GOVERNMENT OF HARYANA

ECONOMIC AND FUNCTIONAL CLASSIFICATION
OF
BUDGETS
OF
MUNICIPAL COMMITTEES/COUNCILS/CORPORATIONS
IN HARYANA
2024-25

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 the items of receipts and expenditure according to their economic characteristics, such as consumption expenditure, capital formation, transfer payments, and other economic activities. In contrast, **Functional Classification** groups of receipts and expenditure according to the specific purposes or functions they serve, such as education, medical & public health, and economic services. This classification indicates the relative changes in the income and expenditure of Municipal Committees/Councils/Corporations in the State during the current 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), Government of India since 1966-67.

I take this opportunity to thanks 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 concerted efforts made by Sh. Nirmal Kumar, Dy. Director and Sh. Shiv Tej Singh, Research Officer along with other team members namely, Sh. Ravinder Kumar, Assistant Research officer & Mr. Sandeep Phogat, Young Professional, under the supervision of Sh. Rajender Kumar Mor Addl. 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.

Manoj Kumar Goel
Director
Department of Economic & Statistical Affairs, Haryana.

Panchkula
Dated:

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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. The accounts shown in the budget are 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 viz., **"Economic and Functional Classification of the Budgets of Municipal Committees/Councils/Corporations 2024-25"** 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 11 Municipal Corporations, 25 Municipal Councils and 51 Municipal Committees that exist in Haryana as on March, 2025.

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CHAPTER-II

THE SET OF ACCOUNTS ECONOMIC CLASSIFICATION

The following five accounts containing the re-classified data of all the Municipal Committees/Councils/Corporations in the State for the years 2022-23, 2023-24 and 2024-25 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 CommercialUndertakings 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

(` In Lakhs)

Sr. No.	**Expenditure**	**2022-23**	**2023-24**	**2024-25**	**Sr. No.**	**Revenue**	**2022-23**	**2023-24**	**2024-25**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
1	**Consumption Expenditure**	**195243**	**190779**	**209122**	**1**	**Tax Revenue**	**74316**	**115328**	**90941**
1.1	Wages & Salaries	135534	136460	140560	**1.1**	**Taxes on Income**	**1083**	**922**	**653**
1.2	**Net Purchase of Commodities & Services (a+b-c)**	**59709**	**54319**	**68562**	(a)	Profession or Trade Tax	264	406	285
(a)	Purchase of Commodities	46424	31663	32995	(b)	Servant Tax	819	516	368
(b)	Repairs and Maintenance	19131	31011	39222	**1.2**	**Taxes on Commodities & Services**	**10959**	**14372**	**7280**
(c)	Less Sale of Commodities	5846	8355	3655	(a)	Octroi	0	0	0
2	**Transfer Payments**	**2005**	**7638**	**382**	(b)	Water Tax	2224	3250	332
2.1	Interest	1505	7609	382	(c)	Terminal Tax	217	287	177
2.2	Grants	500	29	0	(d)	Taxes on Vehicles	3148	2560	31
2.3	Other Current Transfers	0	0	0	(e)	Taxes on Animals (Including Fee for Registration of Dogs) etc.	118	19	26

Sr. No.	Expenditure	2022-23	2023-24	2024-25	Sr. No.	Revenue	2022-23	2023-24	2024-25
1	2	3	4	5	6	7	8	9	10
3	**Savings on Current Account**	**136773**	**131637**	**418152**	(f)	Fee for Vehicle Licenses	135	960	08
					(g)	License Fee for Job Porters	124	233	266
					(h)	Dangerous & Offensive Trade, License Fees and for Letting off Fire Works	897	107	159
					(i)	Tolls on Vehicles & Animals	9	0	0
					(j)	Local Rate	1617	1139	2028
					(k)	Income from Public Safety and Convenience	2470	5817	4253
					1.3	**Taxes on Properties & Capital Transactions**	**62274**	**100034**	**83008**
					(a)	Taxes on Buildings and Land	27959	56160	47221
					(b)	Income from Municipal Properties	34315	43874	35787
					2	**Administrative Receipts**	**2738**	**5351**	**3061**
					3	**Revenue Grants and Contributions**	**160592**	**162672**	**198500**
					4	**Other Income from**	**1904**	**12838**	**4218**
					(a)	Profit Transferred from Departmental Commercial Undertaking (Account II)	(-)1635	1396	(-)4138
					(b)	Income from Investment	288	431	355
					(c)	Interest Receipts	3251	11011	8001
					5	**Miscellaneous Receipts**	**94471**	**33865**	**330936**
	Total	**334021**	**330054**	**627656**		**Total**	**334021**	**330054**	**627656**

ACCOUNT-II

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

(` In Lakhs)

Sr. No.	Expenditure	2022-23	2023-24	2024-25	Sr. No.	Revenue	2022-23	2023-24	2024-25
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
1	Wages and Salaries	127	88	06	**1**	**Gross Sale Proceeds**	**2546**	**3250**	**332**
2	Commodities & Services	4052	1683	2525	(a)	Electricity	0	0	0
3	Repairs & Maintenance	2	83	1939	(b)	Transport	0	0	0
4	Interest (Water Supply)	0	0	0	(c)	Water Supply	2546	3250	332
5	Profit Transferred to Current Account	(-)1635	1396	(-)4138					
Total		**2546**	**3250**	**332**	**Total**		**2546**	**3250**	**332**

ACCOUNT-III

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

(` In Lakhs)

Sr. No.	Disbursement	2022-23	2023-24	2024-25	Sr. No.	Revenue	2022-23	2023-24	2024-25
1	2	3	4	5	6	7	8	9	10
1	**Capital Formation (A+B)**	**88678**	**84868**	**139669**	**1**	**Savings on Current Account**	**136773**	**131637**	**418152**
A.	**Administrative Departments**	**87938**	**84782**	**139082**	**2**	**Capital Transfers**	**24483**	**11802**	**19454**
1.1	1 Buildings & Other Construction	85405	84024	134247	2.1	Capital Grants	6106	6506	5910
1.2	Machinery & Equipment Contributions & Recoveries	2533	758	4835	2.2	Suspense Account	18377	5296	13544
B.	**Departmental Commercial Undertakings**	**740**	**86**	**587**					
1.1	Buildings and Other Construction (Water Supply)	740	86	539					
1.2	Machinery and Equipment	0	0	48					
2	**Increase in Inventories (Suspense Account)**	**4767**	**759**	**2840**					
3	**Capital Transfers**	0	0	0					
4	**Balance: Surplus/Deficit on all Transactions in Commodities and Transfers**	**67811**	**57812**	**295097**					
	Total	**161256**	**143439**	**437606**		**Total**	**161256**	**143439**	**437606**

ACCOUNT-IV

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

(` In Lakhs)

Sr. No.	Outgoing	2022-23	2023-24	2024-25	Sr. No.	Incoming	2022-23	2023-24	2024-25
1	2	3	4	5	6	7	8	9	10
1	Repayment of Loan and Advances	2145	3751	1617	1	Loans and Advances	3288	1773	2098
2	Un-earmarked Investment	1143	4076	289					
3	Balance : Deficit in Financial Assets and Liabilities	0	(-)6054	(-)192					
	Total	**3288**	**1773**	**2098**		**Total**	**3288**	**1773**	**2098**

ACCOUNT-V

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

(` In Lakhs)

Sr. No.	Outgoing	2022-23	2023-24	2024-25	Sr. No.	Incoming	2022-23	2023-24	2024-25
1	2	3	4	5	6	7	8	9	10
1	Increase in Cash Balance	67811	51758	294905	1	Surplus in all Transactions in Commodities & Services and Transfer(Balancing Item 4 of Account-III)	67811	57812	295097
					2	Net Increase in Financial Assets/Liabilities (Balancing Item 3 of Account-IV)	0	(-)6054	(-)192
Total		**67811**	**51758**	**294905**	**Total**		**67811**	**51758**	**294905**

CHAPTER-III

MAIN FINDINGS ECONOMIC CLASSIFICATION

The main findings emerging from the Economic Classification of Municipal budgets are depicted below:-

3.1 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 ` 358389 lakhs during 2024-25 as compared to ` 293725 lakhs during 2023-24 and ` 298162 lakhs during 2022-23 registering an increase of 18.04 percent in 2024-25 over 2023-24 and an decrease of 1.51 percent in 2023-24 over 2022-23 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

(` in Lakhs)

Sr. No.	Item	2022-23 (Accounts)	2023-24 (Accounts)	2024-25 (Accounts)
1	2	3	4	5
1.	**Final Outlays**	**292869 (98.22)**	**278260 (96.73)**	**356101 (99.36)**
a)	Consumption Expenditure (Vide item- 1 of Account-I)	195243 (65.48)	190779 (64.95)	209122 (58.35)
b)	Water Supply Expenditure (Vide item- 1 to 3 of Account-II)	4181 (1.40)	1854 (0.06)	4470 (1.25)
c)	Capital Formation (Vide item-1 of Account-III)	88678 (29.74)	84868 (29.43)	139669 (38.97)
d)	Suspense Account (vide item-2 of Account-III)	4767 (1.60)	759 (0.02)	2840 (0.79)
2.	**Transfer Payments to the rest of the Economy**	**2005 (0.67)**	**7638** (2.60)	**382 (0.11)**
a)	Current Transfer (Vide item-2 of Account No. 1)	2005 (0.67)	7638 (2.60)	382 (0.11)
b)	Capital Transfer (Vide item–3 of Account No. III)	0	0	0
3.	**Financial Investment and Loans to the rest of the Economy (Vide item 1 & 2 of Account-IV)**	**3288 (1.10)**	**7827 (2.64)**	**1906 (0.53)**
Total Exp. (as per Economic Classification)		**298162 (100)**	**293725 (100)**	**358389 (100)**

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. 99.36 percent in 2024-25 as compared to 96.73 percent in 2023-24 and 98.22 percent in 2022-23. Out of the final outlay, the consumption expenditure is estimated amount of ` 209 lakhs (58.35 percent) which registered an increase of 5.51 percent during 2024-25 as compare to the previous year 2023-24. The consumption expenditure was ` 190779 lakhs (64.95 percent) during 2023-24 which registered a decrease of 2.29 percent as compare to 2022-23.

3.1(b) Capital Formation

The expenditure incurred on capital formation during 2024-25 was 38.97 percent of the total expenditure as against 29.43 percent during 2023-24 and 29.74 percent during 2022-23.Capital formation was to the tune of ` 139669 lakhs in 2024-25 as compared ` 84868 lakhs in 2023-24 showing an increase of 39.23 percent in 2024-25 over 2023-24 and a decrease of 4.30 percent in 2023-24 over 2022-23.

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

The expenditure of ` 382 lakhs forming 0.11 percent of the total expenditure in 2024-25 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 2023-24 was ` 7638 lakhs (2.60 percent) and for the year 2022-23 was ` 2005 lakhs (0.67 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

(` In Lakhs)

Sr. No.	Item	2022-23	2023-24	2024-25
1	**2**	**3**	**4**	**5**
1.	Loans for Capital Formation	0	0	0
2.	Un-earmarked Investments (Vide item 2 of Account –IV)	219	4076	289

Total Financial Assistance for Capital Formation	**219**	**4076**	**289**

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

(` In Lakhs)

Sr. No.	Item	2022-23	2023-24	2024-25
1	**2**	**3**	**4**	**5**
1.	Capital Formation by the Municipal Committee/Councils/Corporations (Vide item 1of Account-III)	88678	84868	139669
2.	Finance Investment/Under marked Investment for capital formation to the rest of economy (Vide item 2 of Account –IV)	1143	4076	289
Total Capital formation out of the Budgetary Resources of Municipal Committee/Councils/Corporation		**89821**	**88944**	**139958**

The Table 3.3 depicts that the total outlay provided for capital formation by Municipal Committees/Councils/Corporations out of their budgetary resources was ` 139958 lakhs in 2024-25, ` 88944 lakhs in 2023-24 and ` 89821 lakhs in 2022-23 showing an increase by 36.31 percent in 2024-25 over 2023-24 and a decrease of 0.97 percent in 2023-24 over 2022-23.

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 Government also provide/sanction 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

(` In Lakhs)

Sr. No.	Item	2022-23	2023-24	2024-25
1	**2**	**3**	**4**	**5**
1.	Tax Revenue (vide item 1 of Account-I)	74316 (22.25)	115328 (34.94)	90941 (14.48)
2.	Other Income(Vide item 4 of Account-I)	1904 (0.57)	12838 (3.89)	4218 (0.67)
3.	Miscellaneous Receipts (Vide item 5 of Account-I)	94471 (28.28)	33865 (1.26)	330936 (52.73)
4.	Revenue Grants and Contributions (Vide item 3 of Account-I)	160592 (48.08)	162672 (49.29)	198500 (31.64)
5.	Administrative Receipts (Vide item 2 of Account-I)	2738 (0.82)	5351 (1.62)	3061 (0.48)
Total		**334021 (100)**	**330054 (100)**	**627656 (100)**

The total current revenue of Municipal Committees/Councils/Corporations in the State was ` 627656 lakhs in 2024-25 as against ` 330054 lakhs in 2023-24 and ` 334021 lakhs during 2022-23. The revenue increase by 47.41 percent during 2024-25 over 2023-24 whereas, it decrease 1.19 percent during 2023-24 over 2022-23. Out of total revenue of ` 627656 lakhs in 2024-25, ` 90941 lakhs (14.48 percent) was found as tax revenue. The corresponding percentage figures for 2023-24 and 2022-23 were 34.94 percent and 22.25 percent respectively.

3.5 Current Outgoing

The current outgoing fund/budget which consists of consumption expenditure and transfer payments were ` 209504 lakhs during 2024-25, ` 198417 lakhs during 2023-24 and ` 197248 lakhs during 2022-23 which shows an increase of 5.29 percent during 2024-25 over 2023-24 while there was an increase of 0.59 percent during 2023-24 over 2022-23. It is mentioned here that Consumption expenditure constitutes the major portion of the current outgoing, which contribute to total current outgoing were 98.82 percent, 94.15 percent and 98.98 percent during 2024-25, 2023-24 and 2022-23 respectively, whereas the contribution of transfer payments to total current outgoing during the same period was only 0.18 percent, 3.85 percent, 1.02 percent respectively. The detail is shown in the Table-3.5.

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

(` In Lakhs)

Sr. No.	Item	2022-23	2023-24	2024-25
1	**2**	**3**	**4**	**5**
1.	Consumption Expenditure (Vide item 1 of Account –1)	195243 (98.98)	190779 (94.15)	209122 (98.82)
2.	Transfer Payments (Vide item 2 of Account-1)	2005 (1.02)	7638 (3.85)	382 (0.18)
Total Current Outgoing		**197248 (100)**	**198417 (100)**	**209504 (100)**

3.6 Gross Savings

Gross savings comprises 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

(` In Lakhs)

Sr. No.	Item	2022-23	2023-24	2024-25
1	**2**	**3**	**4**	**5**
1.	Savings by the Municipal Committees/ Councils/Corporations (Vide item 3 of Account-1)	136773	131637	418152
2.	Investment/Capital Formation by the Municipal Committees / Councils / Corporations (Vide item 1 of Account-III)	88678	84868	139669
Income Surplus/Deficit of the Municipal Committees/ Councils/Corporations (1-2)		**48095**	**46769**	**278483**

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

(` In Lakhs)

Sr. No.	Item	2022-23	2023-24	2024-25
1	2	3	4	5
1.	Surplus on all Transactions on Commodities and Services and Transfer (Vide balancing item No.4 of Account-III)	67811	57812	295097
2.	Net Increase in Financial Assets (Vide balancing item No.3 of Account-IV)	0	(-)6054	(-)192
	Surplus/Deficit Denoting Total Requirements of Finance (1+2)	**67811**	**51758**	**294905**

3.7 Net Profit of Departmental Commercial Undertakings

The net profit of Departmental Commercial Undertakings which is 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/loss are shown below in Table-3.7.

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

(` In Lakhs)

Sr. No.	Item	2022-23	2023-24	2024-25
1	2	3	4	5
1.	Gross Receipts (Vide item 1 of Account-II)	2546	3250	332
2.	Operating Expenses (Vide item 1, 2, 3 and 4 of Account-II)	4181	1854	4470
	Net Profit (1-2)	**(-) 1635**	**1396**	**(-4138)**

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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 interest 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 No. A. Administrative Departments:-

Item No. 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 No. 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 No. B. Departmental Commercial undertakings:-

Item No. 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 No. 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 No. 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'.

Item No.3 Capital Transfer's: - Capital transfers are non-recurring financial transactions made for creating, acquiring, or improving long-term assets, or for reducing liabilities.

Item No.4 Balance Surplus /Deficit on all transactions in Commodities and Transfers: - The difference between total capital receipts and total capital payments—showing whether there is a surplus (excess) or deficit (shortfall) in the capital account.

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.

Item No.1 Repayment of loan and Advances: - The amount paid back by the municipal body towards previously taken loans or advances, resulting in a decrease in its liabilities in the capital account.

Item No. 2 Un-earmarked Investment: - Investments made by the municipal body without any specific purpose or restriction, treated as general financial assets in the capital account.

Item No. 3 Balance: Deficit in Financial Assets and Liabilities: - The excess of financial liabilities over financial assets, showing a shortfall in the capital account.

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: INCOME & EXPENDITURE

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.

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

(` In Lakhs)

Sr. No.	Revenue	2022-23	2023-24	2024-25
1	2	3	4	5
1.	Total Income of the Municipal Committees / Councils /Corporations Total of **(# + *)**	**368549**	**356630**	**649057**
LESS:				
2.	Sale of Commodities and Services treated as deduction of consumption expenditure(Vide item 1.2c of Acct.-I)(Exp.)	5846	8355	3655
3.	Suspense Account (Vide item 2.2 of Acct.-III)	18377	5296	13544
4.	Capital Transfers (Capital Grants and Contributions and recoveries) (Vide item 2.1 of Acct.-III)	6106	6506	5910
5.	Sale Proceeds of Departmental Commercial undertakings (Vide item 1 of Acct.-II)	2546	3250	332
6.	Loans (Incomings)(Vide item 1 of Acct.-IV)	3288	1773	2098
7.	Profit of Departmental Commercial Under- takings (Vide item 5 of Acct.-II) (Exp.)	(-)1635	1396	(-4138)
Total Adjustments (#)		**34528**	**26576**	**21401**
Revenue as shown in the Economic Classification (From Table 3.4) (*)		**334021**	**330054**	**627656**

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 spelled in detail in the table below:

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

(` In Lakhs)

Sr. No.	Expenditure (Revenue & Capital)	2022-23	2023-24	2024-25
1	**2**	**3**	**4**	**5**
1.	Total Expenditure of Municipal Committees / Councils/Corporation Total of **(# - *)**	**288135**	**283516**	**350264**
2.	Sale of Commodities and Services Treated as deduction of Consumption Expenditure (Vide item 1.2c of Acct.-I)	5846	8355	3655
3.	Operating Expenses of Departmental Commercial Undertakings (Item 2 of Table 3.7)	4181	1854	4470
	Total Adjustments (2+3)*	**10027**	**10209**	**8125**
Expenditure as shown in the Economic Classification (From Table 3.1) #		**298162**	**293725**	**358389**

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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 2022-23(Accounts), 2023-24(Accounts) and 2024-25 (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 2022-23 (Accounts)

(`in Lakhs)

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 (8 to 10)**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
1.	**General Public Service**	115393	13905	3219	132515	5846	126669	227	0	126896
2.	**Defence**	0	0	0	0	0	0	0	0	0
3.	**Education**	91	26	87	204	0	204	0	88	292
4.	**Medical & Public Health**	13399	10462	2044	25905	0	25905	1278	76	27259
5.	**Social Security and Welfare Service**	0	0	0	0	0	0	0	0	0
6.	**Housing& Community Service**	5640	19802	12617	38059	0	38059	0	0	38059
7.	**Cultural, Recreational & Religious Services**	454	481	2	937	0	937	0	0	937
8.	**Economic Services**	0	0	0	0	0	0	0	0	0
i)	**Agriculture, Forestry, Fishing & Hunting**	559	1748	1162	3469	0	3469	0	336	3805
ii)	**Water Supply**	127	4052	2	4181	0	4181	0	0	4181
iii)	**Transport Services**	0	0	0	0	0	0	0	0	0
iv)	**Electricity Services**	0	0	0	0	0	0	0	0	0
9.	**Other Purposes**	0	0	0	0	0	0	0	0	0

	Grand Total	**135663**	**50476**	**19133**	**205272**	**5846**	**199424**	**1505**	**500**	**201429**

TABLE: 6.1

Economic & Functional Classification of Budgetary Expenditure of Municipal Committees/Councils/Corporations 2022-23 (Accounts)

(` in Lakhs)

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**	55252	0	0	419	0	1143	56814	183710
2.	**Defence**	0	0	0	0	0	0	0	0
3.	**Education**	162	0	0	222	0	0	384	676
4.	**Medical &Public Health**	1803	2388	0	0	0	0	4191	31450
5.	**Social Security and Welfare Service**	0	0	0	0	0	0	0	0
6.	**Housing& Community Service**	21344	145	4768	16	0	0	26272	64331
7.	**Cultural, Recreational & Religious Services**	316	0	0	0	0	0	316	1253
8.	**Economic Services**	0	0	0	0	0	0	0	0
i)	**Agriculture, Forestry, Fishing & Hunting**	6528	0	0	10	0	0	6538	10343
ii)	**Water Supply**	740	0	0	1478	0	0	2218	6399
iii)	**Transport Service**	0	0	0	0	0	0	0	0
iv)	**Electricity Services**	0	0	0	0	0	0	0	0

9.	Other Purposes	0	0	0	0	0	0	0	0
	Grand Total	**86145**	**2533**	**4768**	**2145**	**0**	**1143**	**96661**	**298162**

TABLE: 6.2

Economic & Functional Classification of Budgetary Expenditure of Municipal Committees/Councils/Corporations 2023-24 (Accounts)

(` in Lakhs)

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 (8 to 10)**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
1.	**General Public Service**	111933	6137	14335	132405	8355	124050	232	0	124282
2.	**Defence**	0	0	0	0	0	0	0	0	0
3.	**Education**	9	21	0	30	0	30	3		33
4.	**Medical & Public Health**	16216	13831	3652	33699	0	33699	6201	27	39927
5.	**Social Security and Welfare Service**	0	0	0	0	0	0	0	0	0
6.	**Housing& Community Service**	7531	9861	10470	27862	0	27862	0	0	27862
7.	**Cultural, Recreational & Religious Services**	438	772	165	1375	0	1375	0	0	1375
8.	**Economic Services**	0	0	0	0	0	0	0	0	0
i)	**Agriculture, Forestry, Fishing & Hunting**	331	1035	2390	3756	0	3756	0	0	3756
ii)	**Water Supply**	0	1683	83	1766	0	1766	0	0	1766
iii)	**Transport Services**	0	0	0	0	0	0	0	0	0
iv)	**Electricity Services**	0	0	0	0	0	0	0	0	0
9.	**Other Purposes**	0	0	0	0	0	0	0	0	0

	Grand Total	**136458**	**33340**	**31095**	**200893**	**8355**	**192538**	**6436**	**27**	**199001**

TABLE: 6.2

Economic & Functional Classification of Budgetary Expenditure of Municipal Committees/Councils/Corporations 2023-24 (Accounts)

(` in Lakhs)

Capital Expenditure									
Loans									
Sr. No.	**Name of Head**	**Building & Other Construction**	**Machinery &Equipment**	**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**	39114	0	0	3135	0	302	42551	166833
2.	**Defence**	0	0	0	0	0	0	0	0
3.	**Education**	0	0	0	0	0	0	0	33
4.	**Medical &Public Health**	4874	90	0	89	0	0	5053	44980
5.	**Social Security and Welfare Service**	0	0	0	0	0	0	0	0
6.	**Housing& Community Service**	39464	6572	0	428	0	0	46464	74326
7.	**Cultural, Recreational & Religious Services**	170	0	0	0	0	0	170	1545
8.	**Economic Services**	0	0	0	0	0	0	0	0
i)	**Agriculture, Forestry, Fishing & Hunting**	400	0	0	0	0	0	400	4156
ii)	**Water Supply**	86	0	0	0	0	0	86	1852
iii)	**Transport Service**	0	0	0	0	0	0	0	0
iv)	**Electricity Services**	0	0	0	0	0	0	0	0

9.	**Other Purposes**	0	0	0	0	0	0	0	0
	Grand Total	**84109**	**6662**	**0**	**3652**	**0**	**302**	**94725**	**293725**

TABLE: 6.3

Economic & Functional Classification of Budgetary Expenditure of

Municipal Committees/Councils/Corporations 2024-25 (Accounts) **(` in Lakhs)**

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 (8 to 10)**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
1.	**General Public Service**	119005	4911	14614	138530	3655	134875	56	0	134931
2.	**Defence**	0	0	0	0	0	0	0	0	0
3.	**Education**	0	03	0	03	0	0	0	0	03
4.	**Medical & Public Health**	12675	5690	3766	22131	0	22131	0	0	22131
5.	**Social Security and Welfare Service**	0	0	0	0	0	0	0	0	0
6.	**Housing& Community Service**	8095	12363	16718	37175	0	37176	326	0	37502
7.	**Cultural, Recreational & Religious Services**	342	9188	1567	11097	0	11097	0	0	11097
8.	**Economic Services**	0	0	0	0	0	0	0	0	0
i)	**Agriculture, Forestry, Fishing & Hunting**	442	838	2557	3837	0	3837	0	0	3837
ii)	**Water Supply**	7	2525	1939	4471	0	4471	0	0	4471
iii)	**Transport Services**	0	0	0	0	0	0	0	0	0
iv)	**Electricity Services**	0	0	0	0	0	0	0	0	0

9.	Other Purposes	0	0	0	0	0	0	0	0	0
	Grand Total	**140566**	**35515**	**41161**	**217241**	**3655**	**213587**	**382**	**0**	**213969**

TABLE: 6.3

Economic & Functional Classification of Budgetary Expenditure of Municipal Committees/Councils/Corporations 2024-25 (Accounts)

(` in Lakhs)

Capital Expenditure									
Loans									
Sr. No.	**Name of Head**	**Building & Other Construction**	**Machinery &Equipment's**	**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**	74531	0	0	441	0	287	75259	210190
2.	**Defence**	0	0	0	0	0	0	0	0
3.	**Education**	5	0	0	0	0	2	7	10
4.	**Medical &Public Health**	1789	1491	0	0	0	1	3281	25412
5.	**Social Security and Welfare Service**	0	0	0	0	0	0	0	0
6.	**Housing& Community Service**	53530	1010	2841	130	0	0	57511	95013
7.	**Cultural, Recreational & Religious Services**	336	0	0	0	0	0	336	11433
8.	**Economic Services**	0	0	0	0	0	0	0	0
i)	**Agriculture, Forestry, Fishing & Hunting**	4055	0	0	0	0	0	4055	7892
ii)	**Water Supply**	540	2382	0	1046	0	0\	3968	8439
iii)	**Transport Service**	0	0	0	0	0	0	0	0

iv)	**Electricity Services**	0	0	0	0	0	0	0	0
9.	**Other Purposes**	0	0	0	0	0	0	0	0
	Grand Total	**134786**	**4883**	**2841**	**1617**	**0**	**290**	**144417**	**358389**

CHAPTER-VII

FUNCTIONAL CLASSIFICATION SCHEMES

This chapter describes 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 programmers /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 2022-23, 2023-24, and 2024-25 is given in the following table below:

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

(` In Lakhs)

Sr. No.	Name	2022-23	2023-24	2024-25
1	2	3	4	5
1.	General Public Service	183710 (62.50)	166833 (56.80)	210190 (58.65)
2.	Defence	0	0	0
3.	Education	676 (0.23)	33 (0.01)	10 (0.003)
4.	Medical & Public Health	31450 (10.55)	44980 (15.31)	25412 (7.09)
5.	Social Security and Welfare Service	0	0	0
6.	Housing & Community Service	64331 (21.58)	74326 (25.30)	95013 (26.51)
7.	Cultural , Recreational & Religious Services	1253 (0.42)	1545 (0.53)	11433 (3.19)
8.	Economic Services	**16742 (5.62)**	**6005 (2.05)**	**16331 (4.56)**
i)	Agriculture, Forestry, Fishing & Hunting	10343 (3.47)	4156 (1.42)	7892 (2.21)
ii)	Water Supply	6399 (2.15)	1852 (0.67)	8439 (2.35)
iii)	Transport Service	0	0	0
iv)	Electricity Services	0	0	0
9.	Other Purposes	0	0	0
	Total	**298162 (100)**	**293725 (100)**	**358389 (100)**

7.2: Developmental & Non-Developmental Expenditure

Developmental and non-developmental expenditure of all Municipal Committees /Councils/Corporations comes to ` 358389 lakhs in 2024-25, ` 293725 lakhs in 2023-24 as compared to` 298162 lakhs in 2022-23. Developmental expenditure has been dominating in the years under reference with a share of 41.35 percent in 2024-25, 43.20 percent in 2023-24 as compared to 38.38 percent in 2022-23. Non-developmental expenditure was ` 210190 lakhs (58.65 percent) during 2024-25, ` 166833 lakhs (56.80 percent) during 2023-24 as compared to ` 183710 lakhs (61.61 percent) during 2022-23. 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

(`In Lakhs)

Sr. No.	Heads	2022-23	2023-24	2024-25
1	2	3	4	5
A.	**Development Expenditure**	**114452 (38.38)**	**126892 (43.20)**	**148199 (41.35)**
1.	Education	676 (0.23)	33 (0.01)	10 (0.003)
2.	Medical & Public Health	31450 (10.55)	44980 (15.31)	25412 (7.09)
3.	Social Security and Welfare Service	0	0	0
4.	Housing & Community Service	64331 (21.58)	74326 (25.30)	95013 (26.51)
5.	Cultural , Recreational & Religious Services	1253 (0.42)	1545 (0.53)	11433 (3.19)
6.	Economic Services	16742 (5.62)	6005 (2.05)	16331 (4.56)
B.	**Non- Development Expenditure**	**183710 (61.61)**	**166833 (56.80)**	**210190 (58.65)**
1.	General Public Service	183710 (61.61)	166833 (56.80)	210190 (58.65)
2.	Defense	0	0	0
3.	Other Purposes	0	0	0
Total		**298162 (100)**	**293725 (100)**	**358389 (100)**

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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 body's 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, and 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, octroy barriers and pavement of streets and drains. Disbursement of loans to employees such as safaris weats 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 scraping and development of parks, dark 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 equipment, 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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