



## AN EMPIRICAL STUDY ON FINANCIAL PERFORMANCE OF URBAN LOCAL BODY IN WEST BENGAL, WITH A SPECIAL REFERENCE TO SILIGURI MUNICIPAL CORPORATION

**Tarit Kanti Sen**

*Lecturer of Commerce, Siliguri College of Commerce, Research Scholar of University of Gour Banga ( Malda).*

### **Abstract**

*This study has an attempted to understand the financial performance of urban local bodies as local bodies are third tire government play a vital role in the local economic development. The resources are limited to the local government which provided an informal adequate space to them for work under military exercise. The statistical measurement such as mean and standard deviation were used to understand the growth rate of different parameter of financial performance and to measure the stability in that growth rate. The result revealed a high inconsistence in growth rate of the revenue and capital receipts of Siliguri Municipal Corporation. Average growth rate of revenue deficit 84 percentages with a standard deviation of 151.0407 percentages were found during study period. Financial performance of Siliguri Municipal Corporation was very unsatisfactory during the study period.*

**Key Words:** *Local Self Government, Problem of Urban Government, Structure of Local Fiancé, Financial Management.*

### **Introduction**

#### **Local Self Government.**

India is the largest democratic country in the world. As per area India is the seventh largest country in the world and regarding population India stand on second position in the world. The Indian inhabitant lives in villages, towns and cities. It is very problematic to manage the local issues by the central and state government .So the local self government was introduces to address to the local issues. Batter understanding the local requirement to fulfill them effectively with the cooperation between local people and local administration is known as local self government. The legal establishment to carry out local administration is known as local self organization .Such local self government has been established with an objective to make an easy scientific and simple mode to involve more local resident. In this type of government local people are involve directly and they know their real needs and fulfill that needs very fast and effectively. Local self government is the third tire government but this is the first stair of a democracy system in the country. Local self government are broadly classified into two are such as rural area and urban area. In rural area it is known as Gram Panchayat, Taluka Panchayat and District panchayat. In rural area, it is known as Municipal (where population size is more than fifteen thousand but less than five lakhs) and Municipal corporation area where population more than 5 lakhs.

#### **Municipal Corporation In West Benagl.**

In west Bengal there are six municipal corporations. These are Kolkata Municipal corporation, Howrah municipal Corporation, Chandannagar Municipal Corporation, Asansol Municipal Corporation, Duragpur Municipal Corporation and Siliguri municipal corporation. The head of the municipal corporation is known as Mayor, first citizen of the city. Municipal Corporation render certain services and amenities to the local people such as public health facilities, maintain clearness of the city, construction and maintenance road and bridges, public lighting, drainage system, drinking water facilities and so on. Apart from these facilities and amenities municipal corporation also create the primary and secondary level education facilities to the local people .Urban local bodies are the third tire of government in urban areas. Thus urban local bodies are expected to act an important role in the development of the urban areas. Generally six different categories of urban local bodies can be seen in the West Bengal .These are:

- Six municipal corporation (As per GON.442/MC/o/C-9/4A-3/2006 dated 24/09/2010)
- Eight urban local bodies of “X” category
- Sixty one ULBs of “Y” category
- Fifty two ULBs of “Z” category.

Therefore altogether 127 urban local bodies can find in West Bengal.

#### **Problem of Local Government**

The phenomenon of urbanization is not new to us. During the ages people have tended to live together by making a subgroup and in due course of time, the habitant of particulars areas, engaged in other then agriculture and together on demand of economic get designated as urban. Where people are found together basically and initially for purely social reason may be termed as nonurban. Human society has gradually become more complexities as a result the rural areas have gradually started



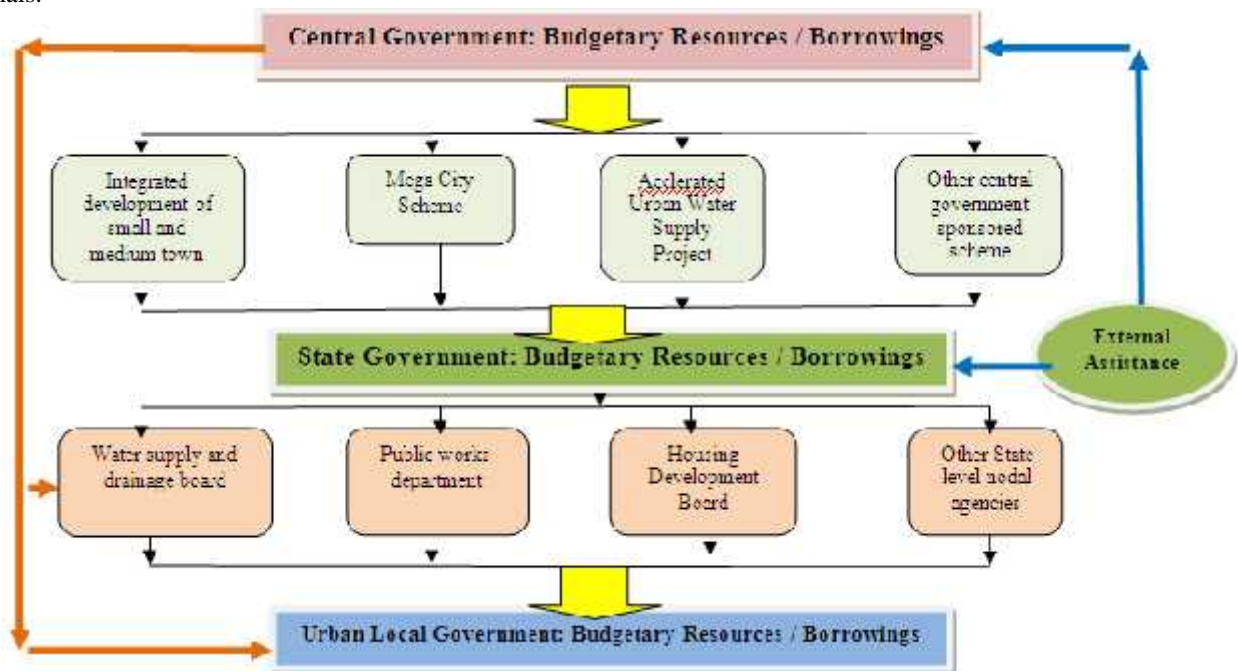
to get transforms into economic entities. Agriculture has emerged as a separated industry in many countries that can be seen in India also. A considerable changed has occurred in social habits, relationship between family and institutions, exerting the greatest control of economic attributes create a tremendous pressure on human being which greatly influenced human society. The people in rural area viewed as a backward and termed as second class citizen where as people in the miserable slums of an urban area was treated as the batter citizen. Naturally such state of affairs could not continue for an indefinite period and the migration from rural to towns has already been started many decades ago. In some courtiers, this mass departure of people from the rural area to towns has been reached at saturation point. In India the process still continues without any reduction in exodus to towns from the rural areas, though the extent of the problem is not fully realized everywhere for several reasons. The mass gather of people at economic and social levels from rural area creates immense problem for urban administration. The unusual features and impersonality of urban life strongly against the 'tribal' attitude of migrants brings the complexity in the economic structure and social relationship. The extensive demand for the necessary service has come from this section, but a major portion of these migrants group are involved in unorganized sectors make unable them to pay for such services provided by local government .

### Structure of Local Finance

The structure of local fiancé in urban areas as follows:

1. A tax on Building and lands Vehicle tax
2. A toll on vehicles and animals
3. An octrai
4. A special sanitary cess
5. A general sanitary cess
6. A drainage tax.
7. A general water rate
8. A lighting tax
9. A pilgrim fee
10. A special education cess
11. A tax on sale of cattle.

In case of corporation the act makes a difference between compulsory taxes includes property taxes tax on vehicles boats and animals.



Source: Dr.Manas Chakarbarti : The role of Municipal Bond Market for financing urban infrastructure in India: An empirical assessment. : Abhinav National Journal of Research in commerce and management. Vol-3, issue 4(April 2014) p.p.48-62



### **Financial Management**

Good Financial Management involves both raising adequate resources for investment in new services and for operation and maintenance of existing services as well as exercising good controls over the resources so that there is no wastage. The latter involves good systems and practices of accounting in ULBs, which ensure that the resources are not wasted, assets are not uncovered / under covered and accountability is ensured. To achieve this, ULBs need to reform their current accounting system based on cash towards modified accrual based accounting system. Property tax is an important tax that has been the mainstay of ULBs for a very long time and it still continues to be the main source. However, some of the inherent drawbacks in current system render it not tapping the potential fully. Therefore, property tax reforms need to be undertaken to raise the resources base of ULBs. These two reforms are important to improve the financial management of ULBs.

### **Review of Literature.**

Local self government has a long history in India. There were various types of local government institutions including panchayats had been seen in ancient India. In the time period of East India company and during British periods, the local bodies generally deteriorate. Literature on municipal administration are available in a scattered manner in a large number of public documents, research and other academic document and descriptive writing of national leader and administrator associated with the municipal institutions. A snatch momentary of national and international view of relevant studies are presented here to provide a brief look of existing literature.

P.K.Matoo, has conducted a study on local self government in urban India. The study has found that the rural panchayats has a little scope in developing rural area, rather than they are more interest to solve small scale litigation. The study has also found that local bodies are static for such a long time that they reek of decay. The study concluded that the local bodies did not put any effort to examine their own.

R.L.Khanna has discussed the growth and structure of local government and organisation of municipal authority in his book "Municipal government and Administrative India." He has identified fourteen (14) defects and deficiency in India government service in India and gives 12 recommendations to improving of municipal personnel administration in India. He examined the administration personnel of municipal bodies in the country are not considered always a merit or trained system at the time of recruitment. The skill and talent persons are not attract to municipal service due to low paid salary.

M.Venka Tarangaya and M. Pattabhiram have prepared a complied report and resolutions from different sources both before and after independence in their "Local government in India-Select Reading" paper. The report presented a picture of the development of local government from the time period of ancient history (Kautilya) to modern history of India. The authors have been found that the post independence period the state and the union authorities or the planning commission did pay more attention to the rural government as compare to urban local government. The urban local bodies has made a few minor changes in their structure and functioning. The various drawback of urban local government were found in before independence is still continuing to till day. It is only in third five year plan some step were taken by the state and central government..P.K.Bhardwaj has conducted a study on sociological analysis of rural and urban India with an attempt to identified the drawback of municipal bodies in India, The study has found that the social and political groups have no development emotion attachment with the local problems. The study has also examined the relationship between the union government and local bodies.The study cities the way in which the people have dealt with the local government in India create a barriers s in the smooth functioning of local body administration.

### **Statement of Problem**

The study has an attempted to make a analysis of financial Management of local self government in West Bengal with a special reference Siliguri municipal corporation order to provide suitable strategies to sustain and for improve their financial management.

### **Objective of Study**

The following sub objectives were considers to achieving to the overall objective of this study.

- To analysis the revenue resources and revenue expenditure of the municipal corporation.
- To examine whether existing resources are sufficient to meeting the expenditure.
- To provide suggestion for improving their financial position, public function and their future requirement.



## RESEARCH METHODOLOGY

**Data Collection:** The study mainly based on secondary data collected through secondary sources such as annual report of Siliguri municipal corporations and website. The financial data during the period from 2006-2011 was considered for study purpose.

### Research Instruments

**Analysis Data:** As per the research design statistical analysis and trend analysis were considered to analysis of data. The following parameters were used for financial performance analyzed.

- Revenue income parameter
- Revenue expenditure parameter.
- Capital asset parameter.
- Long term liability parameter.

### Limitation of Study

This study was limited to only one municipal corporation in West Bengal out of six municipal corporations. The study based on secondary data published by Siliguri municipal corporations in this regard the limitation of secondary data has been considered.

### Analysis and Interpretation of Data

The services level rendered by Municipal Corporation to the urban people is to some extent explained by the level of expenditure incurred by the municipal Corporation. The different component of expenditure such as relative shared of revenue and capital expenditure ,shared of establishment expenditure ,administrative ,wages and salary as a portion of revenue expenditure would reflected the quality of expenditure and ability of urban bodies to fulfill its stated objectives.

**Table1: Growth rate of total revenue expenditure (Rs in lakhs).**

Year	Value	Growth %
2006-07	1971	-----
2007-08	2385	21
2008-09	2620	9.85
2009-10	3408	30.08
2010-11	4314	26.58
Average		43.755
S.D.		8.847321

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013.

Above table indicate the growth rate of revenue expenditure for the period five years from 206-07 to 2010-2011.Data regarding the growth rate of revenue expenditure was varies from 21% in the year 2006-2007 to 26.58 in the year 2010-2011 with a overall growth rate 43.755% during study period. The maximum growth rate in the revenue expenditure was found 30.08% in the year 2009-2010.The standard deviation (8.847321) of growth rate was indicate consistence in the growth rate during the study period.

**Table2: Growth rate of capital expenditure.**

Year	Value	Growth %
2006-07	1303	-----
2007-08	3323	155.02
2008-09	4418	32.95
2009-10	3858	-12.68
2010-11	3564	-7.62
Average		83.835
S.D.		78.11838

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013.Above table shows the growth rate of capital expenditure for the period



five year from 2006-007 to 2010-2011. The data shown that the growth rate varies from 155.02% in the year 207-08 to (7.62) % in the year 2010-2011 with a overall growth rate of 83.35 % . The high standard deviation (78.11838) of the growth rate was indicated non-consistence in the growth rate of capital expenditure during the study period.

An Establishment expense of Municipal Corporation includes salary and wages, allowance, employees' welfare, reimbursement and other employee expenses.

**Table 3: Growth rate of establishment expenses of Siliguri Municipal Corporation ( Rs in Lakhs).**

Year	Value	Growth %
2006-07	1059	----
2007-08	1165	10
2008-09	1356	16.34
2009-10	1991	46.83
2010-11	2292	15.11
Average	1572.6	22.07
S.D.	540.7017	16.73337

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013.

Data regard growth rate varies from 10 percentages to 46.83 percentages in the year 2007-08 and 2009-20 respectively. The average growth rate during the study period was found 22.07 percentages with a standard deviation of growth rate 16.73 percentages which indicated a consistence growth rate.

Administrative expense is one of the major expenses of total revenue expenditure of Municipal Corporation.

**Table4: growth rate of administrative expenses of Siliguri Municipal Corporation.**

Year	Value	Growth %
2006-07	127	-----
2007-08	310	144.09
2008-09	241	-22.25
2009-10	340	41.07
2010-11	393	15.59
Average	282.2	44.625
S.D.	102.683	71.23019

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013. Data regarding growth rates of administrative expense varies from (22.25) percentage to 41.57 in Siliguri Municipal corporation in the year 2008-09 and 2009-10. Operation and maintenance is of another important expenses of total revenue expenditure, which reflected the quality level of services provide by the Municipal corporation.

**Table5: Growth rate of operation and maintenance expenses of Siliguri Municipal Corporation (Rs in Lakhs).**

Year	Value	Growth %
2006-07	709	-----
2007-08	796	12.27
2008-09	903	13.44
2009-10	860	-4.76
2010-11	1352	57.21
Average	924	19.54
S.D.	250.165	26.45488

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013. The above table revealed that the growth rate of operating and maintenance





varies from -4.76 percentages to 57.21 percentages in the year 2009-10 and 2010-11 respectively. The data indicated a high non consistence growth rate during study period. . The overall average growth rate 19.54 percentage was found during study period. The standard deviation (26.4588) of growth rate ,indicate a high non-consistence in the growth rate during the study period .The maximum growth rate (57.21 percentages) of administrative expenses was in the year 2010-11.

Program expenses (cultural expenses) of total revenue expenditure convey a message that the importance given by local government to the quality of life of the urban local people .This is another side of quality level of services rendered by the local urban government.

**Table6 : Growth rate of Program (cultural) expenses(Rs in Lakhs).**

Year	Value	Growth %
2006-07	53	-----
2007-08	79	49.05
2008-09	79	0
2009-10	185	134.12
2010-11	257	38.92
Average	130.6	111.045
S.D.	87.0103	56.50325

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013.

It has been seen that program expenses was varies from 49.05 percentages to 134.12 percentages in the year 2007-08 and 2009-10 respectively. The average growth rate of program expenses during the study period was 111.045 percentages with a standard deviation 56.50325 percentages indicates a high non consistence growth rate.

Minimum levels of services that are required from the local Government by the citizen to ensure their standard of living depend on financial health of such local bodies. The level of service quality provided by the local bodies can be understand by analysis their source of revenue ,earning ability and growth in earning which may also reflected whether the local bodies are facing any financial crises to discharged their responsibility in terms of rendering services to the citizens. Growth rate of revenue receipts is an important parameter of financial health of the municipal corporation upon which the ability of local bodies to discharge their provisioning depend.

**Table 7: Growth rate of total revenue receipts (Rs in Lakhs).**

Year	Value	Growth %
2006-07	2397	-----
2007-08	2573	7.34
2008-09	2771	7.69
2009-10	3575	29.01
2010-11	4019	12.42
Average	3067	14.115
S.D.		10.19665

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013.

Above table shows the growth rate of total revenue receipts of Siliguri Municipal Corporation for the period of five years from 2006-07 to 2010-2011. The overall growth rate during this period has been shown by taking average growth rate of all consecutive years. The data shown that growth rate of revenue receipts of Siliguri Municipal Corporation was varying from 7.34% in the year 2006-2007 to 12.42% in the year 2010-2011 with an average growth rate of 14.115%. The standard deviation (10.19665) of growth rate was indicating inconsistency in the growth rate during the study period. The maximum growth rate was found 29.01% in the year 2009-2010. Growth rate of tax revenue is one of the major indicators of financial soundness of Municipal Corporation to undertake service rendering responsibilities.



**Table 8: Growth Rate of Tax Revenue (Rs in Lakhs).**

Year	Value	Growth %
2006-07	5.41	-
2007-08	5.24	-3.14
2008-09	6.25	19.27
2009-10	7.1	13.6
2010-11	7.34	3.39
Average	6.268	
S.D.	0.95324	

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013.

The above table indicates that the growth rate of tax revenue varies from -3.14 percentages to 19.27 percentages in the year 2007-08 and 2008-09 respectively. The overall average growth rate was found 8.28% during the in study period. The standard deviation (10.05669) of growth rate of tax revenue reflected a consistence in tax revenue of Siliguri Municipal Corporation which influenced the level of services quality provided by the Municipal Corporation.

Growth rate of composition of tax and non-tax revenue can be used for evaluating credit worthiness of municipal corporation .Creditworthiness is the ability to meets one's financial obligation.

**Table 9: Growth rate of total (tax and non-tax) revenue (Rs in Lakhs).**

Year	Value	Growth %
2006-07	13.23	-
2007-08	12.09	-1.14
2008-09	16.87	4.78
2009-10	21.54	4.67
2010-11	27.44	5.9
Average	6.268	3.5525
S.D.	0.95324	3.177309

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013.

Growth rate of total revenue (which is the composites of tax and non-tax revenue) varies from -1.14 percentages and 5.9 percentages in the year 2007-08 and 2010-11 respectively. The average growth rate of total revenue was 5.9 percentages with a standard deviation were (3.177309) found during the study period.

The revenue performance of the municipal corporation can be judge through other than tax revenue.

**Table 10: Growth rate of other revenue income (Rs in Lakhs).**

Year	Value	Growth %
2006-07	73	-
2007-08	24	-67.12
2008-09	157	554.17
2009-10	90	-42.67
2010-11	180	100
Average	223.509	136.095
S.D.	63.5193	288.2955

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013



Growth rate of other revenue income varies from -67.12 percentages to 554.17 percentages in the year 2007-08 and 2008-09 respectively. The average growth rate of other revenue income during study period was 136.095 along with a standard deviation of 288.2955 percentages which indicates a abnormal inconsistency in other revenue income.

Capital receipts is very important indicators of financial health of the Municipal Corporation .The financial ability of the Municipal Corporation to enhance the quality of services provided and development of modern urban facilities can be judged through growth rate of capital receipts of the Municipal corporation .

Table11: Growth rate of capital receipts ( Rs in lakhs).

Year	Value	Growth %
2006-07	1118	-----
2007-08	4903	338.55
2008-09	3267	-33.37
2009-10	5331	63.18
2010-11	3301	-161.49
Average		51.7175
S.D.		212.2118

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013.

Data regarding the growth rate of capital receipts was varies from 338.55% in the year 206-07 to -161.49 % in the year 2010-2011. The overall growth rate in capital receipts 51.7175% was found during the study period. The standard deviation 212.2118 percentages of the growth was indicated a highly inconsistency in the growth of capital receipts. The maximum growth rate in the capital receipts 338.55% was notice in the year 2007-08 and the maximum negative rate (161.49) % was found in the year 2010-11.

Revenue surplus/ deficit measure the overall efficiency of financial management of Municipal Corporation. A revenue surplus indicates strong financial health which helps the municipal corporation to rendering a satisfactory services level to the citizens.

Table 12: Growth rate of revenue surplus / deficit (Rs in lakhs)

year	value	Growth %
2006-07	426	--
2007-08	188	-55.87
2008-09	150	-20.212
2009-10	168	12
2010-11	-295	-275.59
MEAN	127.4	-84
S.D.	261.4456	151.0407

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013.

Growth rate of revenue varies from -275.59 percentages to 12 percentages in the year 2010-11 and 2009-10 respectively. Average growth rate of revenue deficit 84 percentages with a standard deviation of 151.0407 percentages were found during study period. Financial performance of Siliguri Municipal Corporation was very unsatisfactory during the study period.

Capital surplus /deficit have a long-term effect on financial health of the Municipal Corporation. The upgrading of services quality provided by the Municipal Corporation is largely depends on capital surplus.





**Table13: Growth rate of capital surplus/ deficit (Rs in Lakhs).**

year	value	Growth %
2006-07	-184	--
2007-08	1579	958.152
2008-09	-1151	-172.894
2009-10	1473	227.975
2010-11	-263	-117.85
MEAN	581.6	223.8457
S.D.	2380.75	480.9614

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013. Growth rate varies from -172.894 percentages to 958.152 percentages in the year 2008-09 and 2006-07 respectively. Average growth rate was 227.8457 percentages with a stander deviation 480.961 reflected a high inconsistence in capital receipt during the study period was notice.

Non-plan grant by the Central Government as well as by the State Government indicates the financial dependence of Municipal Corporation. Growth rate of non-plan grant by the Central Government and the State Government can be measure their willingness in development of local bodies functioning.

**Table 14a : Growth rate of non-plan grant by the State Government (Rs in Lakhs).**

year	Value	Growth %
2006-07	1145	----
2007-08	1683	46.99
2008-09	1609	-4.4
2009-10	2292	42.44
2010-11	2446	6.72
Mean	1835	22.937
S.D.	532.0832	25.620

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013.

Growth rate of non-plan grant by the State Government varies from -4.4 percentages to 42.44 percentages in the year 2008-09 and 2007-08 respectively. The overall average growth rate was 22.937 percentages from the period of 2006-07 to 2010-11. The standard deviation of non –plan grant indicates a inconsistence growth rate in non-plan grant by State Government..

**Table 14 b: Growth Rate of Non Plan Grant by Central Government (Rs in Lakhs)**

Year	Value	Growth %
2006-07	589	---
2007-08	4297	629.54
2008-09	2443	-43.15
2009-10	4643	90.05
2010-11	2813	-39.41
Average	2957	318.58
S.D.	1622.54	639.139

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013.

Growth rate of non-plan grant by Central Government varies from -43.15 percentages to 629.54 percentages in the year 2008-09 and 2007-08 respectively. The data shows that the average growth rate was 318.58 percentages which is higher than that of State Government. The standard deviation (639.139) of growth rate reflected a high inconsistence in non-plan grant by the Central Government.



Growth rate of own fund collection can be used for evaluation of internal financial ability of the Municipal Corporation .As much as increase in own fund collection reduce the dependence on the Central Government and State Government resulting a lower interfere in the functioning of local bodies.

**Table 15: Growth rate of own fund collection (Rs in Lakhs).**

Year	Year	Growth %
2006-07	13.23	--
2007-08	12.09	-1.14
2008-09	16.87	4.78
2009-10	21.54	4.67
2010-11	27.44	5.9
Average	18.234	3.5525
S.D.	6.331061	3.177309

Source: Ministry of Urban Development Govt. of India, Capacity Building for Urban Development. Rapid Baseline Assessment- Siliguri, Draft Report October 2013.

Growth rate of own fund collection varies from -1.14 percentages to 5.9 percentages in the year 2007-08 and 2010-11 respectively. The average growth rate of own fund collection was 3.5525 percentages during the study period. The standard deviation of own fund collection was 3.177309 percentages indicates consistence in own fund collection.

### **Finding and Conclusion**

The resources are limited to the local government which provided an informal adequate space to them for work under a military exercise. The central government is not interest to tale any responsibilities for urban government. The State government is also very less enthusiastic in carry out any responsibility for urban government. The Central and State government are shameful failure to fulfill Indian urban interest. The national constitution recognized and protected local government. The State government has the de facto power over them. The X11th schedule of the constitution provides for the eighteen functions that are to be performed by the urban local government. It may be seen that except few state most of the state have been brought very little changes in the municipal management. It may be noticed that the functional aspect of local self government has largely depend on the care showing by State government in power. The functions that are delegate to the local bodies' frequently short in nature and the State government often interfere in the functions have been delegate to them and as an results , the institutional capability of the local bodies had weakened considerable and a systematic withdrawn of their function and power which effect the local sources of revenues and fiscal capabilities.

### **Bibliography**

1. Lalwri and S.Fardaust, 2000, Indian States: The Road to Reforms. www.statesforum.org
2. A.Norton and D.Elson, 2000, What's Behind the Budget? Politics, Rights and Accountability in the Budget Process, Overseas Development Institute.
3. Aijaz, Rumi, Particiaption in Service Delivery: Review of Urban Governance Practices in Meerut District, XXIV(1)2004: 61-90.
4. Ali Asharaf, Government and Politics of (2004) of Price Municipal Corporation. Annual Report of Illinois Municipal Electricity Agency (2005).
5. Big Cities (An Indian Case Study) , New Delhi, Concept (1977).
6. Amreshwar Avasthi, Municipal Administration in India , Agra Laxmi Narayan Agency (1972). Annual Activity Report of UNNATI, Promoting Civil Leadership and Governance , (200708). Annual Report of Basic Financial Statement.
7. Appadurai, Arjun, (2001) Deep Democracy: Urban Government ability and the Horizon of Politics, Environment and Urbanisation 2001, Vol 13 No. 2.
8. Asian Development Bank, 2002, Diagnostic Study of Accounting and Auditing Practices, India, Asian Development Bank, Manila.
9. Bala, Raj, Financial Reforms in the Urban Sector: Property/House Tax Reform in Rajasthan, XXV(1)2005: 75-100.