	-
9.	Other Purposes	-	-	-	-	-	-	-	-
10.	<b>Grand Total</b>	<b>25156</b>	<b>684</b>	<b>14152</b>	-	-	<b>228</b>	<b>40220</b>	<b>113892</b>

\* Budgetary expenditure is excluding operating expenses of Departmental Commercial Undertakings.

## CHAPTER-VII

### DETAILED FUNCTIONAL CLASSIFICATION SCHEME

This chapter presents a detailed scheme for the functional classification of Municipal Committees/Councils/Corporations budgetary expenditure. The principles of the scheme have already been discussed in the previous chapter.

The detailed scheme which is presented in the following pages is put forward as an illustration of the classification of Municipal Committees/Councils/Corporations expenditure by purpose. It can be further expanded by introducing more programmes/activities under the main category of expenditure.

#### 7.1: Functional Classification - Distribution of Expenditure

The Functional classification of Municipal Committees/Councils/ Corporations budgetary expenditure for the year, 2010-11, 2011-12 and 2012-13 is given in table-7.1.

**Table 7.1 : Functional Classification –Distribution of Expenditure of Municipal Committees/Councils/Corporations**

(₹ Lakh)				
Sr. No.	Name	2010-11 (Account)	2011-12 (Account)	2012-13 (Account)
1	2	3	4	5
1.	General Public Service	9345 (10.36)	12876 (13.70)	11090 (9.74)
2.	Defense	-	-	-
3.	Education	99 (0.11)	102 (0.11)	101 (0.09)
4.	Medical & Public Health	24408 (27.06)	25550 (27.19)	28006 (24.59)
5.	Social Society and Welfare Service	-	-	-
6.	Housing & Community Service	47754 (52.93)	42947 (45.69)	61779 (54.24)
7.	Cultural , Recreational & Religious Services	251 (0.28)	191 (0.20)	249 (0.22)
8.	Economic Services	8354 (9.26)	12322 (13.11)	12667 (11.12)
i)	Agriculture, Forestry, Fishing & Hunting	5050 (5.60)	3326 (3.54)	3049 (2.68)
ii)	Water Supply	3304 (3.66)	8996 (9.57)	9618 (8.44)
iii)	Transport Service	-	-	-
iv)	Electricity Services	-	-	-
9.	Other Purposes	-	-	-
<b>10.</b>	<b>Total*</b>	<b>90211 (100.00)</b>	<b>93988 (100.00)</b>	<b>113892 (100.00)</b>

\* Budgetary expenditure is excluding operating expenses of Departmental Commercial Undertakings.

## 7.2: Developmental & Non-Developmental Expenditure

Developmental and non-developmental expenditure of all Municipal Committees/ Councils/Corporations comes to ₹ 1,13,892 Lakh in 2012-13 as compared to ₹ 9,398 lakh in 2011-12 and ₹ 90,211 lakh in 2010-11. Developmental expenditure has been in the years under reference with a major share of 89.64 percent of total expenditure during 2010-11 as compared to 86.30 percent in 2011-12 and 90.26 percent in 2012-13. Non-developmental expenditure during 2010-11 was ₹ 9,347 lakh (10.36) percent as compared to ₹ 12,876 lakh (13.70) percent during 2011-12 and during 2012-13 ₹ 11,090 lakh (9.74). Table 7.2 gives information regarding expenditure according to major heads and their percentages under developmental and non-developmental categories:-

**Table:-7.2 Developmental and Non-Developmental Expenditure of Municipal Committees/ Councils/Corporations**

(₹ Lakh)				
Sr. N	Heads	2010-11	2011-12	2012-13
1	2	3	4	5
<b>A.</b>	<b>Development Expenditure</b>	<b>80866</b> <b>(89.64)</b>	<b>81112</b> <b>(86.30)</b>	<b>102802</b> <b>(90.26)</b>
1.	Education	99 (0.11)	102 (0.11)	101 (0.09)
2.	Medical & Public Health	24408 (27.06)	25550 (27.19)	28006 (24.59)
3.	Social Society and Welfare Service	-	-	-
4.	Housing & Community Service	47754 (52.03)	42947 (45.69)	61779 (54.24)
5.	Cultural , Recreational & Religious Services	251 (0.28)	191 (0.20)	249 (0.22)
6.	Economic Services	8354 (9.26)	12322 (13.11)	12667 (11.12)
<b>B.</b>	<b>Non- Development Expenditure</b>	<b>9347</b> <b>(10.36)</b>	<b>12876</b> <b>(13.70)</b>	<b>11090</b> <b>(9.74)</b>
1.	General Public Service	9347 (10.36)	12876 (13.70)	11090 (9.74)
2.	Defense	-	-	-
3.	Other Purposes	-	-	-
<b>10.</b>	<b>Total*</b>	<b>90211</b> <b>(100.00)</b>	<b>93988</b> <b>(100.00)</b>	<b>133892</b> <b>(100.00)</b>

\* Budgetary expenditure excluding operating expenses of Departmental Commercial Undertakings.

## CHAPTER-VIII

**NOTES ON FUNCTIONAL CATEGORIES**

**1. General Public Services:-** It includes remuneration of Head of Municipal Committees/Councils/Corporations, Executive Officer, Secretary and their supporting staff. It also covers expenditure incurred on collection of taxes on land and buildings, taxes on vehicles, animals, dogs, advertisement tax, tax on entry of goods into local areas, rents on municipal lands and building fee, building application fee, composition fee and other taxes and duties on commodities and services.

**2. Defense:-** No expenditure is incurred at local bodies level under this functional head. The activities relating to this head come under the Centre and State Governments.

**3. Education:-** This head relates to expenditure incurred on general regulation and promotion of school systems, management and support to primary schools, secondary schools and colleges, technical training institutions such as craft schools, sewing schools, anganwari centers. It includes scholarships and grants to individuals for education and training purposes. Subsidiary services such as transportation of school children, school meals and other ancillary services designed to promote and facilitate schools attendance are covered under this head of expenditure.

**4. Medical and Public Health:-**

*(a) Medical:-* It includes establishment expenses on hospitals and dispensaries, medical and dental clinics, provision of drugs and appliances and similar field programmes, charges for lunatics, antirabic treatment of paupers and outlays in respect of hospitals and dispensaries and services of individual doctors, dentists, etc.

*(b) Public Health:-* It includes expenditure on public health direction, municipal engineer and supporting staff, vaccination, prevention and control of malaria and other epidemic diseases, burning and burial of paupers, slaughter houses, conservancy system and prevention of food adulteration.

**5. Social Security and Welfare Services:-** It consists of expenditure on relief measures. It comprises of payment of funds in case of accident, injury, sickness and other benefits to compensate for the loss. Welfare services include expenditure on child welfare, homes for aged, care for disabled, contributions to family welfare agencies etc.

**6. Housing and Community Services:-** This head includes expenditure on promotion of activities and facilities in respect of housing and capital expenditure in connection with housing. It covers expenditure for provisions, assistance or support of housing and slum improvement activities. It also includes, street lighting, street watering and fire brigade services, construction of public toilets and urinals, rehri/rickshaw stands, municipal booths and shops, octroi barriers and

pavement of streets and drains. Disbursement of loans to employees such as safai sewaks and other low income category of people for purchase and construction of houses.

**7. Cultural, Recreational and Religious Services:-** It includes expenditure for upkeep of facilities such as land scaping and development of parks, dak bungalows and sarais, public libraries, play-grounds, athletic fields, swimming pools, hostels and other lodging places which are not operated on a commercial basis. Expenditure for religious purposes and contributions to religious organizations.

**8. Economic Services:-**

*(a) Agriculture, Forestry, Fishing and Hunting:-* It includes expenditure incurred on plantation or road side trees, bushing and plant protection measures. Expenditure on removal of dairies, construction of dairy sheds, etc.

*(b) Water Supply:-* It comprises expenditure on the schemes executed by Water Supply and Sewerage Board on behalf of Municipal Committees/Councils/Corporations. It includes expenditure on wages and salaries of staff, road cutting, water rates, water and sewerage connection charges, storm water drainage, purchase of material machinery and equipments, cost of canal water, subsidy regarding water and sewerage connection charges, repair of motors and consumer connections, repairs and renewal of pipes and hydrant installation of tube wells, construction of water tank, development of slums and expenditure on collection, purification and distribution of water. Loans given to households for installation of water and sewerage connections are also included.

*(c) Transport Services:-* In Haryana Transport Services has not operated by the Municipal Committees/Councils/Corporations.

*(d) Electricity Service:-* In Haryana Electricity Service has not been supplied by the Municipal Committees/Councils/Corporations.

**9. Other Purposes:-** This head includes interest payments and repayment of loans of general character which have not been classified elsewhere.

\*\*\*\*\*