



**GOVERNMENT OF HARYANA**

**ECONOMIC AND FUNCTIONAL CLASSIFICATION  
OF  
BUDGETS  
OF  
MUNICIPAL COMMITTEES/COUNCILS/CORPORATION  
2020-21**

**ISSUED BY:  
DEPARTMENT OF ECONOMIC AND STATISTICAL AFFAIRS, HARYANA**



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## **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 the State during the year as compared to previous year.

The Department of Economic and Statistical Affairs, Haryana is preparing Economic and Functional Classification of the Budgets of Municipal Committees/Councils/Corporations in accordance with the guidelines of the National Statistical Office (NSO), Govt. of India since 1966-67.

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

The efforts made by Sh. Amit, Sh. Sanjiv Kumar, Research Officers and other team members namely, Sh. Rajesh Duhan, Field Assistant and Mr. Narender, Data Entry Operator under the supervision of Sh. Manoj Kumar Goel, Joint Director in bringing out this report are also acknowledged.

I hope this report will provide an useful information for Administrators, Planners and Research Scholars interested in the study of Budgets of Municipal Committees/Councils/Corporations of the State.

**Panchkula**  
**Dated: 09 June, 2023**

**Dr. Rajvir Bhardwaj**  
**Director**  
**Department of Economic &**  
**Statistical Affairs, Haryana.**



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# CHAPTER-I

## INTRODUCTION

The Budget of a Municipal Committee/Council/Corporation presents detailed information about its revenue, 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 possible to have a clear idea of consumption expenditure, capital formation, current receipts etc. of a Municipal Committee/Council/Corporation.

Thus, in the present report viz., **“Economic and Functional Classification of the Budgets of Municipal Committees/Councils/Corporations 2020-21”** 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 & public health, economic services etc. The two types of classification are integrated into Economic and Functional Classification and Services are splitted horizontally into economic categories and vertically into functional categories.

The present study covers the budgets of 10 Municipal Corporations, 20 Municipal Councils and 56 Municipal Committees that exist in Haryana as on March, 2021.

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## 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 2018-19, 2019-20 and 2020-21 are presented in this chapter:-

- Account-I** Transactions in Commodities & Services and Transfers:  
Current Account of Administrative Departments of Municipal Committees/  
Councils/Corporations.
- Account-II** Transactions in Commodities & Services and Transfers:  
Current Account of Departmental Commercial Undertakings of Municipal  
Committees/Councils/Corporations.
- Account-III** Transactions in Commodities & 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 & Services and Transfers:**  
**Current Account of Administrative Departments of Municipal Committees/Councils/Corporations**  
**(₹ Lakh)**

Sr. No.	Expenditure	2018-19	2019-20	2020-21	Sr. No.	Revenue	2018-19	2019-20	2020-21
1	2	3	4	5	6	7	8	9	10
<b>1</b>	<b>Consumption Expenditure</b>	<b>149949</b>	<b>176116</b>	<b>160015</b>	<b>1</b>	<b>Tax Revenue</b>	<b>52539</b>	<b>43288</b>	<b>78121</b>
1.1	Wages & Salaries	89459	106213	93718	<b>1.1</b>	<b>Taxes on Income</b>	<b>317</b>	<b>1675</b>	<b>396</b>
1.2	Net Purchase of Commodities & Services(a+b-c)	60490	69903	66297	(a)	Profession or Trade Tax	149	191	237
(a)	Purchase of Commodities	13793	25334	17153	(b)	Servant Tax	168	1484	159
(b)	Repairs and Maintenance	49668	51709	52026	<b>1.2</b>	<b>Taxes on Commodities &amp; Services</b>	<b>11723</b>	<b>9787</b>	<b>12785</b>
(c)	Less Sale of Commodities	2971	7140	2882	(a)	Octroi	-	-	-
<b>2</b>	<b>Transfer Payments</b>	<b>1794</b>	<b>1518</b>	<b>467</b>	(b)	Water Tax	1909	3126	2646
2.1	Interest	1794	1517	467	(c)	Terminal Tax	1018	283	469
2.2	Grants	-	1	-	(d)	Taxes on Vehicles	505	148	254
2.3	Other Current Transfers	-	-	-	(e)	Taxes on Animals (Including Fee for Registration of Dogs) etc.	222	98	17
<b>3</b>	<b>Savings on Current Account</b>	<b>105454</b>	<b>66054</b>	<b>87319</b>	(f)	Fee for Vehicle Licenses	290	152	97
					(g)	License Fee for Job Porters	178	50	364
					(h)	Dangerous & Offensive Trade, License Fees and for Letting off Fire Works	1189	608	778

Continued.....

(₹ Lakh)

Sr. No.	Expenditure	2018-19	2019-20	2020-21	Sr. No.	Revenue	2018-19	2019-20	2020-21
1	2	3	4	5	6	7	8	9	10
					(i)	Tolls on Vehicles & Animals	4	1014	2
					(j)	Local Rate	2808	324	2970
					(k)	Income from Public Safety and Convenience	3600	3984	5188
					<b>1.3</b>	<b>Taxes on Properties &amp; Capital Transactions</b>	<b>40499</b>	<b>31826</b>	<b>64940</b>
					(a)	Taxes on Buildings and Land	20501	18818	43963
					(b)	Income from Municipal Properties	19998	13008	20977
					<b>2</b>	<b>Administrative Receipts</b>	<b>706</b>	<b>573</b>	<b>251</b>
					<b>3</b>	<b>Revenue Grants and Contributions</b>	<b>58643</b>	<b>90717</b>	<b>79509</b>
					<b>4</b>	<b>Other Income from</b>	<b>15940</b>	<b>23406</b>	<b>11102</b>
					(a)	Profit Transferred from Departmental Commercial Undertaking (Account II)	(-)2921	529	735
					(b)	Income from Investment	104	692	9590
					(c)	Interest Receipts	18757	22185	777
					<b>5</b>	<b>Miscellaneous Receipts</b>	<b>129369</b>	<b>85704</b>	<b>78818</b>
	<b>Total</b>	<b>257197</b>	<b>243688</b>	<b>247801</b>		<b>Total</b>	<b>257197</b>	<b>243688</b>	<b>247801</b>

**ACCOUNT-II**

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

Sr. No.	Expenditure	(₹ Lakh)							
		2018-19	2019-20	2020-21	Sr. No.	Revenue	2018-19	2019-20	2020-21
1	2	3	4	5	6	7	8	9	10
1	Wages and Salaries	4706	2512	19	1	Gross Sale Proceeds	1909	3126	2646
2	Commodities & Services	124	85	1892	(a)	Electricity	-	-	-
3	Repairs & Maintenance	-	-	-	(b)	Transport	-	-	-
4	Interest (Water Supply)	-	-	-	(c)	Water Supply	1909	3126	2646
5	Profit Transferred to Current Account	(-)2921	529	735					
	<b>Total</b>	<b>1909</b>	<b>3126</b>	<b>2646</b>		<b>Total</b>	<b>1909</b>	<b>3126</b>	<b>2646</b>

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

Sr. No.	Disbursement	(₹ Lakh)							
		2018-19	2019-20	2020-21	Sr. No.	Revenue	2018-19	2019-20	2020-21
1	2	3	4	5	6	7	8	9	10
1	Capital Formation (A+B)	101099	106197	80829	1	Savings on Current Account	105454	66054	87319
	A. Administrative Departments	101099	106197	78884	2	Capital Transfers	45759	37898	5814
	1.1 Buildings & Other Construction	97750	104101	76613	2.1	Capital Grants	27	-	-
	1.2 Machinery & Equipment Contributions & Recoveries	3349	2096	2271	2.2	Suspense Account	45732	37898	5814
	B Departmental Commercial Undertakings	-	-	1945					
	1.1 Buildings and Other Construction (Water Supply)	-	-	-					
	1.2 Machinery and Equipment	-	-	1945					
2	Increase in Inventories (Suspense Account)	13761	21936	9548					
3	Capital Transfers	-	-	-					
4	Balance: Surplus/Deficit on all Transactions in Commodities and Transfers	36353	(-)24181	2756					
	Total	151213	103952	93133		Total	151213	103952	93133

**ACCOUNT-IV**

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

Sr. No.	Outgoing	(₹ Lakh)							
		2018-19	2019-20	2020-21	Sr. No.	Incoming	2018-19	2019-20	2020-21
<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>	Repayment of Loan and Advances	4741	1997	2104	<b>1</b>	Loans and Advances	975	2616	2628
<b>2</b>	Un-earmarked Investment	212	1329	1252					
<b>3</b>	Balance : Deficit in Financial Assets and Liabilities	(-)3978	(-)710	(-)728					
	<b>Total</b>	<b>975</b>	<b>2616</b>	<b>2628</b>		<b>Total</b>	<b>975</b>	<b>2616</b>	<b>2628</b>

**ACCOUNT-V**

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

(₹ Lakh)

Sr. No.	Outgoing	2018-19	2019-20	2020-21	Sr. No.	Incoming	2018-19	2019-20	2020-21
1	2	3	4	5	6	7	8	9	10
1	Increase in Cash Balance	32375	(-)24891	(-)3736	1	Surplus in all Transactions in Commodities & Services and Transfer (Balancing Item 4 of Account-III)	36353	(-)24181	2756
					2	Net Increase in Financial Assets/Liabilities (Balancing Item 3 of Account-IV)	(-)3978	(-)710	(-)728
	<b>Total</b>	<b>32375</b>	<b>(-)24891</b>	<b>(-)3736</b>		<b>Total</b>	<b>32375</b>	<b>(-)24891</b>	<b>2028</b>

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## 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 the State excluding operating expenses of Departmental Commercial Undertakings was ₹ 254215 lakh during 2020-21 as compared to ₹ 309093 lakh during 2019-20 and ₹ 271556 lakh during 2018-19 registering a decrease of 17.75 percent in 2020-21 over 2019-20 and an increase of 13.82 percent in 2019-20 over 2018-19 respectively. 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 and expenditure is given in the table below:

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

(₹ Lakh)				
Sr. No.	Item	2018-19 (Accounts)	2019-20 (Accounts)	2020-21 (Accounts)
1	2	3	4	5
<b>1.</b>	<b>Final Outlays</b>	<b>264809</b> <b>(97.52)</b>	<b>304249</b> <b>(98.43)</b>	<b>250392</b> <b>(98.50)</b>
a)	Consumption Expenditure (Vide item- 1 of Account-I)	149949 (55.22)	176116 (56.98)	160015 (62.94)
b)	Capital Formation (Vide item-1 of Account-III)	101099 (37.23)	106197 (34.36)	80829 (31.80)
c)	Suspense Account (vide item-2 of Account-III)	13761 (5.07)	21936 (7.09)	9548 (3.76)
<b>2.</b>	<b>Transfer Payments to the rest of the Economy</b>	<b>1794</b> <b>(0.66)</b>	<b>1518</b> <b>(0.49)</b>	<b>467</b> <b>(0.18)</b>
a)	Current Transfer (Vide item-2 of Account No. 1)	1794 (0.66)	1518 (0.49)	467 (0.18)
b)	Capital Transfer (Vide item-3 of Account No. III)	-	-	-
<b>3.</b>	<b>Financial Investment and Loans to the rest of the Economy (Vide item 1 &amp; 2 of Account-IV)</b>	<b>4953</b> <b>(1.82)</b>	<b>3326</b> <b>(1.08)</b>	<b>3356</b> <b>(1.32)</b>
<b>Total Exp. (as per Economic Classification)</b>		<b>271556</b> <b>(100.00)</b>	<b>309093</b> <b>(100.00)</b>	<b>254215</b> <b>(100.00)</b>

### 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. 98.50 percent in 2020-21 as compared to 98.43 percent in 2019-20 and 97.52 percent in 2018-19. Out of the final outlay, the consumption expenditure is estimated amount of ₹ 160015 lakh (62.94 percent) which registered a decrease of 9.14 percent during 2020-21 as compare to the previous year 2019-20. The consumption expenditure was ₹ 176116 lakh (56.98 percent) during 2019-20 which registered an increase of 17.45 percent as compare to 2018-19.

### 3.1 (b) Capital Formation

The expenditure incurred on capital formation during 2020-21 was 31.80 percent of the total expenditure as against 34.36 percent during 2019-20 and 37.23 percent during 2018-19. Capital formation was to the tune of ₹ 80829 lakh in 2020-21 as compared ₹ 106197 lakh in 2019-20 showing a decrease of 23.89 percent in 2020-21 over 2019-20 and an increase of 5.04 percent in 2019-20 over 2018-19.

### 3.1 (2 & 3) Transfer Payments, Financial Investments and Loans

The expenditure of ₹ 467 lakh forming 0.18 percent of the total expenditure in 2020-21 represents transfer payments on current and capital accounts, financial investment and loans and advances to the rest of the economy. The corresponding figure for the year 2019-20 was ₹ 1518 lakh (0.49 percent) and for the year 2018-19 was ₹ 1794 lakh (0.66 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 the table below:

**Table 3.2: Financial Assistance by Municipal Committees/Councils/Corporations for Capital Formation in Haryana** (₹ Lakh)

Sr. No.	Item	2018-19	2019-20	2020-21
1	2	3	4	5
1.	Loans for Capital Formation	-	-	-
2.	Un-earmarked Investments (Vide item 2 of Account –IV)	212	1329	1252
	<b>Total Financial Assistance for Capital Formation</b>	<b>212</b>	<b>1329</b>	<b>1252</b>

### 3.3 Capital Formation Out of Budgetary Resources

The details of investment for capital formation by Municipal Committees/ Councils/Corporations out of budgetary resources are indicated in the table below:

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

(₹ Lakh)				
Sr. No.	Item	2018-19	2019-20	2020-21
1	2	3	4	5
1.	Capital Formation by the Municipal Committee/ Councils/ Corporations (Vide item 1 of Account-III)	101099	106197	80829
2.	Finance Investment /Under marked Investment for capital formation to the rest of economy (Vide item 2 of Account – IV)	212	1329	1252
	<b>Total Capital formation out of the Budgetary Resources of Municipal Committee/Councils/Corporation</b>	<b>101311</b>	<b>107526</b>	<b>82081</b>

The Table 3.3 depicts that the total outlay provided for capital formation by Municipal Committees/Councils/Corporations out of their budgetary resources was ₹ 82081 lakh in 2020-21, ₹ 107526 lakh in 2019-20 and ₹ 101311 lakh in 2018-19 showing a decrease by 23.66 percent in 2020-21 over 2019-20 and an increase of 6.13 percent in 2019-20 over 2018-19.

### 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 derived income mainly from taxes on buildings and land & their other 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 in Haryana**

(₹ Lakh)				
Sr. No.	Item	2018-19	2019-20	2020-21
1	2	3	4	5
1.	Tax Revenue (vide item 1 of Account-I)	52539 (20.43)	43288 (17.76)	78121 (31.53)
2.	Other Income (Vide item 4 of Account-I)	15940 (6.20)	23406 (9.60)	11102 (4.48)
3.	Miscellaneous Receipts (Vide item 5 of Account-I)	129369 (50.30)	85704 (35.17)	78818 (31.81)
4.	Revenue Grants and Contributions (Vide item 3 of Account-I)	58643 (22.80)	90717 (37.23)	79509 (32.09)
5.	Administrative Receipts (Vide item 2 of Account-I)	706 (0.27)	573 (0.24)	251 (0.10)
	<b>Total</b>	<b>257197</b> <b>(100.00)</b>	<b>243688</b> <b>(100.00)</b>	<b>247801</b> <b>(100.00)</b>

The total current revenue of Municipal Committees/Councils/Corporations in the State was ₹ 247801 lakh in 2020-21 as against ₹ 243688 lakh in 2019-20 and ₹ 257197 lakh during 2018-19. The revenue increased by 1.69 percent during 2020-21 over 2019-20 whereas it decreased 5.25 percent during 2019-20 over 2018-19. Out of total revenue of ₹ 247801 lakh in 2020-21, ₹ 78121 lakh (31.53 percent) was tax revenue. The corresponding percentages for 2019-20 and 2018-19 were 17.76 percent and 20.43 percent respectively.

### 3.5 Current Outgoing

The current outgoing which consists of consumption expenditure and transfer payments were ₹ 160482 lakh during 2020-21, ₹ 177634 lakh during 2019-20 and ₹ 151743 lakh during 2018-19. This shows a decrease of 9.66 percent during 2020-21 over 2019-20 while there was an increase of 17.06 percent during 2019-20 over 2018-19. Consumption expenditure constitutes the major portion of the current outgoing. Its contribution to total current outgoing were 99.71 percent, 99.15 percent and 98.82 percent during 2020-21, 2019-20 and 2018-19 respectively whereas the contribution of transfer payments to total current outgoing during the same period were only 0.29 percent, 0.85 percent and 1.18 percent respectively. The details are given in the following Table-3.5.

**Table 3.5: Current Outgoing of Municipal Committees/Councils/Corporations in Haryana**

(₹ Lakh)				
Sr. No.	Item	2018-19	2019-20	2020-21
1	2	3	4	5
1.	Consumption Expenditure (Vide item 1 of Account –1)	149949 (98.82)	176116 (99.15)	160015 (99.71)
2.	Transfer Payments (Vide item 2 of Account-1)	1794 (1.18)	1518 (0.85)	467 (0.29)
	<b>Total Current Outgoing</b>	<b>151743 (100.00)</b>	<b>177634 (100.00)</b>	<b>160482 (100.00)</b>

### 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 in Haryana**

(₹ Lakh)				
Sr. No.	Item	2018-19	2019-20	2020-21
1	2	3	4	5
1.	Savings by the Municipal Committees/Councils/Corporations (Vide item 3 of Account-1)	105454	66054	87319
2.	Investment/Capital Formation by the Municipal Committees/Councils/ Corporations (Vide item 1 of Account-III)	101099	106197	80829
	<b>Income Surplus/Deficit of the Municipal Committees/ Councils/Corporations (1-2)</b>	<b>4355</b>	<b>(-)40143</b>	<b>6490</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 is given in Table-3.6(b).

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

(₹ Lakh)				
Sr.No.	Item	2018-19	2019-20	2020-21
1	2	3	4	5
1.	Surplus on all Transactions on Commodities and Services and Transfer (Vide balancing item No. 4 of Account-III)	36353	(-)24181	2756
2.	Net Increase in Financial Assets (Vide balancing item No. 3 of Account-IV)	(-)3978	(-)710	(-)728
	<b>Surplus/Deficit Denoting Total Requirements of Finance (1+2)</b>	<b>32375</b>	<b>(-)24891</b>	<b>2028</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 in Haryana**

(₹ Lakh)				
Sr. No.	Item	2018-19	2019-20	2020-21
1	2	3	4	5
1.	Gross Receipts (Vide item 1 of Account-II)	1909	3126	2646
2.	Operating Expenses (Vide item 1, 2, 3 and 4 of Account-II)	4830	2597	1911
	<b>Net Profit (1-2)</b>	<b>(-)2921</b>	<b>529</b>	<b>735</b>

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## CHAPTER-IV

### NOTES ON THE ACCOUNTS, THEIR DERIVATION AND RATIONALE

#### **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 consists 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 & services and wages & salary 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 are 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 includes 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 Net Purchase of 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 percent 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 sides 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**

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 represents 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**

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.

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## CHAPTER –V

### RECONCILIATION

In the present 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.

#### 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 below:

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

(₹ Lakh)				
Sr. No.	Revenue	2018-19	2019-20	2020-21
1	2	3	4	5
1.	Total Income of the Municipal Committees/Councils/Corporations Total of (# + *)	305890	294997	262505
<b>LESS:</b>				
2.	Sale of Commodities and Services treated as deduction of consumption expenditure(Vide item 1.2c of Acct.-I) (Exp.)	2971	7140	2882
3.	Suspense Account (Vide item 2.2 of Acct.-III)	45732	37898	5813
4.	Capital Transfers (Capital Grants and Contributions and recoveries) (Vide item 2.1 of Acct.-III)	27	-	-
5.	Sale Proceeds of Departmental Commercial undertakings (Vide item 1 of Acct.-II)	1909	3126	2646
6.	Loans (Incomings) (Vide item 1 of Acct.-IV)	975	2616	2628
7.	Profit of Departmental Commercial Undertakings (Vide item 5 of Acct.-II) (Exp.)	(-)2921	529	735
	<b>Total Adjustments (#)</b>	<b>48693</b>	<b>51309</b>	<b>14704</b>
	<b>Revenue as shown in the Economic Classification (From Table 3.4) (*)</b>	<b>257197</b>	<b>243688</b>	<b>247801</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 below:

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

(₹ Lakh)				
Sr. No.	Expenditure (Revenue & Capital)	2018-19	2019-20	2020-21
1	2	3	4	5
1.	Total Expenditure of Municipal Committees/Councils/Corporation	263755	299356	249422
2.	Sale of Commodities and Services Treated as deduction of Consumption Expenditure(Vide item 1.2c of Acct.-I)	2971	7140	2882
3.	Operating Expenses of Departmental Commercial Undertakings (Item 2 of Table 3.7)	4830	2597	1911
	<b>Total Adjustments (2+3)</b>	<b>7801</b>	<b>9737</b>	<b>4793</b>
	<b>Expenditure as shown in the Economic Classification (From Table 3.1)</b>	<b>271556</b>	<b>309093</b>	<b>254215</b>

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# **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 Defence
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 2018-19 (Accounts), 2019-20 (Accounts) and 2020-21 (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, defence, education, medical & public health, social security, welfare services, housing & community services, cultural, recreational & 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 & services, on capital formation or for promoting education, health & water supply etc.

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**TABLE: 6.1**  
**Economic & Functional Classification of Budgetary Expenditure of**  
**Municipal Committees/Councils/Corporations 2018-19 (Accounts)**

Sr. No	Name of Head	Current Expenditure										Total Current Expenditure (8 to 10)
		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			
1	2	3	4	5	6	7	8	9	10	11		
1.	General Public Service	48820	2138	3112	54070	2971	51099	701	0	51800		
2.	Defence											
3.	Education	18	18	0	36	0	36	0	0	36		
4.	Medical & public Health	32210	6834	1584	40628	0	40628	912	0	41540		
5.	Social Security and Welfare Service											
6.	Housing & Community Service	8932	4292	41654	54878	0	54878	1821	0	56699		
7.	Cultural, Recreational & Religious Services	159	12	75	246	0	246	0	0	246		
8.	Economic Services	6628	639	3242	10509	0	10509	0	0	10509		
i)	Agriculture, Forestry, Fishing & Hunting	1921	515	3242	5678	0	5678	0	0	5678		
ii)	Water Supply	4707	124	0	4831	0	4831	0	0	4831		
iii)	Transport Services											
iv)	Electricity Services											
9.	Other Purposes											
	<b>Grand Total</b>	<b>96767</b>	<b>13933</b>	<b>49667</b>	<b>160367</b>	<b>2971</b>	<b>157396</b>	<b>3434</b>	<b>0</b>	<b>160830</b>		

Continued.....



**TABLE: 6.1**  
**Economic & Functional Classification of Budgetary Expenditure of**  
**Municipal Committees/Councils/Corporations 2018-19 (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	Un-earmarked Investment	Total Capital Expenditure (12to17)	Grand Total* (11+18)	
1	2	12	13	14	15	16	17	18	19	
1.	General Public Service	3256	0	0	0	0	212	3468	55268	
2.	Defence									
3.	Education								36	
4.	Medical & Public Health	13756	778	0	0	0	0	14534	56074	
5.	Social Security and Welfare Service									
6.	Housing & Community Service	75059	1029	13761	0	0	0	89849	146548	
7.	Cultural, Recreational & Religious Services	90	0	0	0	0	0	90	336	
8.	Economic Services	1243	1542	0	0	0	0	2785	13294	
i)	Agriculture, Forestry, Fishing & Hunting	1243	0	0	0	0	0	1243	6921	
ii)	Water Supply	0	1542	0	0	0	0	1542	6373	
iii)	Transport Service									
iv)	Electricity Services									
9.	Other Purposes									
	<b>Grand Total</b>	<b>93404</b>	<b>3349</b>	<b>13761</b>	<b>0</b>	<b>0</b>	<b>212</b>	<b>110726</b>	<b>271556</b>	

**TABLE: 6.2**  
**Economic & Functional Classification of Budgetary Expenditure of**  
**Municipal Committees/Councils/Corporations 2019-20 (Accounts)**

(₹ Lakh)

Sr. No	Name of Head	Current Expenditure										Total Current Expenditure (8 to 10)
		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			
1	2	3	4	5	6	7	8	9	10	11		
1.	General Public Service	56290	3153	366	59809	7140	52669	547	0	53216		
2.	Defence											
3.	Education	12	2	0	14	0	14	0	1	15		
4.	Medical & Public Health	32156	12830	1925	46911	0	46911	831	0	47742		
5.	Social Security and Welfare Service											
6.	Housing & Community Service	14865	9002	46290	70157	0	70157	139	0	70296		
7.	Cultural, Recreational & Religious Services	233	11	215	459	0	459	0	0	459		
8.	Economic Services	5125	423	2911	8459	0	8459	0	0	8459		
i)	Agriculture, Forestry, Fishing & Hunting	2612	338	2911	5861	0	5861	0	0	5861		
ii)	Water Supply	2513	85	0	2598	0	2598	0	0	2598		
iii)	Transport Services											
iv)	Electricity Services											
9.	Other Purposes											
	<b>Grand Total</b>	<b>108681</b>	<b>25421</b>	<b>51707</b>	<b>185809</b>	<b>7140</b>	<b>178669</b>	<b>1517</b>	<b>1</b>	<b>180187</b>		

Continued....

**TABLE: 6.2**  
**Economic & Functional Classification of Budgetary Expenditure of**  
**Municipal Committees/Councils/Corporations 2019-20 (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>Un-earmarked Investment</b>	<b>Total Capital Expenditure (12 to17)</b>	<b>Grand Total* (11+18)</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	3942	0	0	0	0	1329	5271	58487	
2.	Defence									
3.	Education								15	
4.	Medical & Public Health	9017	319	0	0	0	0	9336	57078	
5.	Social Security and Welfare Service									
6.	Housing & Community Service	85054	135	21936	0	0	0	107125	177421	
7.	Cultural, Recreational & Religious Services	37	0	0	0	0	0	37	496	
8.	Economic Services	5494	1643	0	0	0	0	7137	15596	
i)	Agriculture, Forestry, Fishing & Hunting	5494	0	0	0	0	0	5494	11355	
ii)	Water Supply	0	1643	0	0	0	0	1643	4241	
iii)	Transport Service									
iv)	Electricity Services									
9.	Other Purposes									
	<b>Grand Total</b>	<b>103544</b>	<b>2097</b>	<b>21936</b>	<b>0</b>	<b>0</b>	<b>1329</b>	<b>128906</b>	<b>309093</b>	

**TABLE: 6.3**  
**Economic & Functional Classification of Budgetary Expenditure of**  
**Municipal Committees/Councils/Corporations 2020-21 (Accounts)**

(₹ Lakh)

Sr. No	Name of Head	Current Expenditure										Total Current Expenditure (8 to 10)
		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			
		3	4	5	6	7	8	9	10	11		
1.	General Public Service	58533	7823	43214	109570	2882	106688	74	0	106762		
2.	Defence											
3.	Education	36	0	0	36	0	36	0	0	36		
4.	Medical & Public Health	26874	5188	2318	34380	0	34380	362	0	34742		
5.	Social Security and Welfare Service											
6.	Housing & Community Service	7396	4650	5558	17604	0	17604	30	0	17634		
7.	Cultural, Recreational & Religious Services	35	8	661	704	0	704	0	0	704		
8.	Economic Services	846	1376	275	2497	0	2497	0	0	2497		
i)	Agriculture, Forestry, Fishing & Hunting	844	635	201	1680	0	1680	0	0	1680		
ii)	Water Supply	2	741	74	817	0	817	0	0	817		
iii)	Transport Services											
iv)	Electricity Services											
9.	Other Purposes											
	<b>Grand Total</b>	<b>93720</b>	<b>19045</b>	<b>52026</b>	<b>164791</b>	<b>2882</b>	<b>161909</b>	<b>466</b>	<b>0</b>	<b>162375</b>		

Continued....

**TABLE: 6.3**  
**Economic & Functional Classification of Budgetary Expenditure of**  
**Municipal Committees/Councils/Corporations 2020-21 (Accounts)**

(₹ Lakh)

<b>Capital Expenditure</b>										
<b>Loans</b>										
Sr. No.	Name of Head	Building & Other Construction	Machinery & Equipments	Increase in Inventories (Suspense Account)	For Capital Formation	For Current Consumption	Un-earmarked Investment	Total Capital Expenditure (12 to17)	Grand Total* (11+18)	
		12	13	14	15	16	17	18	19	
1.	General Public Service	36396	0	0	0	0	1252	37648	144410	
2.	Defence									
3.	Education	0	0	0	0	0	0	0	36	
4.	Medical & Public Health	2159	238	0	0	0	0	2397	37139	
5.	Social Security and Welfare Service									
6.	Housing & Community Service	39879	84	9548	0	0	0	49511	67145	
7.	Cultural, Recreational & Religious Services	16	0	0	0	0	0	16	720	
8.	Economic Services	319	1949	0	0	0	0	2268	4765	
i)	Agriculture, Forestry, Fishing & Hunting	319	0	0	0	0	0	319	1999	
ii)	Water Supply	0	1949	0	0	0	0	1949	2766	
iii)	Transport Service									
iv)	Electricity Services									
9.	Other Purposes									
	<b>Grand Total</b>	<b>78769</b>	<b>2271</b>	<b>9548</b>	<b>0</b>	<b>0</b>	<b>1252</b>	<b>91840</b>	<b>254215</b>	

## CHAPTER-VII FUNCTIONAL CLASSIFICATION SCHEME

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

The detailed scheme which is presented in the following paragraphs is put forward as an illustration of the classification of Municipal Committees/Councils/Corporations expenditure by its 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 budgetary expenditure of Municipal Committees/Councils/Corporations for the years 2018-19, 2019-20, and 2020-21 is given in the following table below:

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

(₹ Lakh)				
Sr. No.	Name	2018-19	2019-20	2020-21
1	2	3	4	5
1.	General Public Service	55268 (20.35)	58487 (18.92)	144410 (56.81)
2.	Defence	-	-	-
3.	Education	36 (0.01)	15 (0.01)	36 (0.01)
4.	Medical & Public Health	56074 (20.65)	57078 (18.47)	37139 (14.61)
5.	Social Security and Welfare Service	-	-	-
6.	Housing & Community Service	146548 (53.97)	177421 (57.40)	67145 (26.41)
7.	Cultural , Recreational & Religious Services	336 (0.12)	496 (0.16)	720 (0.28)
8.	Economic Services	13294 (4.90)	15596 (5.04)	4765 (1.88)
i)	Agriculture, Forestry, Fishing & Hunting	6921 (2.55)	11355 (3.67)	1999 (0.79)
ii)	Water Supply	6373 (2.35)	4241 (1.37)	2766 (1.09)
iii)	Transport Service	-	-	-
iv)	Electricity Services	-	-	-
9.	Other Purposes	-	-	-
	<b>Total</b>	<b>271556 (100.00)</b>	<b>309093 (100.00)</b>	<b>254215 (100.00)</b>

## 7.2: Developmental & Non-Developmental Expenditure

Developmental and non-developmental expenditure of all Municipal Committees/Councils/Corporations comes to ₹ 254215 lakh in 2020-21 as compared to ₹ 309093 lakh in 2019-20 and ₹ 271556 lakh in 2018-19. Developmental expenditure has been dominating in the years under reference with a share of 43.19 percent in 2020-21 as compared to 81.08 percent in 2019-20 and 79.65 percent in 2018-19. Non-developmental expenditure was ₹ 144410 lakh (56.81 percent) during 2020-21 as compared to ₹ 58587 lakh (18.92 percent) during 2019-20 and ₹ 55268 (20.35 percent) during 2018-19. The information regarding expenditure according to major heads and their percentages under developmental and non-developmental categories is given in the table below:

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

(₹ Lakh)

Sr. No.	Heads	2018-19	2019-20	2020-21
1	2	3	4	5
<b>A.</b>	<b>Development Expenditure</b>	<b>216288</b> <b>(79.65)</b>	<b>250606</b> <b>(81.08)</b>	<b>109805</b> <b>(43.19)</b>
1.	Education	36 (0.01)	15 (0.01)	36 (0.01)
2.	Medical & Public Health	56074 (20.65)	57078 (18.47)	37139 (14.61)
3.	Social Security and Welfare Service	-	-	-
4.	Housing & Community Service	146548 (53.97)	177421 (57.40)	67145 (26.41)
5.	Cultural , Recreational & Religious Services	336 (0.12)	496 (0.16)	720 (0.28)
6.	Economic Services	13294 (4.90)	15596 (5.04)	4765 (1.88)
<b>B.</b>	<b>Non- Development Expenditure</b>	<b>55268</b> <b>(20.35)</b>	<b>58487</b> <b>(18.92)</b>	<b>144410</b> <b>(56.81)</b>
1.	General Public Service	55268 (20.35)	58487 (18.92)	144410 (56.81)
2.	Defence	-	-	-
3.	Other Purposes	-	-	-
	<b>Total</b>	<b>271556</b> <b>(100.00)</b>	<b>309093</b> <b>(100.00)</b>	<b>254215</b> <b>(100.00)</b>

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## 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. Defence:-** 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, anti rabic 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.

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