

APPENDIX: I-A

Brief History of the District Cooch Behar

Cooch Behar is the north-Eastern district of Jalpaiguri Division. In shape it is an irregular triangle. The name of Cooch Behar is rather recent origin. In ancient times, the country was called kamrup. Even during the reign of the last but one of kings, The khem, about 450 years ago, the country was known by that name. It came to be called Cooch Behar after the koch kings had come into power in the beginning of the 16th century, long. After all Buddhist in launce had died out in Bengal. The name of Cooch Behar is a compound of two words Cooch and Behar. The term "Cooch Behar" is a corrupt form of Cooch or koch, being the home of race of people, inhabiting a large tract of country to the north-east of Bengal, and Behar or more properly vihara denotes abode or sport. "Cooch Behar" mean the abode or the land of the koches.¹ W.W. Hanter in his books "A statistical Account of Bengal" Volume X writes "The name 'koch Behar' is derived from the Sanskrit vihara (Bengali, Bihar) meaning 'recreation', especially applied to a Buddhist monestery. The latter is proba by the historical basis of the name, as in the case of our province of Behar. The name, however, is used only by the outside world. The appellation acceptable at the court of the raja, who repudiates the Theory of a koch descent, is Nil Behar; the word Nil, own 'peculiar', being applied to distinguish the country from Behar proper."²

Until January 1950, it used to be a feudatory state in political relation first with the government of India. on August 28, 1949 an agreement was Contracted between the governor general of India and his Highness of Maharaja of Cooch Behar, which came to be know on Cooch Behar Merger Agreement in which his Highness the Maharaja of Cooch Behar ceded to the dominion government (Govt. of India)" full and exclusive authority, jurisdiction and powers for the in relation to the Government of the state." and agreed" to transfer the administration of the state to the dominion Government on the 12th Day of September, 1949". It was stipulated that from the 12th September, 1949 the Government of India would be Competent to govern the start in such a manner and through such agency as it high thinks fit.

Between 12th September and 31st December 1949, Cooch Behar was known as a Chief Commissioner's province in the government of India under chief Commissions. After a Series of talks between the union Government, the West Bengal Government & the Government of

Assam, his highness was wished of the people of Cooch Behar was taken into account, the government of India reached a Conclusion that the best interest of the people of Cooch Behar and of India as a whole would be served by the merger of Cooch Behar in the province of weld effect from January 1, 1950.Cooch Behar Municipality was established in the year 1945.Presently this municipality has 18644 tax payers and the percentage of rate payers to population is 24.25 percent.

Source :

1. *A. Mitra(1951): District Hand book census 1951, Cooch Behar District West Bengal (Published G.S.N. Guha Roy.)*
2. *W.W. Haunter(1876): A Statistical Account of Bengal, 'Volume X, Statistical Account of Cooch Behar, London, P-332*
3. *Durgadas Majumdar(.....): West Bengal District Gazetteers, Cooch Behar, West Bengal. Gour preen, Cal-27, P-1*
4. *Pal, Dr. Nripendra Nath (2000). Itikathai Cooch Behar (A brief history of Cooch Behar). Kolkata: Anima Prakashani. p. 73.*

APPENDIX: I-B

Cooch Behar Merger Agreement:

Agreement made this twenty eighth day of August 1949 between the Governor General of India and His Highness the Maharaja of Cooch Behar. Whereas in the best interests of the State of Cooch Behar as well as of the Dominion of India it is desirable to provide for the administration of the said State by or under the authority of the Dominion Government :

It is hereby agreed as follows :~

Article-1:-

His Highness the Maharaja of Cooch Behar hereby cedes to the Dominion Government full and exclusive authority, jurisdiction and powers for and in relation to the governance of the State and agrees to transfer the administration of the State to the Dominion Government on the 12th day of September 1949 (hereinafter referred to as 'the said day').

As from the said day the Dominion Government will be competent to exercise the said powers, authority and jurisdiction in such manner and through such agency as it may think fit.

Article-2:-

His Highness the Maharaja shall continue to enjoy the same personal rights, privileges, dignities and titles which he would have enjoyed had this agreement not been made.

Article-3:-

His Highness the Maharaja shall with effect from the said day be entitled to receive for his lifetime from the revenues of the State annually for his privy purse the sum of Rupees eight lakhs fifty thousand free of all taxes. After him the privy parts will be fixed at Rupees seven lakhs only. this amount is intended to cover all the expenses of the Ruler and his family, including expenses on account of his personal staff, maintenance of his residences, marriages and other ceremonies, etc., and will neither be increased nor reduced for any reason whatsoever.

The Government of India undertakes the said sum of Rupees eight lakhs fifty thousand shall be paid to His Highness the Maharaja in four equal installments in advance at the beginning of each quarter from the State Treasury or at such Treasury as may be specified by the Government of India.

Article-4:-

His Highness the Maharaja shall be entitled to the full ownership, use and enjoyment of all private properties (as distinct from State properties) belonging to him on the date of this agreement.

His Highness the Maharaja will furnish to the Dominion Government before the 15th September 1949, an inventory of all the immovable property, securities and cash balances held by him as such private property.

If any dispute arises as to whether any item of property is the private property of His Highness the Maharaja or State property, it shall be referred to a Judicial Officer qualified to be appointed as High Court Judge, and the decision of that Officer shall be final and binding on both parties.

Article-5:-

All the members of His Highness' family shall be entitled to all the personal privileges, dignities and titles enjoyed by them whether within or outside the territories of the State, immediately before the 15th day of August 1947.

Article-6:-

The Dominion Government guarantees the succession, according to law and custom, to the *Gaddi* of the State and to His Highness the Maharaja's personal rights, privileges, dignities and titles.

Article-7:-

No enquiry shall be made by or under the authority of the Government of India, and no proceedings shall lie in any court in Cooch Behar against His Highness the Maharaja, whether in a personal capacity or otherwise, in respect of anything done or omitted to be done by him or under his authority during the period of his administration of that State.

Article-8:-

(i) The Government of India hereby guarantees either the continuants in service of the permanent members of the public services of Cooch Behar on conditions which will be not less advantageous than those on which they were serving before the date on which the administration of Cooch Behar is made over to the Government of India or the payment of reasonable compensation.

(ii) The Government of India further guarantees the continuance of pensions and leave salaries sanctioned by His Highness the Maharaja to servants of the State who have retired or proceed on leave preparatory to retirement, before the date on which the administration of Cooch Behar is made over to the Government of India.

Article-9:-

Except with the previous sanction of the Government of India no proceedings, civil and criminal, shall be instituted against any person in respect of any act done or purporting to be done in the execution of his duties as a servant of the State before the day on which the administration is made over to the Government of India.

In confirmation whereof Mr. Vapal Pangunni Menon, Advisor to the Govt. of India in the Ministry of States has appended his signature on behalf and with the authority of the Governor General of India and Lieutenant Colonel His Highness the Maharaja Jagaddipendra Narayan Bhup Bahadur, Maharaja of Cooch Behar, has appended his signature on behalf of himself, his heirs and successors.

Jagaddipendra Narayan
Maharaja of Cooch Behar

V. P. Menon
Advisor to the Govt. of India
Ministry of States

Source: N.I.C, Government of West Bengal.

APPENDIX: I-C

Receipts and Payment statement for the year 2006-2007

RECEIPTS	Amount	EXPENDITURE	Amount
REVENUE RECEIPTS		REVENUE EXPENDITURE	
<i>Opening Balance</i>	<i>122.86</i>		
<i>Tax Revenue</i>	<i>217.67</i>	<i>Establishment Expenses</i>	<i>374.17</i>
<i>Assigned Revenues and Compensation</i>	<i>-</i>	<i>Administrative Expenses</i>	<i>19.56</i>
<i>Rental Income - Municipal Properties</i>	<i>50.60</i>	<i>Operations and Maintenance</i>	<i>133.13</i>
<i>Fees and User Charges</i>	<i>177.43</i>	<i>Interest and Finance Charges</i>	<i>27.74</i>
<i>Sale and Hire Charges</i>	<i>-</i>	<i>Program Expenses</i>	<i>-</i>
<i>Revenue Grants, Contributions and Subsidies</i>	<i>329.67</i>	<i>Revenue Grants, Contributions and Subsidies</i>	<i>148.78</i>
<i>Income from Investments</i>	<i>41.25</i>	<i>Miscellaneous Expenses</i>	<i>53.45</i>
<i>Interest Earned</i>	<i>1.32</i>		
<i>Other Income</i>	<i>-</i>		
CAPITAL RECEIPTS		CAPITAL EXPENDITURE	
<i>Grants, Contributions for Specific purposes</i>	<i>76.86</i>	<i>Fixed Assets</i>	<i>53.63</i>
<i>Secured Loans</i>	<i>-</i>	<i>Investments – General Fund</i>	<i>-</i>
<i>Unsecured Loans</i>		<i>Investments – Other Funds</i>	

	-		-
<i>Deposits Received</i>	-	<i>Stock in hand</i>	<i>1.70</i>
<i>Deposit Works</i>	-	<i>Loans, advances and deposits</i>	<i>57.67</i>
<i>Other Liabilities</i>	<i>11.70</i>	<i>Other Assets</i>	-
		<i>Closing Balance</i>	<i>159.53</i>
<i>Total</i>	<i>1,029.36</i>	<i>Total</i>	<i>1,029.36</i>

Source: personal computation

APPENDIX: I-D

COOCH BEHAR MUNICIPALITY				
OPENING BALANCE SHEET AS ON 1st APRIL 2007				
Particulars	Sl.No.	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
SOURCE OF FUND :				
Reserve and Surplus				
Municipal (General) Fund	B-01			51903917.94
Earmarked Funds	B-02			21537652.00
Reserves	B-03			39177126.00
Grant Contributions for specific purposes	B-04			4565031.23
Loans :				
Secured loans	B-05		20490709.00	
Unsecured loans	B-06		20794164.00	41284873.00
TOTAL				158468600.17
APPLICATION OF FUNDS :				
Fixed assets including statues&Heritage Assets	B-11			
Gross Block		124754384.54		
Less: Accumulated depreciation		49157266.54		
Net Block				75597118.00
Capital Work-in-Progress				94784284.00
Investment-General Fund(F.D.in UCO Bank)	B-12	10286302.00		
Invesment-Other Funds	B-13	21537652.00		31823954.00
Current assets ,loan &advances				

stock in hand (inventories)	B-14	40045.00		
Sundry Debtors (Receivables):	B-15	23289648.79		
Less: Accumulated provision against				
Prepaid Expenses	B-16			
Cash & Bank balances	B-17	7,454,814.37		
Loans, advances and deposits	B-18	3587676.00	34372184.16	
Less: Current Liabilities and Provision				
Deposits received	B-07	11869143		
Deposit works	B-08	909946.79		
Other Liabilities(Sundry Creditors)	B-09	65921293.20		
Provisions	B-10		78700382.99	-44328198.83
Other Assets	B-19			588443
Miscellaneous Expenditure (to the extent not written off)	B-20			
TOTAL				158465600.17

Source: Official record of Cooch Behar Municipality

APPENDIX: II-A

Questionnaire used for survey on household regarding property taxes

1. Annual income: -

0- 10000.00

10,000.00-20,000.00

20,000.00-30,000.00

30,000.00-40,000.00

Above 40,000.00

2. Ward no.

3.(a) Name of the respondent:-.....

(b) Age.....

(c) Caste:- SC..... ST..... OBC..... OTHERS.....

(d) Sex :- Male..... Female.....

(f) Occupation (principal).....

Subsidiary.....

(g) Educational qualification:.....

4. Details of the members of the household:-

(a) No. of Members:..... Male:..... Female:.....

(b) Minimum educational qualification of the Member:

(a) Male;.....

(b) Female:.....

(c) Maximun educational qualification of the Member:

(a) Male;.....

(b) Female:.....

5. Whether household owns a house:.....

(a) Kacha.....

(b) Pacca.....

6. Total size of the land owned by the household (katha)

Urban land..... ,Holding no.....Market value of the building.....

7. Total square feet of the house owned by the house hold

(a). Square feet

(b). No. of floors.....

8. If any part has been rented

(a). yes..... (b). no.....(c). if yes, amount of rent per month.....

9. Do you have knowledge about the property tax of the municipality?

(a) yes (b) no.....

10. Have you paid the property tax last financial year(2009-2010)?

(a). yes..... (b). no..... (c).Yearly amount of property tax.....

11. Have you paid tax yearly?

(a). yes..... (b). no..... (c). if no. how many years.....

12. Do you think that taxes paid by you is more or less

If more ,what should be the ideal.....

If less ,what should be the ideal

13. Have commissioner insisted or aware you to pay taxes ?

(a). In the meeting(b). Individually.....(c) Not insisted or aware

14. Have you paid other taxes to the municipality?

(a). if yes ,what form of tax.....(except property taxes)

15. Do you think that existing method of tax collecting satisfactory?

(a). yes..... (b). no.....

16. Do you think that tax collection is effective?

(a). yes ,..... (b). no.....

17. Have any new ideas about taxes to be imposed by the Municipality?

Comments:

APPENDIX: II-B

FORMAT OF UTILISATION CERTIFICATE

**FORM FOR UTILISATION CERTIFICATE PRESCRIBED IN S.R. 330 A
OF THE TREASURY RULES, WEST BENGAL AND THE SUBSIDIARY
RULES MADE THERE UNDER VOLUME – I**

Certified that out of Rs. _____ of grant-in-aid sanctioned during the year 2007-2008 _____ in favour of Cooch Behar Municipality under this Ministry / Deptt. Letter No. _____ given in the margin and Rs. _____ NIL _____ on account of unspent balance of the previous year, a sum of Rs. _____ has been utilised for the purpose it was sanctioned and the balance of Rs. _____ remaining unutilized at the end of the 1st quarter has been carried forward to the A/C of Next Quarter of FY 2007-2008

UNDER 12TH FINANCE COMMISSION.

Sl. No. G.O. NO. Amount

1.

TOTAL

Fund utilised

Balance to be utilized

Certified that I have satisfied myself that the conditions of which the grants-in-aid was sanctioned have been dully ful-filled / are being fulfilled and that I have exercised the following checks to see that the money was actually utilised for the purpose for which it was sanctioned.

Kind of check exercised.

1. Books of Accounts

2. Original Bill, Receipt & Vouchers

3. Bank Statement

4. Physical Progress

Signature : Chairman
Designation : Cooch Behar Municipality

APPENDIX: II-C

COOCH BEHAR MUNICIPALITY

PROGRESS REPORT FOR UTILISATION OF FUNDS UNDER

STATE FINANCE COMMISSION

Amount in Rupees

Name of the Urban Local Body	State Finance Commission			
COOCH BEHAR MUNICIPALITY	Opening Balance as on 01-04-2007			
	Rs.			
	Year			
	2006-2007	2007-2008		
(i) G.O No. 823(19)/MA/P/C-10/1G-2005,Dtd.08.09.2006	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
(ii) G.O No. 289(19)/MA/P/C-10/1G-2005,Dtd.29.11.2006	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
(iii) G.O No. 141/MA/P/C-10/1G-2005,Dtd.21.09.2006	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
(iv) G.O No.142/MA/P/C-10/1G-2005,Dtd.21.09.2006	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
(v) G.O No.143/MA/P/C-10/1G-2005,Dtd.21.09.2006	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
Fund Allotted	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
Expenditure as on 31-03-	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX

2007				
Balance aa on 01-04-2007	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
Expenditure upto 31-01-2007	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
Total expenditure upto 31-01-2007	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
Balances as on 01-02-2008	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
Amount of fund for which Ucs already submitted	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
Memo. No.(s) & date (s) for which submission	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
Amount of fund for which Ucs in ORIGINAL are enclosed with this report	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX

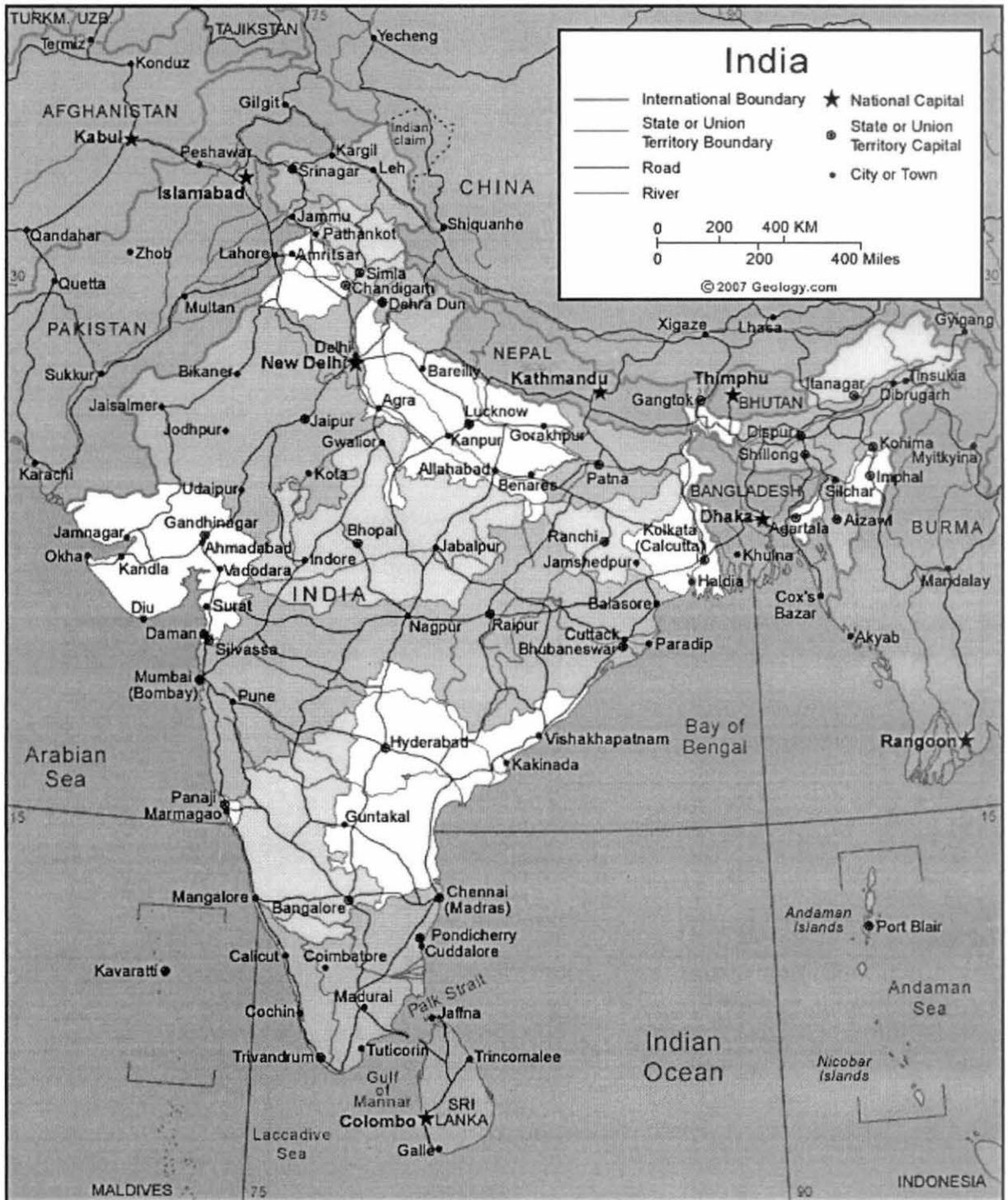
Signature :

Chairman

Designation :

Cooch Behar Municipality

APPENDIX: III-A



APPENDIX: III-B

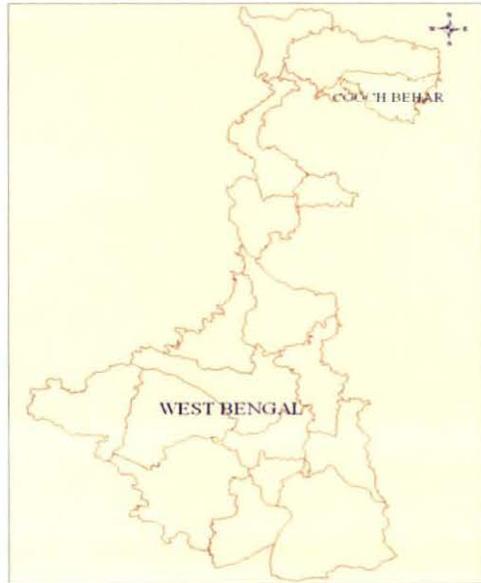
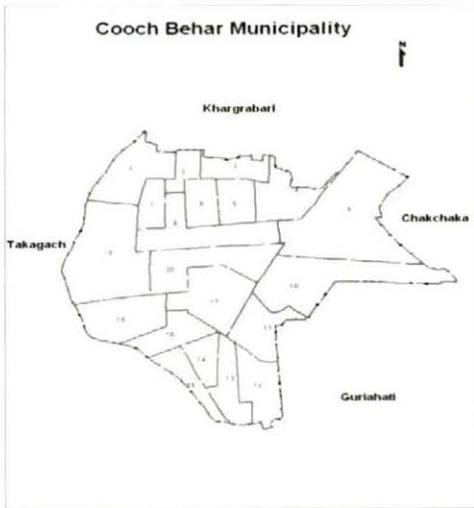
Urban local Bodies in West Bengal



APPENDIX: III-C

Administrative Boundary

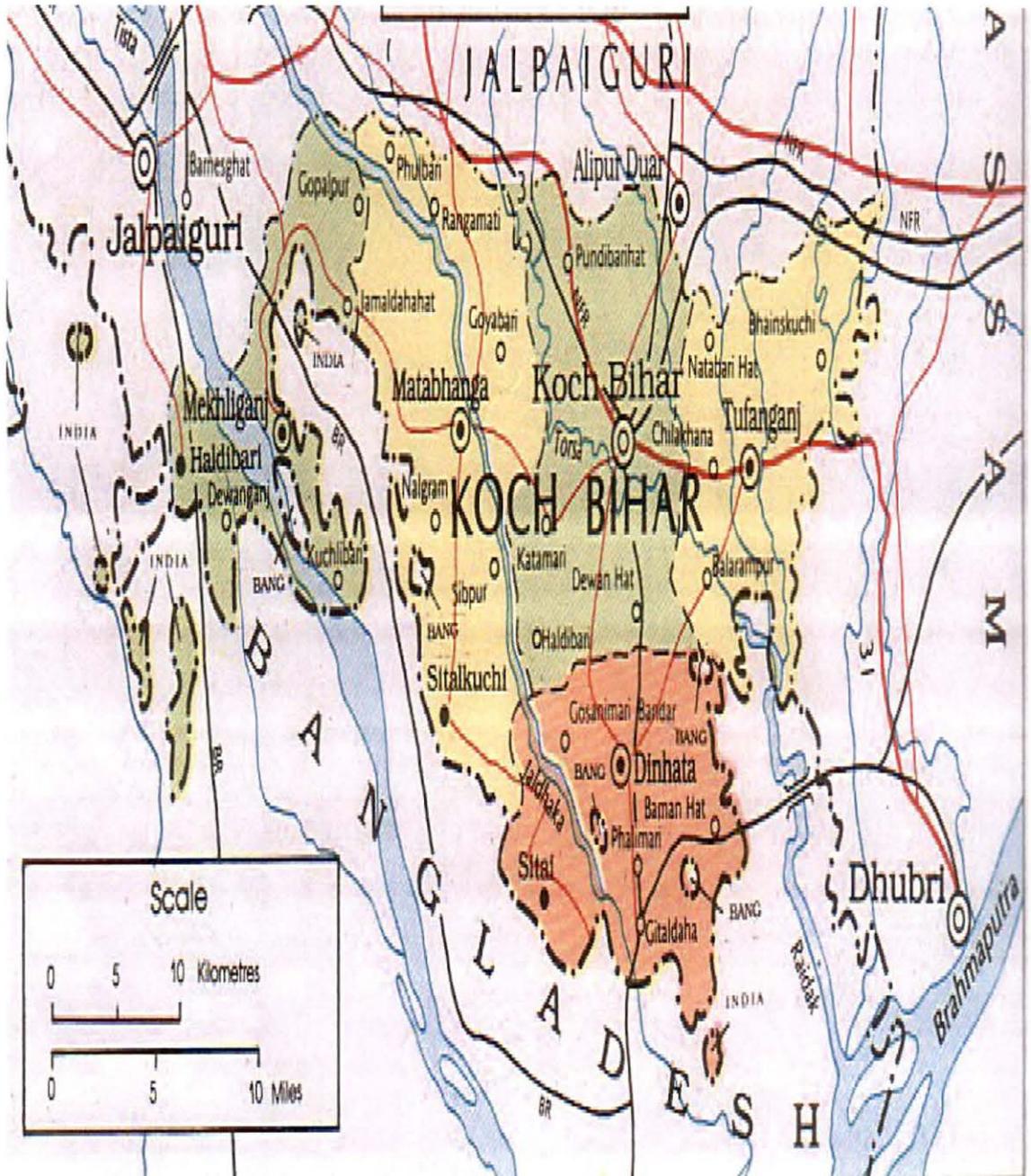
Cooch Behar Municipal area is bordered by Takagach village in the West, Chakchaka village in the East, Guriahati in the South and Khargrabari village in the North.



Source: Official record of Cooch Behar Municipality

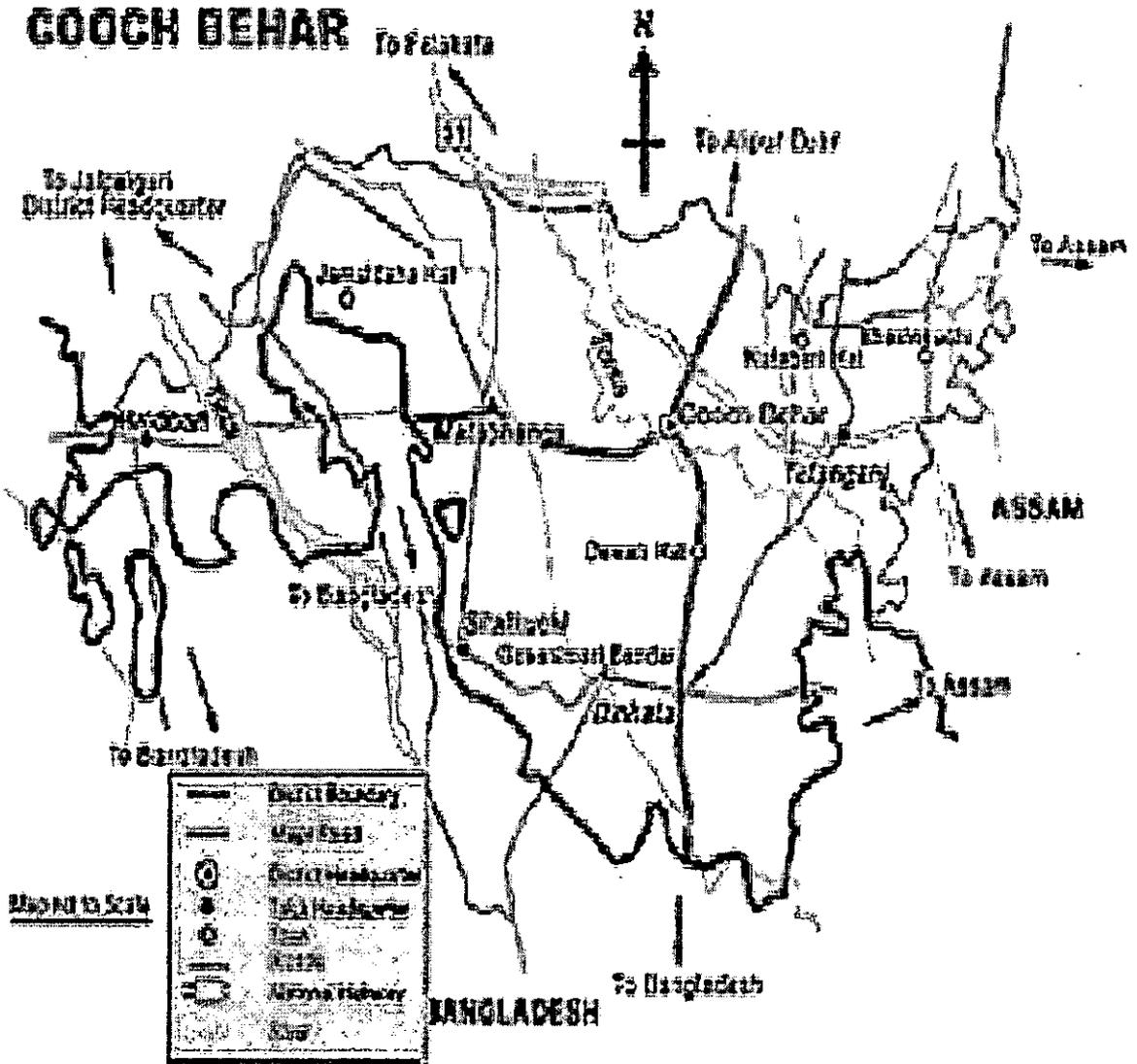
APPENDIX: III-D

Cooch Behar District Political Map

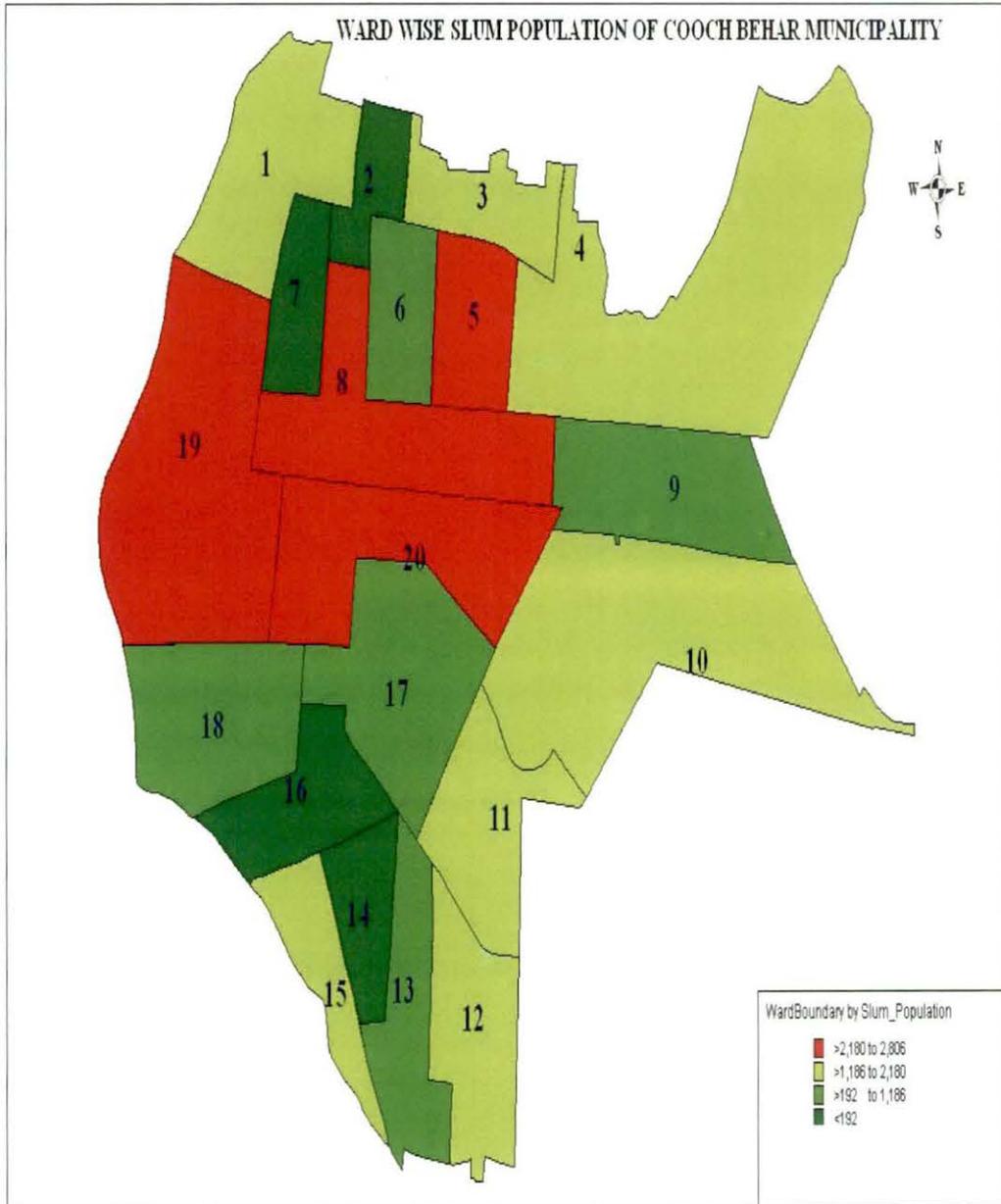


APPENDIX: IV-A

Outline Boundary of Cooch Behar District



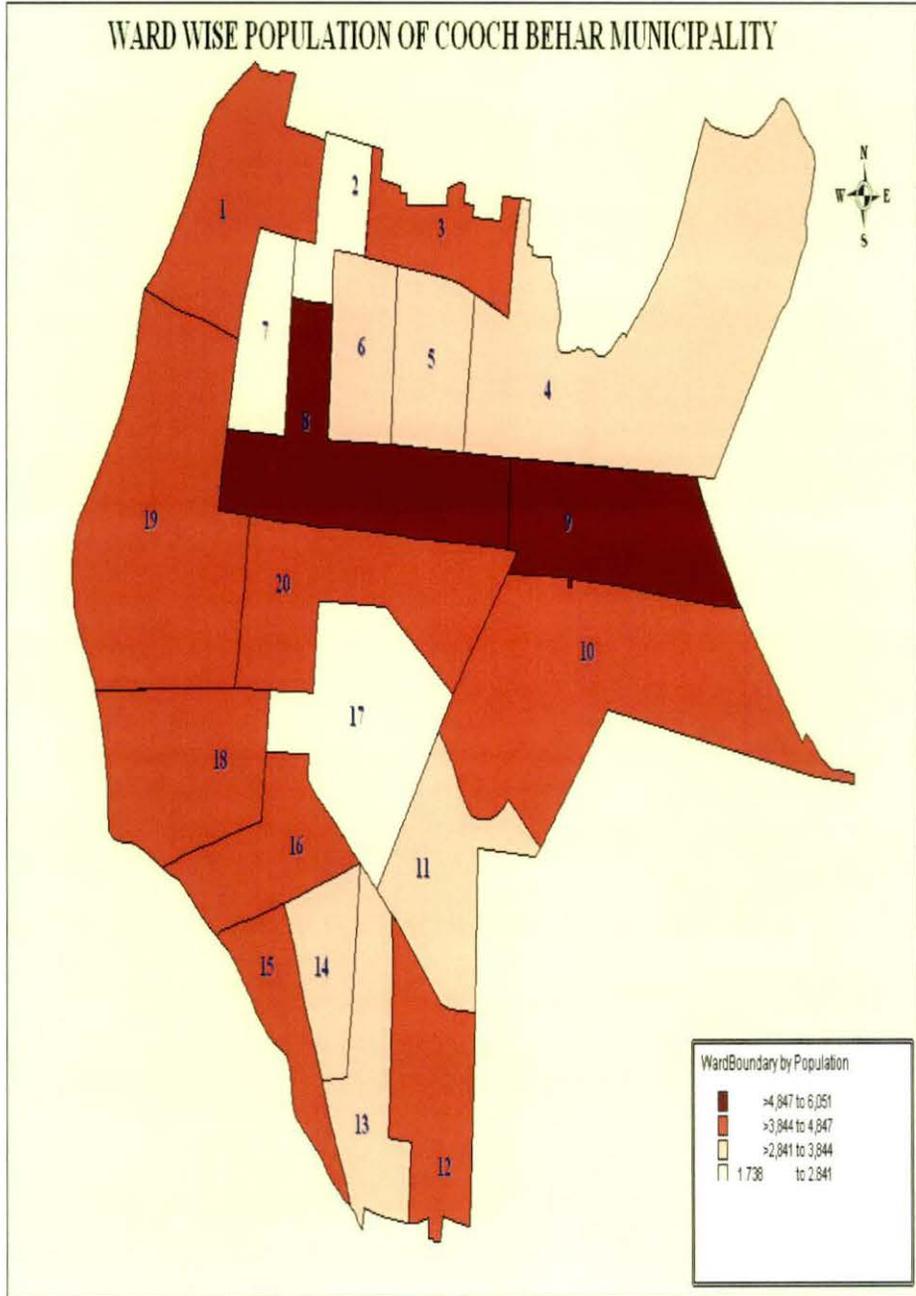
APPENDIX: IV-B



Source: Official record of Cooch Behar Municipality

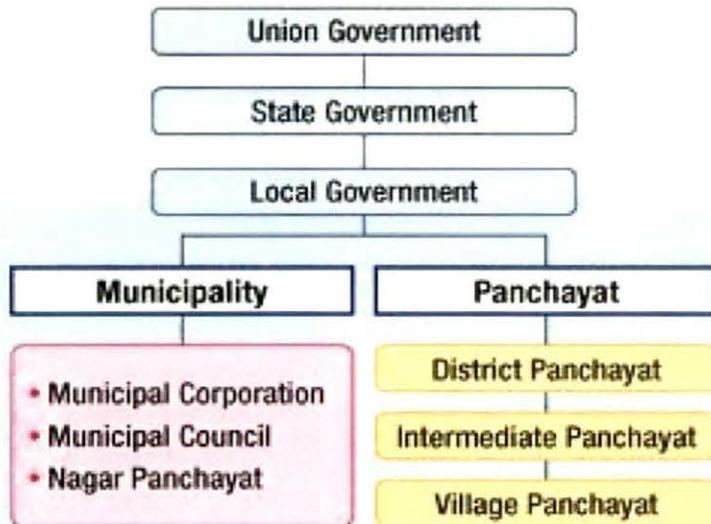
APPENDIX: IV-D

Ward-wise Population distribution Map as per Census 2001

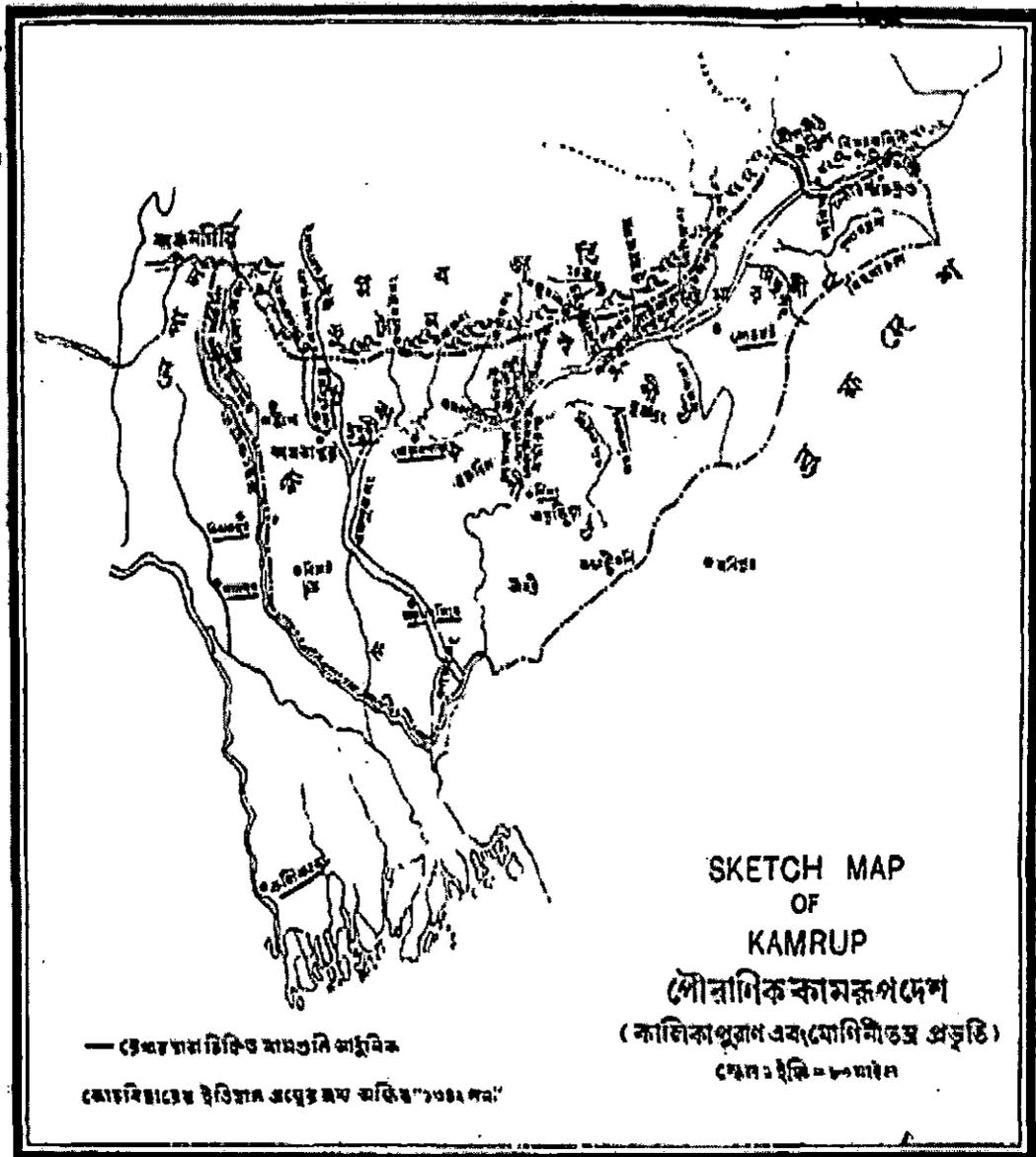


Source: Official record of Cooch Behar Municipality

Structure showing decentralisation of power in India

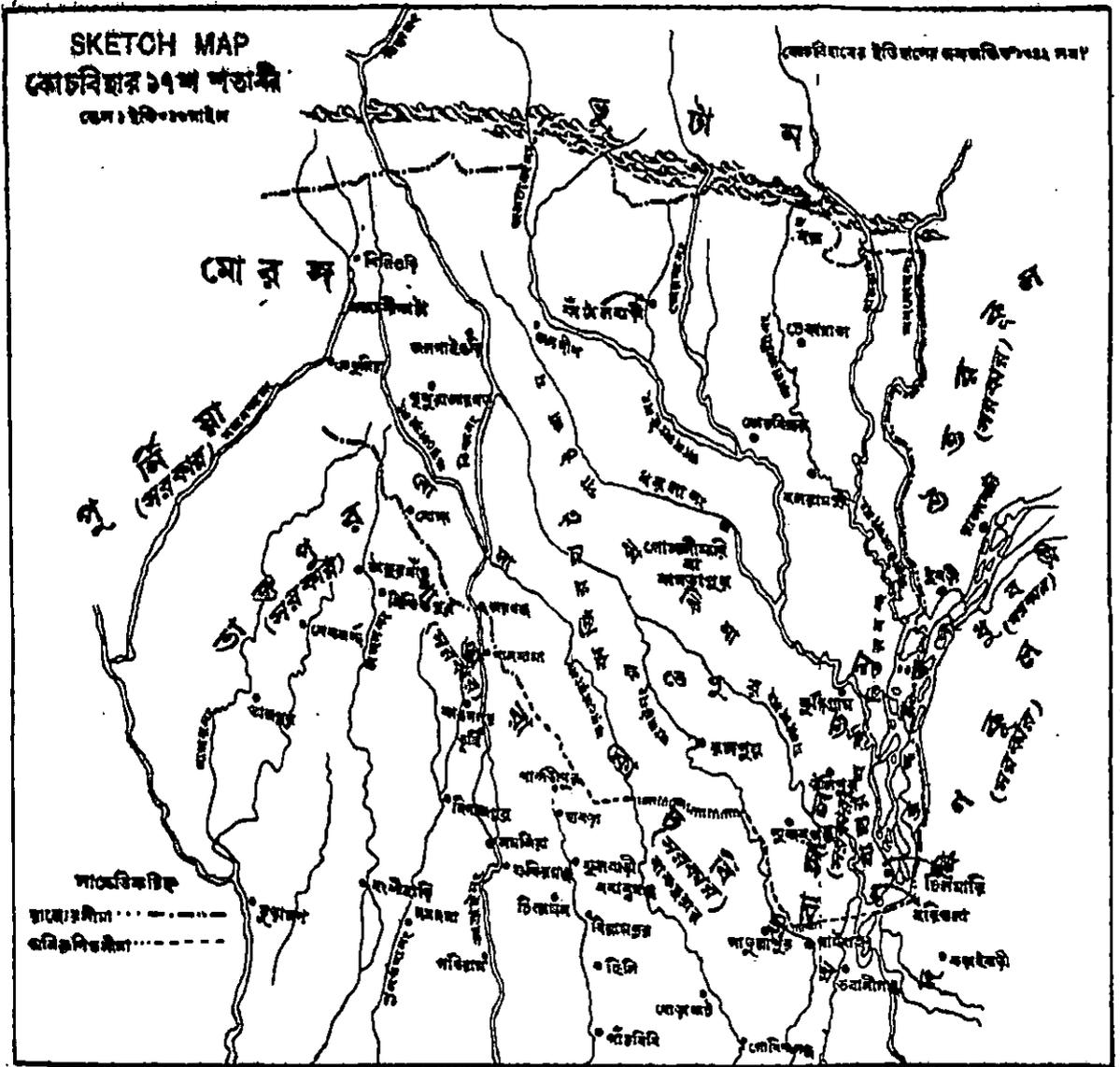


APPENDIX: V-A



Source: Ahmed Khan Chowdhury Amanatulla (1936), A History of Cooch Behar State, part-1, Cooch Behar State Authority.

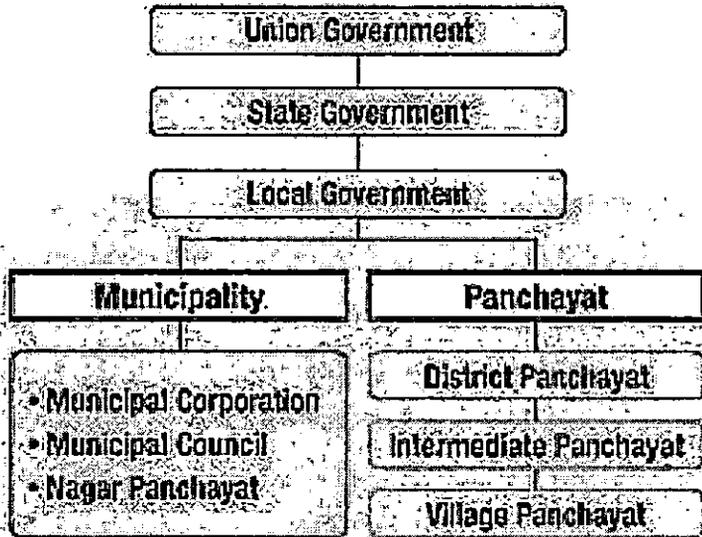
APPENDIX: V-B



Source: Ahmed Khan Chowdhury Amanatulla (1936), A History of Cooch Behar State, part-1, Cooch Behar State Authority.

APPENDIX: VI-A

*Structure showing
decentralisation of power in India*



APPENDIX: VI-B

Chronology of Local Governments in Pre- and Post Independence India

Pre Independence

1688: Establishment of first Municipal Corporation in Madras

1726: Establishment of Calcutta Municipal Corporation and Bombay Municipal Corporation

1842: Enforcement of the Conservancy Act in Bombay Presidency

1850: Improvement in Town Act

1852: Establishment of a municipality in Karachi

1862: Resolution passed by Lt. Governor of Punjab setting up Municipal Committees in District Headquarters

1867: Promulgation of the Punjab Municipal Act. This Act created committees of officials and nonofficial's for police and sanitation, with the Deputy Commissioner as President

1870: Mayo's Resolution empowering Provincial Governments to introduce an elective element into Municipal Committees

1870: Village Chaukadari Act passed empowering district magistrates to create nominated Chaukadari Panchayats in villages for the maintenance of village peace

1873: Amended Municipal Act passed in Punjab and Bombay (including Sindh)

1882: Lord Rippon's Resolution on Local Self-Government. This resolution called for the establishment of elected Municipal Committees, District and Taluka Boards

1884: Passage of the Amended Municipal Act in Punjab, Bombay and Bengal. This amended Act created a provision for the election of the Chairmen of the Municipal Committees

1901: Amended Municipal Act passed in Bombay. Created more elaborate municipal organizations in larger cities and gave special powers to the chief executives

1907: Formation of the Decentralization Commission. Recommended the creation of non-official chairmen of municipal committees.

1911: Enactment of a new Punjab Municipal Act. This enactment maintained the status-quo.

1912: Panchayat Act established panchayati institutions in rural villages.

1918: Montague-Chelmsford Report

1919: Government of India Act. Local Government became a transferred subject to the provinces. Introduce the system of 'Dyarchy'

1920: Passed the District Municipalities Act, transformed the Municipal Councils into elected bodies and granted them powers to flesh out their own budgets

1922: Enactment of Improvement Trust Act in the Punjab. Established Improvement Trusts in larger cities for regulating town planning.

1931: Executive Officers Act passed. Created a provision for the appointment of executive officers in local councils.

1933: Passage of City of Karachi Act. Granted Karachi the status of a Municipal Corporation.

1935: New Government of India Act passed. Granted provincial autonomy with power to frame legislation on local government systems.

1941: Enactment of Lahore Corporation Act. Declared Lahore to be a Corporation.

Post Independence

1950: Report of the Local Finance Enquiry Committee

1953-1954: Report of the Taxation Enquiry Committee

1963: Zakaria committee

1992: 74th Constitution Amendment Act, Constitutional status to the local governments.

APPENDIX: VI-C

Main provisions of the 74th constitutional Amendment Act, 1992

1. Constitution of Municipalities.
2. Composition of Municipalities.
3. Constitution of Wards Committees
4. Reservation of seats
5. Duration of Municipalities
6. Powers and Functions of the Municipalities
7. Finances of Municipalities
8. Finance Commission
9. Elections to Municipalities
10. Audit and Accounts
11. Committee for District Planning
12. Metropolitan Planning Committees

APPENDIX: VI-D

THE CONSTITUTION (SEVENTY-FOURTH AMENDMENT) ACT, 1992

An Act Further to amend the Constitution of India

Be it enacted by Parliament in the Forty-third Year of the Republic of India as follows:-

1. (1) This Act may be called the Constitution (Seventy-fourth Amendment) Act, 1992

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. After Part IX of the Constitution, the following Part shall be inserted, namely:-

‘PART IXA’

THE MUNICIPALITIES

243P. In this Part, unless the context otherwise requires,-

(a) “Committee” means a Committee constituted under article 243S;

(b) “district” means a district of a State;

(c) “Metropolitan area” means an area having a population of ten lakhs or more comprised in one or more districts and consisting of two or more Municipalities or Panchayats or other contiguous areas, specified by the Governor by public notification to be a Metropolitan area for the purposes of this Part;

(d) “Municipal area” means the territorial area of a Municipality as is notified by the Governor;

(e) “Municipality” means an institution of self-government constituted under article 243Q;

(f) “Panchayat” means a Panchayat constituted under article 243B;

(g) “population” means the population as ascertained at the last preceding census of which the relevant figures have been published.

243Q. (1) There shall be constituted in every State,-

(a) a Nagar Panchayat (by whatever name called) for a transitional area, that is to say, an area in transition from a rural area to an urban area;

(b) a Municipal Council for a smaller urban area; and

(c) a Municipal Corporation for a larger urban area, in accordance with the provisions of this Part: Provided that a Municipality under this clause may not be constituted in such urban area or part thereof as the Governor may, having regard to the size of the area and the municipal services being provided or proposed to be provided by an industrial establishment in that area and such other factors as he may deem fit, by public notification, specify to be an industrial township. (2)

In this article, “a transitional area” “a smaller urban area” or “a larger urban area” means such area as the Governor may, having regard to the population of the area, the density of the population therein the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic importance or such other factors as he may deem fit, specify by public notification for the purposes of this Part. 243R. (1) Save as provided in clause (2), all the seats in a Municipality shall be filled by persons chosen by direct election from the territorial constituencies in the Municipal area and for this purpose each Municipal area shall be divided into territorial constituencies to be known as wards.

(2) The Legislature of a State may, by law, provide,-

(a) for the representation in a Municipality of –

(i) persons having special knowledge or experience in Municipal administration;

(ii) the members of the House of the People and the members of the Legislative Assembly of the State representing constituencies which comprise wholly or partly the Municipal area;

(iii) the members of the Council of States and the members of the Legislative Council of the State registered as electors within the Municipal area;

(iv) the Chairpersons of the Committees constituted under clause (5) of article 243S. Provided that the persons referred to in paragraph (i) shall not have the right to vote in the meetings of the Municipality;

(b) the manner of election of the Chairperson of a Municipality. 243S. (1) There shall be constituted Wards Committees, consisting of one or more wards, within the territorial area of a Municipality having a population of three lakhs or more. (2) The Legislature of a State may, by law, make provision with respect to-

(a) the composition and the territorial area of a Wards Committee; (b) the manner in which the seats in a Wards Committee shall be filled (3) A member of a Municipality representing a ward within the territorial area of the Wards Committee shall be a member of that Committee. (4) Where a Wards Committee consists of – (a) one ward, the member representing that ward in the Municipality; or (b) two or more wards, one of the members representing such wards in the Municipality elected by the Members of the Wards Committee, shall be the Chairperson of that Committee. (5) Nothing in this article shall be deemed to prevent the Legislature of a State from making any provision for the constitution of Committees in addition to the Wards Committees. 243T. (1) Seats shall be reserved for the Scheduled Castes and the Scheduled Tribes in every Municipality and the number of seats so reserved shall bear, as nearly as may be, the same proportion to the total number of seats to be

filled by direct election in that Municipality as the population of the Scheduled Castes in the Municipal area or of the Scheduled Tribes in the Municipal area bears to the total population of that area and such seats may be allotted by rotation to different constituencies in a Municipality. (2) Not less than one-third of the total number of seats reserved under clause (1) shall be reserved for women belonging to the Scheduled Castes or, as the case may be, the Scheduled Tribes. (3) Not less than one-third (including the number of seats reserved for women belonging to the Scheduled Castes and the Scheduled Tribes) of the total number of seats to be filled by direct election in every Municipality shall be reserved for women and such seats may be allotted by rotation to different constituencies in a Municipality. (4) The office of Chairpersons in the Municipalities shall be reserved for the Scheduled Castes, the Scheduled Tribes and women in such manner as the Legislature of a State may, by law, provide. (5) The reservation of seats under clauses (1) and (2) and the reservation of office of Chairpersons (other than the reservation for women) under clause (4) shall cease to have effect on the expiration of the period specified in article 334. (6) Nothing in this Part shall prevent the Legislature of a State from making any provision for reservation of seats in any Municipality or office of Chairpersons in the Municipalities in favour of backward class of citizens.

243U. (1) Every Municipality, unless sooner dissolved under any law for the time being in force, shall continue for five years from the date appointed for its first meeting and no longer: Provided that a Municipality shall be given a reasonable opportunity of being heard before its dissolution. (2) No amendment of any law for the time being in force shall have the effect of causing dissolution of a Municipality at any level, which is functioning immediately before such amendment, till the expiration of its duration specified in clause (1). (3) An election to constitute a Municipality shall be completed, - (a) before the expiry of its duration specified in clause (1); (b) before the expiration of a period of six months from the date of its dissolution: Provided that where the remainder of the period for which the dissolved Municipality would have continued is less than six months, it shall not be necessary to hold any election under this clause for constituting the Municipality for such period. (4) A Municipality constituted upon the dissolution of Municipality before the expiration of its duration shall continue only for the remainder of the period for which the dissolved Municipality would have continued under clause (1) had it not been so dissolved.

243V. (1) A person shall be disqualified for being chosen as, and for being, a member of a Municipality-

(a) if he is so disqualified by or under any law for the time being in force for the purposes of elections to the Legislature of the State concerned: Provided that no person shall be disqualified on the ground that he is less than twenty-five years of age, if he has attained the age of twenty-one years;

(b) if he is so disqualified by or under any law made by the Legislature of the State.

(2) If any question arises as to whether a member of a Municipality has become subject to any of the disqualifications mentioned in clause (1), the question shall be referred for the decision of such authority and in such manner as the Legislature of a State may, by law, provide. 243W. Subject to the provisions of this Constitution, the Legislature of State may, by law, endow-

(a) The Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provision for the devolution of powers and responsibilities upon Municipalities, subject to such conditions as may be specified therein, with respect to-

(i) the preparation of plans for economic development and social justice;

(ii) the performance of functions and the implementation of schemes as may be entrusted to them including those in relation to the matter listed in the Twelfth Schedule;

(b) the committees with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matters listed in the Twelfth Schedule. 243X. The Legislature of a State may, by law-

(a) authorise a Municipality to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits;

(b) assign to a Municipality such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits;

(c) provide for making such grants-in-aid to the Municipalities from the Consolidated Fund of the State; and

(d) provide for constitution of such funds for crediting all moneys received, respectively, by or on behalf of the Municipalities and also for the withdrawal of such moneys there from,

as may be specified in the law. 243Y. (1) The Finance Commission constituted under article 243-I shall also review the financial position of the Municipalities and make recommendations to the Governor as to-

(a) the principles which should govern-

(i) the distribution between the State and the Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them under this Part and the allocation between the Municipalities at all levels of their respective shares of such proceeds;

(ii) the determination of the taxes duties, tolls and fees which may be assigned to, or appropriated by, the Municipalities;

(iii) the grants-in-aid to the Municipalities from the Consolidated Fund of the State;

(b) the measures needed to improve the financial position of the Municipalities;

(c) any other matter referred to the Finance Commission by the Governor in the interests of sound finance of the Municipalities.

(2) The Governor shall cause every recommendation made by the Commission under this article together with an explanatory memorandum as to the action taken thereon to be laid before the Legislature of the State. 243Z. The Legislature of a State may, by law, make provisions with respect to the maintenance of accounts by the Municipalities and the audit of such accounts. 243ZA. (1) The superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to the Municipalities shall be vested in the State Election Commission referred to in article 243K.

(2) Subject to the provisions of this Constitution, the Legislature of a State may, by law, make provision with respect to all matters relating to or in connection with, elections to the Municipalities. 243ZB. The provisions of this Part shall apply to the Union territories and shall, in their application to a Union territory, have effect as if the references to the Governor of a State were references to the Administrator of the Union Territory appointed under article 239 and references to the Legislature or the Legislative Assembly of a State were references in relation to a Union Territory having a Legislative Assembly, to that Legislative Assembly. Provided that the President may, by public notification, direct that the provisions of this Part shall apply to any Union territory or part thereof subject to such exceptions and modifications as he may specify in the notification. 243ZC. (1) Nothing in this Part shall apply to the Scheduled Areas referred to in clause (1), and the tribal areas referred to in clause (2), of article 244.

(2) Nothing in this Part shall be construed to affect the functions and powers of the Darjeeling Gorkha Hill Council constituted under any law for the time being in force for the hill areas of the district of Darjeeling in the State of West Bengal.

(3) Notwithstanding anything in this Constitution, Parliament may, by law, extend the provisions of this Part to the Scheduled Areas and the tribal areas referred to in clause (1) subject to such exceptions and modifications as may be specified in such law, and no such law shall be deemed to be an amendment of this Constitution for the purposes of article 368. 243ZD.

(1) There shall be constituted in every State at the district level a District Planning Committee to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole.

(2) The Legislature of a State may by law, make provision with respect to-

(a) the composition of the District Planning Committees;

(b) the manner in which the seats in such Committees shall be filled:

Provided that not less than four-fifths of the total number of members of such Committee shall be elected by, and from amongst, the elected members of the Panchayat at the district level and of the Municipalities in the district in proportion to the ratio between the population of the rural areas and of the urban areas in the district;

(c) the functions relating to district planning which may be assigned to such Committees;

(d) the manner in which the Chairpersons of such Committee shall be chosen.

(3) Every District Planning Committee shall, in preparing the draft development plan, -

(a) have regard to -

(i) matters of common interest between the Panchayats and the Municipalities including spatial planning, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;

(ii) the extent and type of available resources whether financial or otherwise;

(b) consult such institutions and organisations as the Governor may, by order, specify.

(4) The Chairpersons of every District Planning Committee shall forward the development plan, as recommended by such Committee, to the Government of the State. 243ZE.(1) There shall be constituted in every metropolitan area a Metropolitan Planning Committee to prepare a draft development plan for the Metropolitan area as a whole.

(2) The legislature of a State may, by law, make provision with respect to –

(a) the composition of the Metropolitan Planning Committees;

(b) the manner in which the seats in such Committees shall be filled:

Provided that not less than two-thirds of the members of such Committee shall be elected by, and from amongst the elected members of the municipalities and chairpersons of the Panchayats in the Metropolitan area in proportion to the ratio between the population of the Municipalities and of the Panchayats in that area;

(c) the representation in such Committees of the Government of India and the Government of the State and of such organisation and institutions as may be deemed necessary for carrying out of functions assigned to such Committees;

(d) the functions relating to planning and coordination for the metropolitan area which may be assigned to such Committees;

(e) the manner in which the Chairpersons of such Committees shall be chosen.

(3) Every Metropolitan Planning Committee shall, in preparing the draft development plan -

(a) have regard to –

(i) the plans prepared by the Municipalities and the Panchayats in the Metropolitan area;

(ii) matter of common interest between the Municipalities and the Panchayats, including coordinated spatial planning of the area, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;

(iii) the overall objectives and priorities set by the Government of India and the Government of the State;

(iv) the extent and nature of investments likely to be made in Metropolitan area by agencies of the Government of India and of the Government of the State and other available resources whether financial or otherwise;

(b) consult such institutions and organizations as the Governor may, by order, specify.

(4) The Chairperson of every Metropolitan Planning Committee shall forward the development plan, as recommended by such Committee, to the Government of the State. 243ZF. Notwithstanding anything in this Part, any provision of any law relating to Municipalities in force in a State immediately before the commencement of the Constitution (Seventy-fourth Amendment) act, 1992, which is inconsistent with the provisions of this Part, shall continue to be in force until amended or repealed by the competent Legislature or other competent authority or

until the expiration of one year from such commencement, whichever is earlier: Provided that all the Municipalities existing immediately before such commencement shall continue till the expiration of their duration, unless sooner dissolved by a resolution passed to that effect by the Legislative Assembly of that State or, in the case of a State having a Legislative Council, by each House of the Legislature of the State. 243ZG. Notwithstanding anything in this Constitution -

(a) the validity of any law relating to the delimitation of constituencies or the allotment of seats to such constituencies, made or purporting to be made under article 243ZA shall not be called in question in any court;

(b) no election to any Municipality shall be called in question except by an election petition presented to such authority and in such manner as is provided for by or under any law made by the Legislature of a State;

3. In clause (3) of article 280 of the Constitution, sub clause (c) shall be lettered as sub-clause (d) and before sub-clause (d) as so relettered, the following sub-clause shall be inserted, namely:-

“(c) the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Municipalities in the State on the basis of the recommendations made by the Finance Commission of the State;”.

(4) After the Eleventh Schedule to the Constitution, the following Schedule shall be added, namely:-

“TWELFTH SCHEDULE

(Article 243W)

1. Urban Planning including town planning
2. Regulation of land-use and construction of buildings.
3. Planning for economic and social developments
4. Roads and bridges.
5. Water supply for domestic, industrial and commercial purposes.
6. Public health, sanitation conservancy and solid waste management.
7. Fire services.
8. Urban forestry, protection of the environment and promotion of ecological aspects.
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
10. Slum improvement and upgradation.

11. Urban poverty alleviation.
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13. Promotion of cultural, educational and aesthetic aspects.
14. Burials and burial grounds; cremations, cremation grounds and electric crematoriums.
15. Cattle pounds; prevention of cruelty to animals.
16. Vital statistics including registration of births and deaths.
17. Public amenities including street lighting, parking lots, bus stops and public conveniences.
18. Regulation of slaughter houses and tanneries”.

**EXTRACT OF ARTICLE 243-I & 243-K FROM CLAUSE 2 OF THE
CONSTITUTION (73RD AMENDMENT) ACT, 1992 WHICH ARE REFERRED TO IN
THE CONSTITUTION (74 TH AMENDMENT) ACT, 1992**

243-I. (1) The Governor of a State shall, as soon as may be within one year from the commencement of the Constitution (Seventy-third Amendment) Act, 1992, and thereafter at the expiration of every fifth year, constitute a Finance Commission to review the financial position of the Panchayats and to make recommendations to the Governor as to :-

(a) the principles which should govern-

(i) the distribution between the State and the Panchayats of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them under this Part and the allocation between the Panchayats at all levels of their respective shares of such proceeds;

(ii) the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by, the Panchayats;

(iii) the grants-in-aid to the Panchayats from the Consolidated Fund of the State;

(b) the measures needed to improve the financial position of the Panchayats;

(c) any other matter referred to the Finance Commission by the Governor in the interests of sound finance of the Panchayats.

(2) The Legislature of a State may, by law, provide for the composition of the Commission, the qualifications which shall be requisite for appointment as members thereof and the manner in which they shall be selected.

(3) The Commission shall determine their procedure and shall have such powers in the performance of their functions as the Legislature of the State may, by law, confer on them.

(4) The Governor shall cause every recommendation made by the Commission under this article together with an explanatory memorandum as to the action taken thereon to be laid before the Legislature of the State.

243K(1) The Superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to the Panchayats shall be vested in a State Election Commission consisting of a State Election Commissioner to be appointed by the Governor.

(2) Subject to the provisions of any law made by the Legislature of a State, the conditions of service and tenure of office of the State Election Commissioner shall be such as the Governor may by rule determine; Provided that the State Election Commissioner shall not be removed from his office except in like manner and on the like grounds as judge of High Court and the conditions of service of the State Election Commissioner shall not be varied to his disadvantage after his appointment.

(3) The Governor of a State shall, when so requested by the State Election Commission, make available to the State Election Commission such staff as may be necessary for the discharge of the functions conferred on the State Election Commission by Clause (1).

(4) Subject to the provisions of this Constitution, the Legislature of a State may, by law, make provision with respect to all matters relating to, or in connection with elections to the Panchayats.

Source: Municipal Affairs Department, Government of West Bengal.

APPENDIX: VI-E

Implementation of the 74th Constitution Amendment Act

Note: The authors' (Savage David and Shubhsgata Dasgupta) personal views about 74th Constitutional Amendment Act

An important initiative of the Government of India to strengthen municipal governance is the enactment of the 74th CAA in 1992. Until the recent amendment, local governments in India were organized on the basis of the 'ultra vires' principle [beyond the powers or authority granted by law] and the state governments were free to extend or control the functional sphere through executive decisions without an amendment to the legislative provisions. Through this initiative, an attempt is being made to improve the performance ability of municipalities, so that they are able to discharge their duties efficiently.

The important provisions specified in the Act include constitution of three types of municipalities, devolution of greater functional responsibilities and financial powers to municipalities, adequate representation of weaker sections and women, regular and fair conduct of municipal elections, and constitution of Wards Committees, District Planning Committees, Metropolitan Planning Committees and State Finance Commissions.

The 74th CAA, 1992 provisions, thus, provides a basis for the State Legislatures to guide the state governments in the assignment of various responsibilities to municipalities and in strengthening municipal governance. Accordingly, several state governments have amended their Municipal Acts/Laws/Legislations so as to bring these in conformity with the Constitutional provisions.

Interestingly, a review of literature reveals that till date apart from some piece-meal studies a systematic attempt to assess the impact of the 74th Amendment Act provisions on the working of municipalities has not been made at the all-India level. It is also learnt that the municipalities are confronted with a number of problems, despite the amendments in the State Municipal Acts and the implementation of the 74th CAA provisions. For instance, in several states, there exist problems of ineffective participation in the decision-making process despite adoption of the policy of reservation, delays in the transfer of funds to the municipalities despite constitution of State Finance Commissions, and poor recovery from various tax and non-tax sources despite devolution of powers. It is further learnt that there is an influence of various social, economic and political factors on the functioning of municipalities in India. Considering these local-level

issues of governance as relevant, it is essential to examine the impact of the 74th CAA in different states of India.

The impact of the 74th CAA is assessed for a total of 27 States and 1 Union Territory (UT) of India. The state of Jammu and Kashmir was not included in the study. The National Capital Territory of Delhi, which is classified as a Union Territory by the 2001 Census of India, has been covered in this study.

The main problem faced in assessing the impact of the 74th Amendment Act was the non-availability of data on some aspects of the 74th Amendment Act provisions. This problem was noted especially in the case of most north-eastern states and the newly created states of Chhattisgarh, Jharkhand, and Uttaranchal. There are a number of states where disaggregated data on the number of male and female councilors/chairpersons belonging to scheduled castes, tribes, backward classes, and general category are not maintained properly. Similarly, adequate information is not available on the devolution of functional responsibilities and financial powers to ULBs. It may be further stated that updated information on the provisions of the 74th CAA could not be provided in this paper since data for the study were collected over a period of time.

The analysis of the data collected throws light on the performance of different state governments on the compliance/implementation of the Act provisions. Table B3.2.1 gives the state-wise compliance of the 74th Amendment Act provisions. Some important provisions of the Act have been included in the table. These are: constitution of ULBs; reservation of seats in ULBs, regular conduct of elections, Constitution of ward committees (WCs), District Planning Committees (DPCs), Metropolitan Planning Committee (MPCs) and state finance commissions (SFCs).

An important observation is that while there has been full compliance in respect of select provisions, such as constitution of three types of ULBs, reservation of seats, and constitution of SFCs, others, namely constitution of WCs, DPCs, and MPCs have not been adopted to the fullest extent. West Bengal has shown full commitment and a high compliance with the provisions.

Furthermore, urban local governments now comprise of persons with diverse backgrounds and roles, namely elected members (such as the Mayor, President and councilors, who are representatives of citizens), nominated members (who are selected by the state government from amongst persons having special knowledge or experience in municipal administration) and the ex-officio members (such as the MPs and the MLAs, who are responsible for spending funds received from the government on various development works within their constituency).

Moreover, seats for the posts of Mayor, President and councilors in urban local governments have been reserved for women, for persons belonging to the scheduled caste, scheduled tribe, and backward class categories. The main objective of these changes is to create a representative government at the local level, which is capable of addressing the needs of all sections of the society.

Empowerment of municipalities through functional devolution is an important objective of the 74th CAA. The Twelfth Schedule of the 74th CAA, which consists of a list of 18 functions, has been inserted to guide state governments in the assignment of various functional responsibilities to municipalities. In response, most state governments have included the 18 functions in the list of duties to be performed by municipalities. Activity mapping of the 18 functions among the three tiers of municipalities is currently underway (that is, a number of activities have been identified within each function and actions are being taken for implementation). This analysis shows that some functions have been transferred to the municipalities and are being performed by them in consultation with the respective state government departments. In a few states, for example, Uttar Pradesh and West Bengal, some of the functions listed in the Twelfth Schedule such as town planning, urban poverty alleviation, provision of urban amenities, vital statistics, etc. were already being performed by the municipalities before the enactment of the 74th CAA.

The analysis on the functioning of SFCs in different states of the country reveals that although the major thrust is on strengthening the financial condition of municipalities, there is also an emphasis on improving their overall management capabilities. Further, the 'action taken' reports prepared to assess the status of SFC recommendations show that the proportion of recommendations accepted (fully, partly or in a modified form) is much higher than those, which have-not been accepted. Decision to accept or reject a recommendation lies with the state government and is based on a number of factors, such as the financial condition of the state/local government, priority areas, etc.

Source: Savage David and Shubhsgata Dasgupta (2006), India Infrastructure Report 2006.

APPENDIX: VII-A

Twelfth Schedule of the Constitution of India

1. Urban planning, including town planning
2. Regulation of land use and construction of buildings
3. Planning for economic and social development
4. Roads and bridges
5. Water supply for domestic, industrial and commercial purposes
6. Public health, sanitation conservancy and solid waste management
7. Fire services
8. Urban forestry, protection of environment and promotion of ecological aspects
9. Safeguarding the interests of weaker sections of society, including the disabled and mentally retarded
10. Slum improvement and upgrading
11. Urban poverty alleviation
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds
13. Promotion of cultural, educational, and aesthetic aspects
14. Burials and burial grounds, cremations, cremation grounds, and electric crematoriums
15. Cattle pounds; prevention of cruelty to animals
16. Vital statistics including registration of births and deaths
17. Public amenities including street lighting, parking lots, bus stops, and public conveniences
18. Regulation of slaughter houses and tanneries

(This schedule was added by the Constitution (Seventy-fourth Amendment) Act, 1992, sec. 4)

Paper published:

1. Published article in 2012 in the edited book named "Economy of North Bengal: A district level study". The title of the article is "Economic Viability of Urban Local Bodies-A Comparative Study of Dinajpur District (North & South)". (Appendix: VIII-A)

2. Published article in 2010 in CALYX, Journal of business management, DSMS business school Durgapur. The title of the article is "Financial Management System of Urban Local bodies- A case study of Cooch Behar Municipality in West Bengal".(Appendix: VIII-B)

Seminar Attended:

(i) Participated in national level seminar in Kalimpong College in association with Centre for mountain dynamic, on 28th and 29th April, 2012.

The title of the paper presented "Self Help Groups in India-A road to economic empowerment and poverty eradication of Urban Poor".

(ii) Participated in national level seminar in Kalimpong College in association with Netaji Institute of Urban Studies, on 24th March, 2012.

The title of the paper presented "Urbanization & service delivery-a case study of Cooch Behar Municipality".

(iii) Participated in national level seminar in Kalimpong College in association with Netaji Institute of Urban Studies, on 25th March, 2012.

The title of the paper presented "Urbanization & solid waste management –a social safeguard of environment" .

(iv) Participated in all India conference in DSMS business school organized by IBSA on March 26-27, 2011.

The title of the paper presented "property tax & urban local bodies-An investigation" .

(v) Participated in national level seminar in DSMS business school in Durgapur organized by DSMS business school in association with school of management, WBUT on 5th October, 2010.

The title of the paper presented "Financial Management System of Urban local bodies-A case study of Cooch Behar Municipality in West Bengal".

(vi) Participated in national level seminar in NBU organized by Department of Management, on 17th &18th March, 2009.

The title of the paper presented “Financial Management of the Municipality-A case study in Cooch Behar.

APPENDIX: VIII-A

Publication-1

Cover Page



ECONOMIC VIABILITY OF URBAN LOCAL BODIES-

A COMPARATIVE STUDY OF DINAJPUR DISTRICT (North & South)

Introduction:

ULB has been raised to the status of “Government at the local level” after 74th constitutional amendment Act of 1992. Article 243W of the constitution of India envisages that the state government may, by law, endow the ULBs with such powers and authority as may be necessary to enable them to function as institutions of self –government and such law may contain provisions for the devolution of powers and responsibilities upon municipalities, subject to such conditions as may be specified therein, with respect to (i) the preparation of plans for economic development and social justice and (ii) the performance of functions and the implementation of schemes as may be entrusted to them including those in relation to the matters listed in the twelfth schedule. The power and functions which ULBs can exercise under the provisions of article 243W are (a) construction and maintenance of sewerage and drainage system (b) construction and maintenance of inner city road (c) construction and maintenance of markets (d) construction of solid waste recycling area (e) lighting of public streets (f) collection of solid and bio chemical waste and arrange to dispose that hygienically (g) removal of encroachment, demolition of dangerous building (h) registration of birth and death (i) pollution control (j) education (k) sanitation and others. Besides the govt. grant the principal source of revenue is Property tax to perform the responsibilities to the habitat within the jurisdiction of those ULBs. The pace of urbanization in the recent years has been a alarming problem for basic services as well as infrastructural facilities of the urban habitat. To achieve a world class urban service delivery system, Govt. has taken various steps to strengthen the financial base of those ULBs such as (i) Reassess of holdings after every five years (ii) provides huge amount of capital grant to construct market, Bus stand, Auditorium etc. The main objective of Govt. is to develop the infrastructure to attract the corporate houses which can help the economic development to that area and ULBs became financial viable and dependency on Govt. comes up minimal.

All over the world it is proved that ULBs plays a vital role in creation of working place for the all type people - skilled, semiskilled and unskilled. ULBs help to generate externalities that facilitate transactions, production, and distribution activities and serve as centers for trading activities. Keeping in view the objective of empowering the municipal bodies both administratively as well as financially and to create job facilities for people with expanded economical activities, the central government has taken policy of decentralizing the urban local bodies' governance in this country

Methodology:

All the Data of this study is actually of secondary type. In West Bengal total no. of district is 19 and urban local bodies is 126. We have selected Dinajpur district of north Bengal (north and south combined) for our analysis of economic viability. It covers six no. of ULBs, they are

Balurghat, Gangrampur, Dalkhola, Islampur, Kaliagang and Raiganj. Basically the source of data are various govt. department and the published administrative report of Municipal Affairs Department, government of West Bengal, journal, local body audit report etc. Data are analyzed, tabulated sequentially. The author expects that this analysis will open the way for the future planning and also help the stakeholders in governing these local bodies. Research scholar may also be guided by this study. In the year 1992 for the purpose of administrative benefits state government bifurcate Dinajpur district and made two parts, one is south Dinajpur and other is North Dinajpur The Category, Year of Establishment, Area, SC, ST and Total Population of the above mentioned ULBs in West Bengal are given below

Table-i

The Category, Year of Establishment, Area, SC, ST and Total Population of the Dinajpur District (South & North)ULBs in West Bengal

District	Name of the ULBs	Category	Year of establishment	Area(Sq.k)	Census population 2001		
					SC	ST	Total
South Dinajpur	Balurghat	C	1951	8.56	16611	2906	135516
South Dinajpur	Gangarampore	D	1993	10.29	17200	3090	53548
North Dinajpur	Dalkhola	D	2003	15.95	0	0	29770
North Dinajpur	Islampur	E	1981	10.21	9318	613	52766
North Dinajpur	Kaliagang	D	1987	8.99	10804	407	47639
North Dinajpur	Raiganj	B	1951	8.99	25567	1509	165222

Source: Administrative Report of Municipal Affairs Department, Gov. WB, 2001-2005

Objectives:

The basic objectives of the present study are:

- (i) To study the Revenue income and expenditure dimension.
- (ii) To study the Share of property tax and non-tax in the total revenue income.
- (iii) To study the percentage of other tax (excluding property tax) on total tax of those ULBs.
- (iv) To study whether the ULBs are self sufficient or not.

Revenue Income & Expenditure Dimension:

Revenue from own fund comprises tax revenue, assigned revenue, rental income from municipal properties, fees and user charges, sale and hire charges, income from investment, interest earned

and others income .The revenue expenditure head are: establishment expenses, administrative expenses, operation and maintenance, interest and financial charges and programme expenses.

Table-ii
Revenue income & expenditure of Dinajpur District for the periods 2001-2005

Year	Total revenue from own fund	Salary and wages	other revenue expenditure	Total revenue expenditure	GAP
2001-2002	216.03	512.57	249.99	762.56	-546.53
2002-2003	274.97	479.54	293.58	785.79	-510.82
2003-2004	302.83	492.58	359.2	850.78	-547.95
2004-2005	349.31	502.83	306.74	879.09	-529.78
Total		1987.52	1209.51	3278.22	
Percentage of expenditure on total Revenue expenditure		60.63	36.90		

Source: Administrative Report of Municipal Affairs Department, Gov. WB, 2001-2005

A perusal of table-ii reveals that the revenue income of Dinajpur Districts ULBs from own sources are very poor for the periods 2001-2002 to 2004-2005. There is a shortage of more than Rs. 500 lakh to meet the revenue expenditure from the own sources of revenue. In the year 2003-2004 it is maximum i.e Rs.547.96 lakh and in the year 2002-2003 it is Rs.510.82 which is minimum of that four years. Huge revenue gap is one of the obstacles for economical development of the UBLs. Presently this gap has been filled by matching grant from the state government but this is not a permanent solution. Although it shows that more than 60.63% of expenditure covers salary & wages of staffs and only 36.90% is left for other revenue expenditure. To meet the huge amount of salary & wages expenditure ULBs should have to take more initiative to generate more revenue from the existing sources. Special incentive can be allowed to the tax collector for more collection and imposition of new taxes to generate more funds. But it should be kept in mind that the amount of new taxes imposed and services provided must be balanced otherwise it may have adverse effect on the sentiment of the people.

Present Financial Status:

Financial depth and breadth, structure, effective utilization of financial resources, financial contributions to economy and proportion of direct finance to indirect finance should be sound both in qualitative and quantitative terms so as to push the overall development and GDP of this district economy.

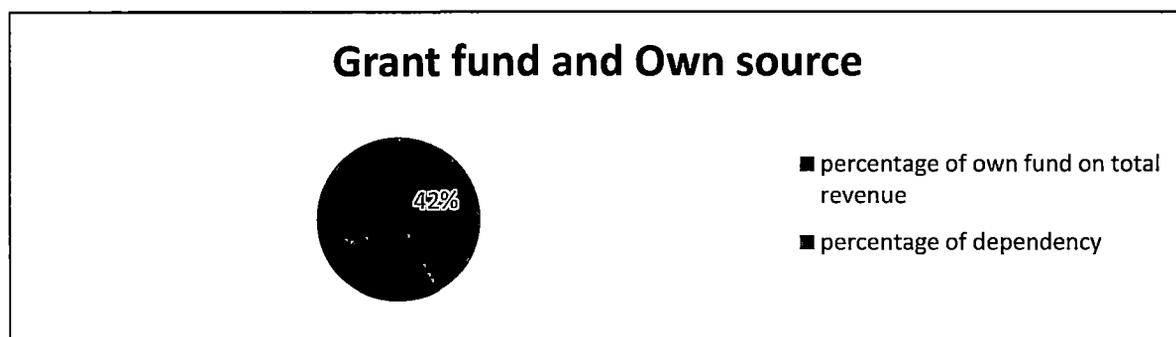
Table – iii
Statement showing percentage of own fund and Dependency on Government Grant (West Bengal)

Rs. In Crores

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Total plan release (MA+KMDA)	270.42	349.88	149.75	132.85	189.94
Total non-plan release	502.76	502.02	499.4	553.71	590.26
own fund	379.55	433.17	554.41	702.38	686.27
Total Revenue income	1152.73	1285.07	1203.56	1388.94	1466.47
Percentage of Own Fund on Total Revenue	32.93	33.71	46.06	50.57	46.80
Percentage of dependency	67.07	66.29	53.94	49.43	53.20

Source: Administrative Report of Municipal Affairs Department, Gov. WB, 2001-2005

Pie chart- a



Source: Personal computation

Table-iv

Own source of Revenue Income and Revenue from Government Grant of Dinajpur District
ULBs for the year 2001-2005

Rs.in lakh

Year	2001-2002		2002-2003		2003-2004		2004-2005	
Name of the ULB	District total of ULB income	Percentage on total revenue income	District total of ULB income	Percentage on total revenue income	District total of ULB income	Percentage on total revenue income	District total of ULB income	Percentage on total revenue income
Revenue from own fund	216.00	26.00	274.97	0.31	302.83	0.30	349.31	0.29
Revenue from govt. fund	615.00	74.00	605.68	0.69	701.91	0.70	843.74	0.71
Total revenue income(own fund + grant fund)	831.00	100.00	880.65	100.00	1004.7	100.00	1193.05	100.00

Source: Administrative Report of Municipal Affairs Department, Gov. WB, 2001-2005

Table -ii depicts that the dependency on govt. grants is the serious problem of the ULBs in state scenario. Pie chart- a shows that ULBs are dependent on grant is 58% on an average. Table- iii shows that the ULBs of Dinajpur district is also lagging behind of this problem .After analyzing the revenue income of these six municipalities it is found that in the year 2001-2002 percentage of dependency on govt. grant is seventy four percent whereas state scenario shows it as percentage of sixty six percent. So it is clear that for the year 2001-2002 revenue income statement of Dinajpur ULBs are eight percent trials than state average. In the year 2002-2003 dependency on government grant is minimum i.e sixty nine percent. It means that ULBs fail to generate fund from own sources, so developmental work of the area has not been initiated up to the mark.

it is a known fact that the skipper of the ULBs is the representative of particular political party and most of the time they don't want to impose new taxes on the shoulder of habitat due to

political interest, so development activity and financial stability have no meaning to this people. Rational thinking is very important for the skipper to make the ULBs self dependent. All foresighted people should think about the eventualities in the situation of stopping government grant. If ULBs started to think this from today, then if that happens, ULBs will not face any problem.

Intra Urban Local Bodies study:

Out of six ULBs two are very new, two have already crossed twenty years and other two are old. Cross analysis helps us to know the present financial health such as expenditure management and revenue enhancement capacity of these ULBs. Financial position and growth rate of old ULBs like Balurghat (1951) and Raigang (1951) is better than the newly created ULBs. Table-V reveals that these two ULBs are showing their capability to control the expenses. In the year 2002-2003 Balurghat Municipality was able to reduce its expenses seventeen percent (17%) and Raigang Municipality three percent (3%). The position of Kaliagang municipality is not so good because expenses have increased to 84% whereas its revenue has increased only by 14%. For the year 2004-2005 Kaliagang was able to reduce its expenses to 2% only whereas Raigang reduces it to the extent of 8%.

Table-v

Year Wise Growth Rate of Income and Expenditure of Dinajpur district ULBs for the year 2001-2005

Rs. In lakh																
Name of the ULB	2001-2002		Growth rate between 2000-2001 and 2001-2002		2002-2003		Growth rate between 2001-2002 and 2002-2003		2003-2004		Growth rate between 2002-2003 and 2003-2004		2004-2005		Growth rate between 2003-2004 and 2004-2005	
	Total revenue from own fund	Total revenue expenditure	Growth rate of income	Growth rate of expenditure	Total revenue from own fund	Total revenue expenditure	Growth rate of income	Growth rate of expenditure	Total revenue from own fund	Total revenue expenditure	Growth rate of income	Growth rate of expenditure	Total revenue from own fund	Total revenue expenditure	Growth rate of income	Growth rate of expenditure
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Balughat	130.1	369.92	0	0	137.8	308.2	5.856	-16.69	134.8	284.6	-2.113	-7.66	160.4	285.7	18.934	0.39
Gangarampur	0.000	0.000	0	0	32.07	45			38.39	65.58	19.707	45.73	25.79	62.95	-32.821	-4.0104
Dalkhola	0.000	0.000	0	0	0.000	0.000			10.82	11.12			9.68	69.52	-10.536	525.18
Islampur	15.52	54.28	0	0	31.41	57.47	102.384	5.877	33.95	73.1	8.087	27.2	41.84	74.12	23.240	1.3953
Kaliaganj	16.83	52.74	0	0	19.23	96.93	14.260	83.79	20.08	90.81	4.420	-6.31	27.61	88.86	37.500	-2.1473
Raigang	53.55	285.62	0	0	54.51	278.2	1.793	-2.598	64.75	325.6	18.786	17.03	84.02	298	29.761	-8.4892

Growth Rate of Revenue Income & Expenditure:

The matching of revenues with expenses is one of the key indicators for the sound and healthy financial base of ULBs. Although in reality the ULBs have little control over expenses thus mismatch between revenues and expenditures has become a common scenario.

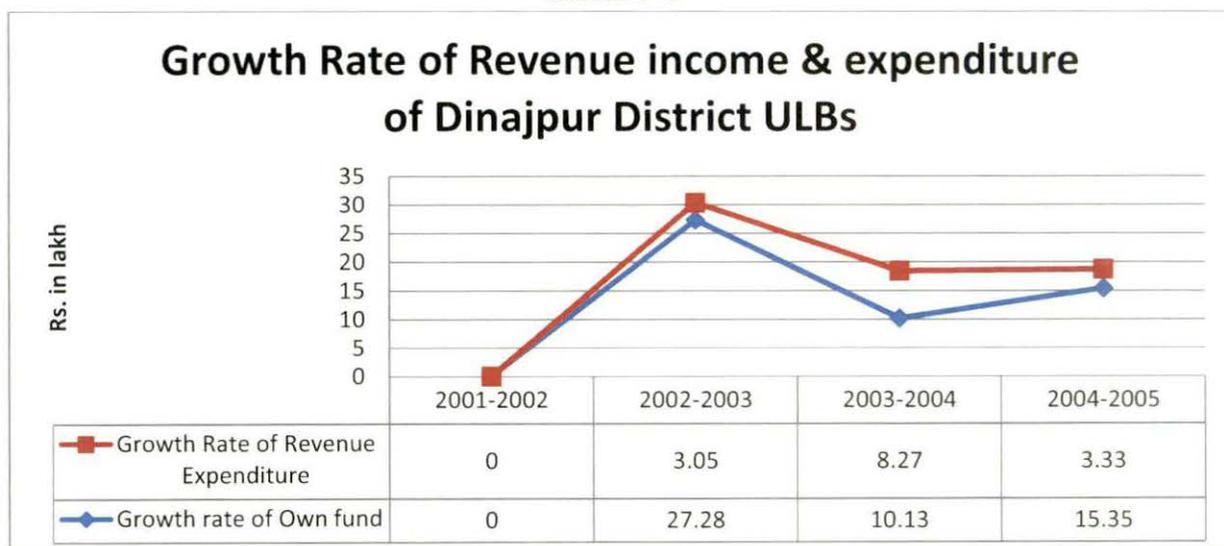
Table-vi
Growth Rate of Revenue income & expenditure of Dinajpur District ULBs for the periods 2001-2005

Rs. In lakh

Year	Total revenue from own fund	Growth rate of Own fund	Total revenue expenditure	Growth Rate of Revenue Expenditure
2001-2002	216.03	0	762.56	0
2002-2003	274.97	27.28	785.79	3.05
2003-2004	302.83	10.13	850.78	8.27
2004-2005	349.31	15.35	879.09	3.33

Source: Administrative Report of Municipal Affairs Department, Gov. WB, 2001-2005

CHART-b



Personal computation

Table-v depicts that there is no continuous growth in own source of revenue. In 2002-2003 it stood at 27.28 percent and in next year i.e 2003-2004 it stood at 10.13 percent .So growth falls appx. By 17 percent in the year 2003-2004. figures shows that this type of increase is not enough to meet the full revenue expenditure of those ULBs .To meet the total revenue expenditure from own sources ULBs have to enhance own sources of revenue up to 300 percent from current collection .In one year it is impossible but gradually it may be possible. Growth rate of expenditure is nominal, so the main problem is the poor collection of revenue thus ULBs are

facing problem to meet the expenditure. The other measure may be the curtailment of unnecessary expenses which may not always be viable.

Property Tax, Others Tax and Non Tax position:

Property tax is the lion part of own source of the ULBs. Many development activities depend on this tax collection. ULBs generally are less interested on collection of others taxes but it may be a reasonable source. Basically non tax revenue comprises fees and user charges (plan sanction fees, mutation fees and water charges) and others.

Table-vii

Percentage of Property tax ,Other taxes and Non tax on total revenue from Own sources of Dinajpur district for the year 2001-2005

Rs. In lakh

year	property tax revenue	Property tax percentage on total revenue	other tax revenue	Other tax percentage on total revenue	Non tax revenue	Non tax percentage on total revenue	Total revenue from own fund
2001-2002	99.4	46.01	11.9	5.51	104.73	48.48	216.03
2002-2003	139.45	50.71	15.72	5.72	119.80	43.57	274.97
2003-2004	140.11	46.27	19.22	6.35	143.50	47.39	302.83
2004-2005	144.33	41.32	48.4	13.86	146.90	42.05	349.31
Total	523.29	45.78	95.24	8.33	514.93	45.05	1143.14

Source: Administrative Report of Municipal Affairs Department, Gov. WB, 2001-2005

Tax collection involves sending out tax bills, collecting the taxes, and ensuring payment. Since the primary purpose of the property tax is revenue generation, tax collection and enforcement are the most important components of the property tax system (Kelly,2000).There is a provision that if the property tax is not paid within a specified time period after the due date, interest and a late fee may be generally charged. For that purpose the skipper must be active and dynamic. As per table- vii percentage of property tax and non tax is almost equal i.e 45% .The principal source of fund of ULBs are property tax but for Dinajpur district this percentage is almost same to non- tax revenue income which is not a good sign for a healthy ULBs, thus the district ULBs need to take initiative in collecting more taxes from holdings. They need to adopt benchmarking and trend analysis to fix targets for revenue improvement and expenditure minimization; implement performance management and evaluation system.

As per government rule ULBs have thirty-one sources from where ULBs can generate income but it has been seen that most ULBs touch only few sources while the maximum areas remain unexplored .The thirty one areas are:- property tax, water tax, sewerage tax, conservancy tax,

lighting tax, education tax, vehicle tax, tax on animals, electricity tax, professional tax, advertisement tax, pilgrimage tax, octroi and toll and other taxes. Thus table- vii shows that average 8.33 percent is collected from other tax sources excluding property tax .It is true that no initiative have been taken by stakeholders to impose taxes in new areas .Most of the time the officials are under the wrong impression that the property tax comprises all the taxes and above all they have no idea of new area of taxation. The problem behind of imposition of new taxes is that the elected members are guided by temporary political interest than the overall and permanent development activities of the ULBs.

Suggestion:

To reach the high GDP rate and make the ULBs financially sound the below mentioned strategies can be followed,

Revenue enhancement initiatives:

- i. Reassess the holdings in regular way without fail, the gap may be three years between two consecutive Reassess of holdings instead of five years.
- ii. Issue provisional trade license and food license.
- iii. Imposition of hoarding tax, the rate may be high in every year considering the inflation rate of index.
- iv. Accelerate in collection of property tax by taking modern system of technology such as GIS system.
- v. Issue of food license to the unauthorized vendors.
- vi. Conservancy tax and water tax may be imposed.

Expenditure management initiatives:

- i. To avoid penalties timely payment is required.
- ii. Made Balance with the budget provision and expenditure
- iii. Procurement of store items through annual rate contract to avoid price increase loss.

Asset management initiatives:

- i. Follow PPP model to construct market complexes.
- ii. Do social forestry in the vacant area
- iii. Construct World class hospital in the vacant area land situated in the heart of the town with the collaboration of MNC.
- iv. Invite corporate houses by organizing seminar and show through PowerPoint the advantages of those houses if they came in this area and also discloses the benefits which the ULBs eager to provide.

Policy can be framed by stakeholders to optimum use of Capital assets such as natural capital (natural resources), social capital (relationship of trusts, membership of group) human capital(knowledge, skills, ability of labour) physical capital (water, sanitation, energy, transport)and financial capital to make the ULBs world class example. The author suggests that to be a financially sound first to establish the relationship between willingness, capacity

and opportunity of the tax payer .Technical threat can be reduced by implementing GIS system. Leaving the progressive system of taxation area based system can be applied.

Training of stakeholders is important to know the financial management of ULBs, revenue and expenditure management, property tax system and reforming property tax, user charge financing, Market-based financing of urban infrastructure, Land and Land-based Instruments for Resource Mobilization ,Municipal financial management-Reforms.

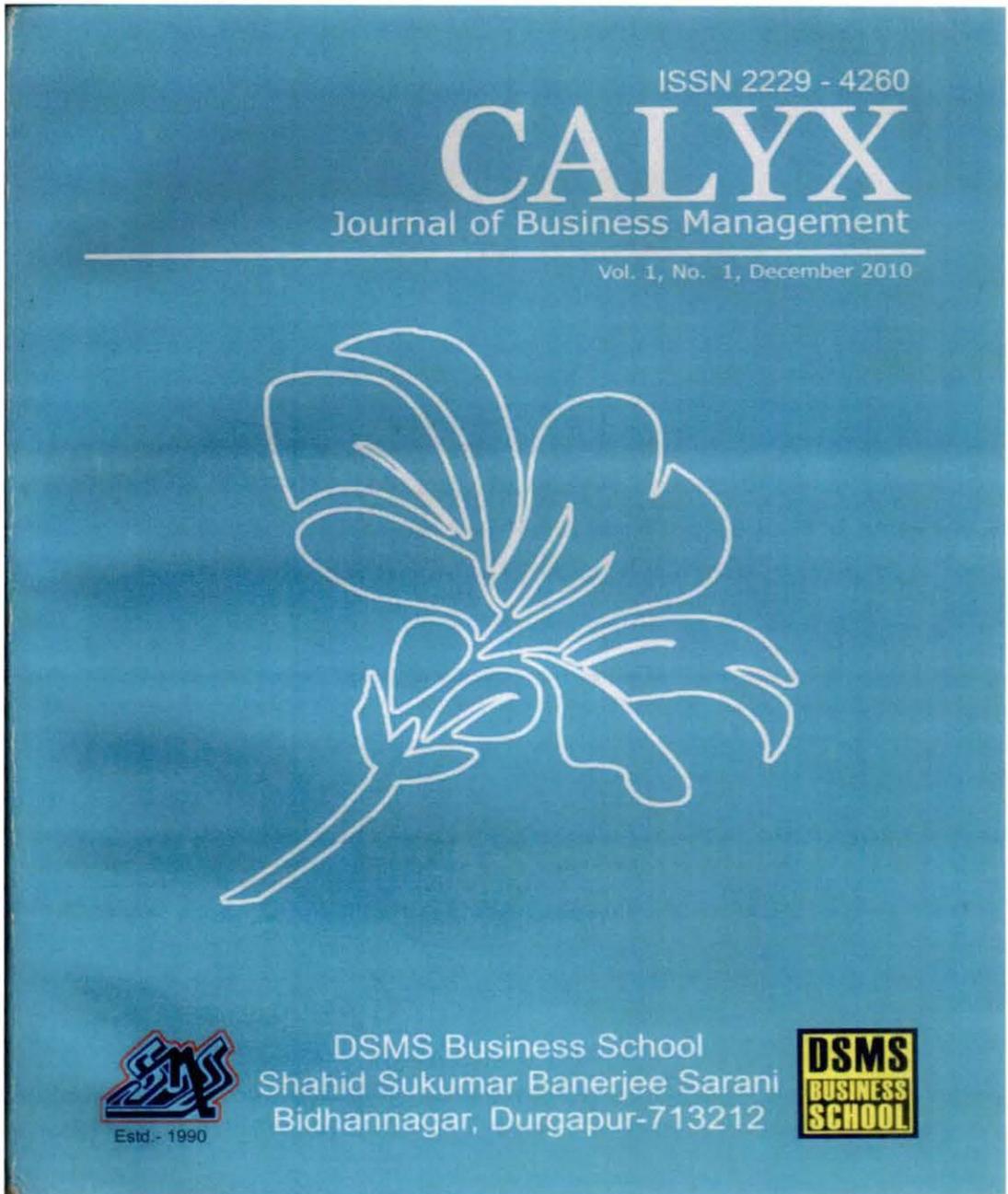
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APPENDIX: VIII-B

Publication-2

Cover Page



Financial Management System of Urban Local Bodies –A case study of a Cooch Behar Municipality in West Bengal

Abstract

The degree of urbanization in our country is at very rapid space .It is estimated that by the end of 2022 the population of urban sector add 40 percent to total population .The municipal bodies are key agents for the urban development and their existence has been noticed since times immemorial .These bodies are statutorily responsible for providing basic infrastructural services to the people of town and cities.

In discharging such function finance is very necessary input. These bodies are given power constitutionally to collect revenue within their domain. Apart from it central govt. provides huge grants to the bodies under various schemes. The state govt. also transfers funds on the basis of the recommendations of the SFC .So proper financial management of these fund is need of the hour so that proper utilizations of the fund are ensured .The West Bengal Municipal act 1993 states that every municipality will present the budget proposal at the beginning of the year and the financial statement consisting of Balance Sheet and Fund Flow Statement at the end of each year.

Under this backdrop this paper examines the practice of financial management of the Cooch Behar municipality during the periods 1994-1995 to 2007-2008 .The study shows that preparation of budget proposal and financial statement are found to be defective and not in accordance with the rules .The authors make suggestion in the light of such deficiencies so that healthy management of the finance is ensured in the urban local bodies.

Financial Management System of Urban Local Bodies –A case study of a Cooch Behar Municipality in West Bengal

1. INTRODUCTION:

Urbanization is an important ingredient of economic development. The trend towards greater urbanization is observed across the developing world. Going by this trend, India is stated to have 50 percent of its population living in cities and towns in the next few decades, up from the current population of about 30 percent. In order to look after the welfare of the urban people municipality i.e. a sub national government exists. The shape of this government is not new but has been noticed in since time immemorial. The 74th amendment to the constitution of India, 1992 identified enormous responsibilities for urban local governments. Therefore these bodies are statutorily responsible for providing basic services to the people of town and cities. These services relate to public health, welfare, public safety, public works, and development activities. Public health includes water supply, sewerage and sanitation, eradication of communicable diseases etc.; Welfare includes public facilities such as education, recreation, etc Public safety includes fire protection, street lighting etc.; Public works measures such as construction and maintenance of inner city roads, etc; and development functions related to town planning and development of commercial markets.

In discharging such function finance is the key ingredient element .For strengthening the finances of urban local government they have been given power constitutionally to collect revenue within their domain .The central finance commission (CFC) and respective state governments transfer funds to these bodies on the basis of the recommendation of the state finance commission (SFC). Apart from it central government also provides huge grants to these bodies under various schemes. Therefore proper financial management of these funds is not only the key aspects today but also the need of the hour which indicates transparency, efficiency and proper utilization of the funds. The West Bengal Municipal act 1993 states that every municipality will present the budget proposal at the beginning of the year and the financial statement consisting of Balance Sheet and fund flow statement is to be made at the end of each year. Compliance with this act implies proper management of the public fund.

Under this backdrop the objectives of this paper can be stated below:-

1. To study whether the body is preparing the budgets regularly.
2. To study whether the body conform revenue and expenditure in accordance with the budgets.
3. To study whether the body is preparing financial statement in the form of balance sheet.
4. To study whether fund flow statement has been preparing by the bodies.

2. METHODOLOGY:

This study is based on secondary data. The secondary data has been collected from books, journals and official records from Cooch Behar municipality, annual reports and census report. Different information's have been collected from the office of the municipality and from concerned officers & offices of the municipality.

The total no of municipalities in the district are six. For the purpose of intensive study, research work has been limited to study of municipality operating in the sadar on effective lines. Before the selection of municipality discussions were held with the officers & officials. Accordingly Cooch Behar municipality situated at sadar of the district was chosen.The study period covers fourteen years from 1994-1995 to 2008-2009.

3. BUDGET PROVISION:

Every democratic government makes vigorous efforts for this end, maximizing the welfare of the community in the modern times. In order to achieve, the government takes in hand various socio-economic activities. This requires proper manipulation of the budgetary policy of the government. A budget, therefore, is not only a financial statement of actual and anticipated revenues and outlays of the government but is also a document of detailed programmes and policies of action which they desire to pursue in the coming years for raising the level of economic activity. The West Bengal Municipal Finance Rules 1993 states that every municipality shall prepare the budget estimate for beginning of every financial year to perform the economic activities during the year. More or less every municipality is following the norms but it is observed that most of the cases budget is unrealistic. Table-1 presents the picture of budget provision and actual expenditure of Cooch Behar Municipality during the years from 1994-1995 to 2005-2006

TABLE-1 SHOWING BUDGET PROVISION AND ACTUAL EXPENDITURE

Year	Budget Provision (RS.)	Actual Expenditure (RS.)	Savings(-) Excess(+)	Percentage Deviation
1994-1995	13733612	12606617.11	-1126994.89	-8.21
1995-1996	16193740	12562592.13	-3631147.872	-22.42
1996-1997	19853168	16573548.91	-3279619.09	-16.52
1997-1998	19071756	23239847.72	4168091.72	21.85
1998-1999	22365360	22823796.93	458436.93	2.05
1999-2000	30652445	24542309.2	-6110135.8	-19.93
2000-2001	35659116	29474761.37	-6184354.63	-17.34
2001-2002	38544948	39419861.58	874913.58	2.27
2002-2003	37821172	144260555.1	106439383.1	281.43
2003-2004	45659854	49293914.02	3634060.02	7.96
2004-2005	60240880	31762001.1	-28478878.9	-47.28
2005-2006	53636400	59793313.2	6156913.2	11.48

Source: official records of the Cooch Behar Municipality over the Years, N.B: data is not available for the year 2006-2009

From the table it appears that Cooch Behar Municipality fails to incur the budgeted expenditure for six years (1994-1997, 1999-2001, and 2004-2005). There is a substantial savings in revenue 8.21 to 47.28 percent. It indicates unrealistic estimates and absence of definite work plans. Full Implementation of the programme is hindered due to incorrect financial plan by the municipality during the year. It also implies that the benefit did not reach to a optimum level.

The municipality has also incurred expenditure more than the budgets during six years (1997-1999, 2001-2004 and 2005-2006) which is depicted in the Table. No payment out of municipal fund should be made unless such expenditure is covered by current budget. The excess of expenditure over budgets can be recorded 2.05 to 281.43 percent. It indicates lack of budgetary control and absence of reliable budget formulation. Lack of skilled staff and non coordination may be responsible for this situation.

4. POOR UTILISATION OF THE GRANT:

The funds to municipality from state/central govts are termed as grants. Operationally there are two types of grants the municipality receives.

TABLE-2 SHOWING UTILISATION OF GRANTS OVER THE YEARS

Year	Opening Balance(RS.)	Grants During The Years(RS.)	Total(RS.)	Utilization(RS)	Percentage Of Utilization
1994-1995		8847205.28	8847205.28	13605434	153.7823
1995-1996	-4758228.4	17920665.57	13162437.15	15087201	114.6232
1996-1997	-1924763.4	40518771.94	38594008.59	17487237	45.31076
1997-1998	21106771	14479876	35586647.24	24857766	69.85138
1998-1999	10728882	20510439.53	31239321.22	48829051	156.3064
1999-2000	-17589730	74338938	56749208.02	45112928	79.49526
2000-2001	11636280	47734791.25	59371071.17	39957531	67.30135
2001-2002	19413541	146036165.1	165449705.7	67966269	41.07972
2002-2003	97483437	96119494.62	193602931.2	29865416	15.42612
2003-2004	163737515	125972998.7	289710513.9	44121682	15.22958
2004-2005	245588832	109192781.9	354781613.8	55426668	15.62276
2005-2006	299354946	311058224.1	610413169.7	57884806	9.482889
2006-2007	552528364	11810557	564338920.7	19138237	3.391267
2007-2008	545200684	60890240	606090923.7	32414662	5.348152
2008-2009	573676262	60279547	633955808.7	58910954	9.292596

Source: official records of the Cooch Behar Municipality over the years

Purposive grant which includes implementation of assigned schemes given by the central government. SJSRY falls under this category. On the other hand establishment grant (salaries, wages) are derived from the state government. In other words funds are flowing to the municipality in West Bengal from different sources i)the centrally sponsored scheme ii)grant-in-aid from state budget iii) fund provided by central finance commission. In facts the life of the urban local bodies depends on grants .In Cooch Behar municipality grants constitute 61 percent of the total finance².

Grants and assistance related to the municipality for execution of specific projects are required to be utilized in the respective year. These developmental grants were given for improvement of road, drain, supply of drinking water, construction of office building etc. The failure of the Municipality to utilize even half of the amounts indicates that developmental expenditure needs to be planned and monitored more effectively so that the intended benefits reach the needy people.

Table-2 presents the utilization of development grants by the Cooch Behar municipality during the years 1994-1995 to 2008-2009. It is observed that the municipality utilized the grants 9.29 to 67.30 percent of the grants available during 2000-2001 to 2008-2009. The percentage of utilization particularly from 2002-2003 to 2008-2009 is less than 20 percent which is not only poor utilization but can be describe a situation of under utilization. The reasons may be lack of coordination among the various departments and clear knowledge regarding preparation of budgets scheme wise for utilization of the fund. Inadequate information in advance regarding the availability of funds is also responsible for this situation.

5. PREPARATION OF BALANCE SHEET AND FUND FLOW STATEMENT:

It is mandatory for every Municipality to prepare Balance Sheet and fund flow statement for each year according to the west Bengal Municipal act 1993.

Balance Sheet depicts true financial picture of a organization. It states at the end of each year the position of assets and liabilities an organization possess. In another way it is a statement of total assets and liabilities of an organization at a particular date .Non preparation of balance sheets indicates lack of transparency of assets and liabilities in the management of public funds besides non implementation of the provision of acts. Table-3 presents the preparation of balance sheet over the years by Cooch Behar Municipality.

TABLE-3 SHOWING PREPARARION OF FUND FLOW STATEMENT & BALANCE SHEET OVER THE YEAR 1994-95 AND 2008-2009

Year	Fund Flow Statement	Balance Sheet
1994-1995	NIL	NIL
1995-1996	NIL	NIL
1996-1997	NIL	NIL
1997-1998	NIL	NIL
1998-1999	NIL	NIL
1999-2000	NIL	NIL
2000-2001	NIL	NIL
2001-2002	NIL	NIL
2002-2003	NIL	NIL
2003-2004	NIL	NIL
2004-2005	NIL	NIL
2005-2006	NIL	NIL
2006-2007	NIL	NIL
2007-2008	NIL	NIL
2008-2009	NIL	NIL

Source: official records of the Cooch Behar Municipality over the years

It is found that the practice of preparing balance sheet over the year is not followed. It clearly indicates the violation of the acts not only but keeps the public away from aware of knowledge regarding the position of asset and liability of the municipality. Indifference of the government in this regards is matter of concern.

The fund flow statement is also important function of financial management and the municipal act gives importance for preparation of fund flow statement which indicates an inflow and out flow of fund of a concern over the years. It also helps to understand the changes in assets and asset

sources of an organization which are not readily evident in the financial statement. From the table it is noticed that the municipality has not been preparing the fund flow statement over the years as per requirement of the law.

Lack of skilled employee and government's indifference may be the reasons in this matter.

FINDINGS & CONCLUSION:

The study shows that the practice of financial management of the funds of the Cooch Behar Municipality is not adequate.

Budget is prepared by the municipality regularly. But the process of Preparation budget proposals is found to be defective because the result of budget and actual figure shows huge differences. There is a lack of budgetary control and absence of reliable budget formation.

Non preparation of balance sheet and fund flow statement over the year is clear indication of non transparency of assets and liabilities in the management of public funds of the Municipality. It is also non implementation of the provision of the acts.

Recommendations for the healthy management of the finance of the Cooch Behar Municipality may be put forward in the following lines

- Preparation of budgets taking inputs from the various Ward committees and constituent department is to be made. Management information system among the various departments should be strengthened.
- The municipality should employ professional finance personnel who have clear knowledge for preparation of balance sheets and fund flow statement.
- Proper coordination among various departments should exist while making budgets for the utilization of the funds.

Notes:

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