



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Performance Audit Report of the
Comptroller and Auditor General of India
on
Implementation of 74th Constitutional Amendment Act in
Madhya Pradesh for the year ended 31 March 2020**



Government of Madhya Pradesh
Report No. 3 of the year 2022

Images in front page (From top, left to right):

10 MLD Water Treatment Plant, Bhauri, Bhopal
2000 KL Over Head Tank, Vishwakarma Nagar, Bhopal
2000 KL Over Head Tank, Jabalpur
32 MLD Sewage Treatment Plant, Jabalpur
22.1 MLD Water Treatment Plant, Chhindwara
Over Head Tank, Chhindwara

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Comptroller and Auditor General of India**

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ending 31st March 2020 has been prepared for submission to the Governor of Madhya Pradesh under Article 151 of the Constitution of India, for being laid before the Legislature of the State.

The Report contains significant results of Performance Audit of 'Implementation of 74th Constitutional Amendment Act in Madhya Pradesh', covering the period 2015-16 to 2019-20.

The instances mentioned in this Report are among those which came to notice in the course of test audit.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Executive Summary

Executive Summary

The 74th Constitutional Amendment, which came into effect on 1 June 1993, provided a clear mandate for democratic decentralization and sought to create an institutional framework for ushering in democracy at the grass root level through self-governing local bodies in urban areas of the country. It empowered Urban Local Bodies to perform 18 functions listed in the 12th Schedule of the Constitution.

Madhya Pradesh, the central state of the country, is geographically the second largest State of the country, having a population of 7.27 crore. Out of this population, 2.01 crore reside in urban areas. Urban Madhya Pradesh faces multiple challenges, namely, public health issues, poverty alleviation, waste management, depletion of natural resources, *etc.* In this scenario, Urban Local Bodies have an important role to play, as most of these issues are handled best at the local level.

In Madhya Pradesh, three tiers of Urban Local Bodies are categorized on the basis of population in their jurisdiction. The aim of this Audit was to see whether the State Government had empowered the Urban Local Bodies through the creation of a robust institutional framework, supported by transfer of functions, funds and functionaries.

Sufficient and suitably trained Human Resource is critical for effective functioning of any institution. The Urban Local Bodies neither had the powers to assess the staff requirement, nor to recruit the required permanent staff except on contractual basis as these powers were vested with the State Government. The State Government assessed the requirement of staff based on population alone and without seeking the actual requirement from Urban Local Bodies. Majority of the staff were appointed by State Government, and the powers to regulate their conditions of services, discipline, as well as conduct are with the State Government. Further, Urban Local Bodies were working with acute shortage of staff and were very much dependent on out-sourced staff.

We observed that the task of delimitation has not been entrusted to the State Election Commission and elections of Urban Local Bodies were not being held regularly, with 347 Urban Local Bodies working under the administrator-ship of the State Government. Further, it was seen that Reservation and Rotation Policy of seats for the posts of Mayor/ President of Corporations/ Councils has not yet been fully established in the State.

Adherence to business procedures and regular meetings of various committees is imperative for successful functioning of Urban Local Bodies. However, we noticed that meetings of Corporations/ Councils were not held as per laid down norms. Advisory Committees were not constituted in 12 Urban Local Bodies. On the other hand, Ward Committees and Mohalla Committees that are created to ensure community participation in local governance, were not constituted across the majority of Urban Local Bodies. Further, due to absence of provision in the Madhya Pradesh Municipal Corporations Act, the Metropolitan Planning Committees were not constituted in any city. Meetings of District Planning Committees were also not held regularly and consolidated District Development Plans for the District as a whole by considering the matters of common interest were not prepared in any of the 25 Districts in which the 33 test-checked Urban Local Bodies were located.

Timely constitution of State Finance Commission and taking swift actions on its recommendations is critical towards strengthening the financial position of Urban Local Bodies. Delay in constitution of State Finance Commissions (third to fifth) and consequent delays in submission of their reports, as well as delay in acceptance and implementation of recommendations relating to devolution of funds have adversely

affected the financial position of the Urban Local Bodies. We noticed that the devolution of funds is still being carried out as per the recommendations of the third State Finance Commission, even when the constitution of sixth State Finance Commission was due.

We also noticed that the revenue raised by Urban Local Bodies from own sources was low. We noticed significant amounts being due to the Urban Local Bodies pertaining to Property Tax and Water Cess, which are two of their biggest revenue sources. GIS Survey, which can have a substantial progressive impact on Property Tax, too was conducted only in 123 Urban Local Bodies (30 *per cent*). Further, it was noticed that none of the selected Urban Local Bodies had installed meters for water connections and only fixed Water Charges were being levied which was not sufficient to even pay for expenses on operation and maintenance of water supply. Arrears of Shop Rent also were recoverable from the leaseholders/ occupiers, which further contributed to the worsening of financial position of the Urban Local Bodies.

We noticed shortcomings in the budgeting procedure as well. There were large variations between Budget Estimates and actual income and expenditure over several years, which indicated improper budget formulation. Instances of budget being passed by the President-in-Council after 31st March with delays ranging from four to 707 days, were also noticed.

Chapter I

Introduction

Chapter I

Introduction

1.1 74th Constitutional Amendment

In order to enable the Urban Local Bodies to perform effectively as vibrant democratic units of self-government, it was considered necessary that provisions relating to Urban Local Bodies are incorporated in the Constitution of India through an amendment. Such an amendment was to put on a firmer footing, their relationship between the State Government with respect to the functions, resources as well as for regular conduct of elections and providing adequate representation for the weaker sections like Scheduled Castes, Scheduled Tribes and Women.

The Constitution (Seventy Fourth Amendment) Act, 1992, which came into effect on 01 June 1993, provided a constitutional status to Urban Local Bodies in the country. Article 243W of the Constitutional Amendment Act authorised the State Legislatures to enact laws to endow local bodies with powers and authority as may be necessary to enable them to function as institutions of self-governance and make provisions for devolution of powers and responsibilities. The Twelfth Schedule of the Constitution enumerates 18 specific functions to be devolved to Urban Local Bodies.

1.2 Trend of urbanisation in Madhya Pradesh

Madhya Pradesh, the central state of the country, is geographically the second largest State of the country. It covers almost 9.38 *per cent* of the area (3,08,252 sq. km.) and six *per cent* (7.27 crore) of country's total population. As per Census 2011, 2.01 crore (27.69 *per cent*) out of the total population resides in urban areas. During the period 2001-2011, the urban population in Madhya Pradesh increased by 41 lakh.

Urban Madhya Pradesh faces multiple challenges, namely, public health issues, poverty alleviation, waste management, depletion of natural resources, etc. In this scenario, Urban Local Bodies have an important role to play, as most of these issues are handled best at the local level.

1.3 Profile of Urban Local Bodies

In Madhya Pradesh, three tiers of Urban Local Bodies are categorised on the basis of population¹ in their jurisdiction. There are 407² Urban Local Bodies as shown in **Table 1.1** below:

¹ Population of 3,00,000 or more is Municipal Corporation (Nagar Nigam), population of 50,000 or more but less than 3,00,000 is Municipal Council (Nagar Palika Parishad), and population of 20,000 or more but less than 50,000 is Nagar Parishad.

² Apart from these Urban Local Bodies, there are five Cantonment Areas also.

Table 1.1: Category-wise Urban Local Bodies in Madhya Pradesh State

Types of Urban Local Body	No. of Urban Local Bodies
Nagar Nigam	16
Nagar Palika Parishad	98
Nagar Parishad	293
Total	407

(Source: As per information provided by the Urban Administration and Development Directorate)

The Municipal Corporations (Nagar Nigam) are governed by the Madhya Pradesh Municipal Corporations Act, 1956 and other Urban Local Bodies (Nagar Palika Parishads and Nagar Parishads) are governed by the Madhya Pradesh Municipalities Act, 1961. Each Corporation/ municipal area has been divided into Wards, which are determined and notified by the State Government for the purpose of election of Councillors. All Urban Local Bodies have an elected body comprising Mayor/ President as head of the Urban Local Body and Councillors as members of the Council.

1.4 Organisation Structure of Urban Governance in Madhya Pradesh

The Urban Development and Housing Department, headed by the Principal Secretary to the Government, is the Nodal Department for the governance of all Urban Local Bodies. The Urban Administration and Development Directorate function as an interface between the State Government and Urban Local Bodies, which functions directly under the Urban Development and Housing Department. The Urban Administration and Development Directorate is headed by a Commissioner who is assisted by nine Joint Directors³ at Division level. The organisation structure with respect to functioning of Urban Local Bodies in the State is indicated in **Appendix 1**.

In addition to Urban Local Bodies, the Urban Development and Housing Department has 10 key Parastatal agencies/ other Departments that deliver or facilitate urban infrastructure and services, such as the 28 *Nagar* and *Gram Nivesh*, Capital Project Administration Bhopal, 19 State Institutes for Town Planning, 33 Divisions of Madhya Pradesh Housing and Infrastructure Development Board, Madhya Pradesh Rajya Karmchari Awas Nigam, Madhya Pradesh Public Works Department, Public Health Engineering Department, 50 District Urban Development Agency, Madhya Pradesh Urban Development Company, seven SMART City Companies and Madhya Pradesh State Industrial Development Corporation. The details of parastatals and their functions are given in **Appendix 2**.

1.5 Audit Objectives

The Performance Audit seeks to ascertain whether:

- The Urban Local Bodies have been empowered by the State Government to discharge their functions/ responsibilities effectively through creation of appropriately designed institutions/ institutional mechanisms and their function;
- The functions stated to have been devolved were effective on the ground; and
- The Urban Local Bodies have been empowered to access adequate resources, for discharge of functions stated to have been devolved to them.

³ Bhopal, Gwalior, Indore, Jabalpur, Narmadapuram, Rewa, Sagar, Shahdol and Ujjain.

1.6 Sources of Audit Criteria

The criteria for the Performance Audit were derived from the following sources:

- 74th Constitutional Amendment Act, 1992;
- Madhya Pradesh Municipal Corporation Act, 1956 and the Rules made thereunder;
- Madhya Pradesh Municipalities Act, 1961 and the Rules made thereunder;
- Madhya Pradesh Municipal Accounting Manual;
- Reports of 13th and 14th Finance Commission; Reports of 1st, 2nd, 3rd and 4th State Finance Commissions; and
- Instructions and circulars issued by the State Government and Directorate, Urban Administration and Development Department.

1.7 Audit Scope and Methodology

The Performance Audit covered the period of 2015-16 to 2019-20 (henceforth mentioned as 2015-20) through test-check of data collected from 33 Urban Local Bodies across all tiers for selected functions. These 33 Urban Local Bodies were chosen, by using Simple Random Sampling without Replacement method in the following way:

- Four Nagar Nigams, i.e. 25 *per cent* of 16 Nagar Nigams, including Bhopal Nagar Nigam being Municipality of State Capital;
- 12 Nagar Palika Parishads, i.e. 12.5 *per cent* of 98 Nagar Palika Parishads; and
- 17 Nagar Parishads, i.e. 6.25 *per cent* of 269⁴ Nagar Parishads of the State.

Details may be seen in **Appendix 3**. Further, at Apex level records of Commissioner, Urban Administration and Development Directorate and Principal Secretary, Urban Development and Housing Department have also been test-checked. Data from parastatal agencies has also been collected and used in the Audit. Out of 18 functions identified in the 12th Schedule, following functions/ activities were selected for test-check in the Urban Local Bodies:

- i) Water supply;
- ii) Public Health and Sanitation;
- iii) Solid Waste Management;
- iv) Property Tax; and
- v) Water User Charges.

We conducted an Entry Conference on 16 December 2020 with the Principal Secretary, Urban Development and Housing Department, in which the audit methodology, scope, objectives and criteria were shared. The audit methodology involved online requisitions of information and short visit to units for collection of documents, analysis and responses to Audit queries. An Exit Conference was held on 25 October 2021.

⁴ Out of 299 Nagar Parishads, 30 newly constituted Nagar Parishads (8 in 2016-17 and 22 in 2018-19) were not considered for this Audit. Out of the 30 newly constructed Nagar Parishads, notification of 'Bag' as Nagar Parishad was declared null and void by the High Court.

1.8 Acknowledgement

We acknowledge the cooperation and assistance extended by the Department, Municipal Corporations and Municipal Councils. However, challenges we faced specifically with regard to production of records and information are mentioned in the Report at appropriate places.

1.9 Organisation of Audit Findings

Our findings are organised as under:

Chapter II – Compliance to provisions of 74th Constitutional Amendment Act;

Chapter III – Empowerment of Urban Local Bodies and their functioning;

Chapter IV – Financial resources of Urban Local Bodies; and

Chapter V – Conclusion.

Chapter II
Compliance to provisions
of 74th Constitutional
Amendment Act

Chapter II

Compliance to provisions of 74th Constitutional Amendment Act

2.1 Comparison of State level legislations with 74th Constitutional Amendment Act

The 74th Constitutional Amendment Act, 1992 introduced certain provisions relating to municipalities vide Articles 243Q to 243ZG. The provisions existing in the Madhya Pradesh Municipal Corporation Act, 1956, Madhya Pradesh Municipalities Acts 1961 and Madhya Pradesh *Zila Yojana Samiti Adhiniyam*, 1995 corresponding to the Constitutional Amendment Act, 1992 provisions are as indicated in **Table 2.1** below:-

Table 2.1: Mapping of State level legislations with the provisions of 74th Constitutional Amendment Act

Provision of the Constitution of India	Requirement as per provision of the Constitution of India	Provision of State Act/ Acts
Article 243Q	Constitution of Municipalities: It provides for constitution of three types of Municipalities, namely, a Nagar Panchayat for transitional area, a Municipal Council for a smaller urban area and a Municipal Corporation for a larger urban area.	Section 5 of Madhya Pradesh Municipalities Act, 1961 Section 7 of Madhya Pradesh Municipal Corporation Act, 1956
Article 243R	Composition of Municipalities: All the seats in a Municipality shall be filled by direct elections and also by persons with special knowledge in municipal administration nominated by Government. The Legislature of a State, may by law, provide for representation to the Municipality, of the Members of Parliament and Legislative Assembly, whose constituencies lie within the municipal area and the Members of the Council of States and State Legislative Council, who are registered as electors within the city.	Section 19 of Madhya Pradesh Municipalities Act, 1961 Section 9 of Madhya Pradesh Municipal Corporation Act, 1956
Article 243S	Constitution and composition of Wards Committee: This provides for constitution of Wards Committee in all municipalities with a population of 3 lakh or more.	Section 48 (A) of Madhya Pradesh Municipal Corporation Act, 1956 Section 72 (A) of Madhya Pradesh Municipalities Act, 1961
Article 243T	Reservation of seats: The seats to be reserved for Scheduled Caste/ Scheduled Tribe, Women and Backward Classes for direct election.	Section 29(A) of Madhya Pradesh Municipalities Act, 1961 Section 11(A) of Madhya Pradesh Municipal Corporation Act, 1956
Article 243U	Duration of Municipalities: The Municipality has a fixed tenure of 5 years from the date of its first meeting and re-election is to be held within six months of end of tenure.	Section 36 of Madhya Pradesh Municipalities Act, 1961 Section 20 of Madhya Pradesh Municipal Corporation Act, 1956
Article 243V	Disqualifications for membership: A	Section 35 of Madhya Pradesh

Provision of the Constitution of India	Requirement as per provision of the Constitution of India	Provision of State Act/ Acts
	person shall be disqualified from being a member of a Municipality: • If he is so disqualified by or under any law for the time being in force for the purposes of elections of the Legislature of the State concerned, and • If he is so disqualified by or under any law made by the Legislature of the State.	Municipalities Act, 1961 Section 17 of Madhya Pradesh Municipal Corporation Act, 1956
Article 243W	Powers, authority and responsibilities of the Municipalities: All municipalities would be empowered with such powers as may be necessary to enable them to function as effective institutions of self-government. The State Government shall entrust them with such powers and authority as to enable them to carry out the responsibilities in relation to the 12th Schedule.	Section 124 of Madhya Pradesh Municipalities Act, 1961 Section 69 of Madhya Pradesh Municipal Corporation Act, 1956
Article 243X	Power to impose taxes by the Municipalities and their funding: • Municipalities would be empowered to levy and collect the taxes, fees, duties, etc. • Grant-in-Aid would be given to the Municipalities from the State. • Constitution of funds for crediting and withdrawal of moneys by the Municipality.	Section 129 of Madhya Pradesh Municipalities Act, 1961 Section 133 of Madhya Pradesh Municipal Corporation Act, 1956
Article 243Y read with Article 243I	Finance Commission: State Government shall constitute a Finance Commission for: • Reviewing the financial position of the Municipalities and taking such steps that help in boosting the financial condition of the Municipal Bodies. • Distributing between the State and the Municipalities of the net proceeds of the taxes, fees, tolls and duties that are charged by the State Government. • Allotting the funds to the Municipal Bodies in the State from the Consolidated Fund of the State.	Section 3 of Madhya Pradesh State Finance Commission Act, 1994
Article 243Z	Audit of accounts of Municipalities: This provides provision for maintenance of accounts by the Municipalities and the auditing of such accounts.	Section 121 of Madhya Pradesh Municipalities Act, 1961 Section 125 to 131 of Madhya Pradesh Municipal Corporation Act, 1956
Article 243ZA read with Article 243K	Elections to the Municipalities: The superintendence, direction and control of all procedures of election of the Municipalities shall be vested in the State Election Commission.	Section 32 of Madhya Pradesh Municipalities Act, 1961 Section 14 of Madhya Pradesh Municipal Corporation Act, 1956

Provision of the Constitution of India	Requirement as per provision of the Constitution of India	Provision of State Act/ Acts
Article 243ZD	Committee for District Planning: • Constitution of District Planning Committee at district level. • Composition of District Planning Committee. • Preparation of Draft Development Plan and forwarding to the Government.	Section 3 of Madhya Pradesh Zila Yojana Samiti Adhiniyam, 1995
Article 243ZE	Committee for Metropolitan Planning: Provision for constitution of Metropolitan Planning Committee in every Metropolitan area with a population of 10 lakhs or more.	No provision has been made by State Government.

(Source: Madhya Pradesh Municipal Corporation/ Madhya Pradesh Municipalities Acts and Madhya Pradesh Zila Yojana Samiti Adhiniyam, 1995)

Therefore, barring the constitution of the committee for the Metropolitan Planning, the State Acts/ Rules have complied with all requirements as envisaged in the 74th Constitutional Amendment Act regarding inclusion of codal provisions in the State Acts/ Rules. However, compliance to the constitutional provisions by law does not guarantee effective decentralisation on ground unless followed by effective implementation. We observed that the legal provisions were not backed by decisive actions, which goes against the spirit of the 74th Constitutional Amendment Act. These shortages relate to institutional mechanisms for empowerment of Urban Local Bodies, devolution of financial powers of Urban Local Bodies, manpower management, *etc.* as discussed in the subsequent chapters.

2.2 Powers of the State Government over Urban Local Bodies

We observed that the State Government had overriding powers over Urban Local Bodies, which was against the spirit of the Constitutional Amendment. A few provisions are indicated in **Table 2.2** below:-

Table 2.2: Statement showing the overriding powers of State Government over Urban Local Bodies

Sl. No.	Subject	Provision
1	Power to frame Rules	The State Government may by notification in the Gazette, frame rules for the Madhya Pradesh Municipal Corporation/ Madhya Pradesh Municipalities Acts after approval of the State Legislature (Section 433 of Madhya Pradesh Municipal Corporation Act and Section 355 of Madhya Pradesh Municipalities Act).
2	Power to cancel and suspend a resolution or decision taken by Urban Local Bodies	The State Government may cancel a resolution or decision taken by Urban Local Bodies, if the State Government is of the opinion that it is not legally passed or in excess of the power conferred by Madhya Pradesh Municipal Corporation and Madhya Pradesh Municipalities Acts, any other law or likely to lead to a breach of the peace or to cause injury or annoyance to the public or to any class or body or persons or is likely to cause waste of or damage to Municipal funds in violation of directions issued by Government (Section 421 of Madhya Pradesh Municipal Corporation Act and Section 323 of Madhya Pradesh Municipalities Act).

Sl. No.	Subject	Provision
3	Power to dissolve Urban Local Bodies	The State Government shall, by notification in the Gazette, dissolve the Urban Local Bodies, if Urban Local Bodies fail to perform or default in the performance of any of the duties imposed on them, after giving reasonable opportunity. The State Government may appoint Administrators during the period of dissolution of Urban Local Bodies. (Sections 422 and 423 of Madhya Pradesh Municipal Corporation Act and Sections 328 of Madhya Pradesh Municipalities Act).
4	Sanction of laws by Government	Section 427 of Madhya Pradesh Municipal Corporation Act and Section 355 of Madhya Pradesh Municipalities Act empower the Urban Local Bodies to make by-laws. However, the by-laws made by Urban Local Bodies are not valid unless and until sanctioned by the Government (Section 430 of Madhya Pradesh Municipal Corporation Act and Section 357 of Madhya Pradesh Municipalities Act).
5	Sanction to deposit and invest surplus funds	Section 108 (3) of Madhya Pradesh Municipalities Act allows Municipal Council to deposit and invest surplus funds but only after prior sanction from the Government.
6	Sanction to borrow money	Section 102 of Madhya Pradesh Municipal Corporation Act and Section 115 of Madhya Pradesh Municipalities Act allow Municipal Corporations and Municipal Councils to borrow money, but only after prior sanction from the Government.
7	Lease/ sale of property	Section 80 of Madhya Pradesh Municipal Corporation Act and 109 of Madhya Pradesh Municipalities Act allow the Municipal Corporations and Municipal Councils to lease or sell movable and immovable property belonging to them but with certain restrictions and prior sanction of the Government.
8	Withdrawal from Reserved Fund	Rule 16 of Madhya Pradesh Municipalities (Account and Finance) Rule, 2018 says that five <i>per cent</i> of income of the Urban Local Bodies should be credited in Reserved Fund but prior permission has to be obtained from Urban Administration and Development Directorate for withdrawal from it.

Some of these provisions may affect the functioning of the Urban Local Bodies. Overriding powers of the State Government may be an obstacle in democratic decentralisation to create an institutional framework for ushering in democracy at the grass root level of the State.

Chapter III

Empowerment of Urban Local Bodies and their functioning

Chapter III

Empowerment of Urban Local Bodies and their functioning

Summary

Out of total 407 Urban Local Bodies, only 60 have their City Government where elections were held between January 2017 and January 2018. Remaining 347 Urban Local Bodies were working under the administrator-ship of the State Government. Thus, the mandate of 74th Constitutional Amendment Act to empower Urban Local Bodies with democratically elected Government is not getting fulfilled at initial level itself. Out of 33 Urban Local Bodies sampled in audit, 32 did not hold meetings of the Councils as per laid down norms. Advisory Committees were not constituted in 12 Urban Local Bodies. Ward Committees were constituted only in Gwalior and Jabalpur, and Mohalla Committees only in Jabalpur Nagar Nigam. This defeated the objective of facilitating community participation in local governance as well as prioritization and monitoring of development works. Metropolitan Planning Committees are not envisaged in the Madhya Pradesh Municipal Corporation Act. Meetings of District Planning Committee were also not held regularly and consolidated District Development Plans for the District as a whole by considering local needs and matters of common interest were not prepared in any of the 25 districts in which the 33 test-checked Urban Local Bodies were located. Only Jabalpur Nagar Nigam had formed Municipal Accounts Committee. A total of 24,437 Audit Paras were pending in 30 out of selected 33 Urban Local Bodies. Out of 407 Urban Local Bodies, 341 have adopted Accrual Based Double Entry Accounting System.

Delay in constitution of State Finance Commissions (Third to Fifth) and consequent delay in submission of their recommendation reports, as well as further delay in acceptance of recommendations and implementation/ devolution of funds has adversely affected the financial position of the Urban Local Bodies. Devolution of funds is being done as per Third State Finance Commission, even when the constitution of Sixth State Finance Commission was due.

The Urban Local Bodies neither have the powers to assess the staff requirement nor to recruit the required permanent staff except on contractual basis. The State Government appoints Group A, B and C staff and the powers to regulate their conditions of services, discipline, as well as conduct are also with the State Government.

3.1 Actual status of devolution of functions

The 74th Constitutional Amendment Act sought to empower Urban Local Bodies to perform functions and implement schemes in relation to 18 subjects specified in the 12th Schedule. Each State was expected to enact a legislation to implement the amendment. Out of the 18 functions, eight each were obligatory⁵ and discretionary⁶ and two were of dual nature for Urban Local Bodies.

We observed (**Table 3.1**) that out of 18 functions specified in the Schedule, Urban Local Bodies were solely responsible for four functions, had no role in one function, had 10

⁵ The functions, which shall be done compulsorily by the Urban Local Bodies.

⁶ The functions which are not mandatory to be done by the Urban Local Bodies.

functions which overlapped with State Government Departments/ Authorities and were mere implementing agencies in three functions.

Table 3.1: Status of devolution of functions

Sl. No.	Functions Obligatory(O)/ Discretionary (D)	Activities	Actual status of implementation
Functions where Urban Local Bodies have full jurisdiction			
1.	Fire services (O)	Establishing and maintaining fire brigades	Urban Local Bodies were wholly responsible for discharging these functions. All Urban Local Bodies except Indore and Malanpur (Bhind) were discharging service of fire brigades. In these cities, Police Department is discharging the function.
		Providing fire NOC/ approval certificate in respect of high rise buildings	
		Operation and Maintenance	
2.	Burials and burial grounds; cremations, cremation grounds (O)	Construction and O&M of crematoriums and burial grounds and electric crematoriums.	Urban Local Bodies were wholly responsible for discharging these functions.
3.	Cattle pounds; prevention of cruelty to animals (O)	Catching and keeping strays	Urban Local Bodies were wholly responsible for discharging these functions.
		Sterilisation and anti-rabies	
		Ensuring animal safety	
4.	Regulation of slaughter houses and tanneries (O)	Ensuring quality of animals and meat	Urban Local Bodies were wholly responsible for discharging these functions.
		Disposal of waste	
		O&M of slaughter houses	
Functions with no role for Urban Local Bodies			
5.	Planning for economic and social development (D)	Program implementation for economic activities	Urban Local Bodies have no role in these functions.
		Policies for social development	
Functions overlapping			
6.	Urban planning, including town planning (D)	Master Planning/ Development Plans/ Zonal Plans	Master plans are prepared by the Nagar and Gram Nivesh, Directorate, Madhya Pradesh Urban Development and Housing Department
		Enforcing Master Planning regulations	
		Enforcing building bye-laws and licenses	Urban Local Bodies were wholly responsible for discharging this function.
		Group Housing, Development of Industrial Areas	Housing and Infrastructure Development Board, Urban Local Bodies, Special Area Development Authorities, District level Development Authorities (10 ha), Madhya Pradesh State Industrial

Sl. No.	Functions Obligatory(O)/ Discretionary (D)	Activities	Actual status of implementation
			Development Authorities (MPSIDC, above 10 ha) Medium and Small-Scale Industries Development Department (less than 20 ha) are discharging this function.
7.	Provision of urban amenities and facilities such as parks, gardens, playgrounds (D)	Creation of parks and gardens	Urban Local Bodies were responsible for discharging these functions. However, in Bhopal, the Capital Project Administration is also discharging this function. Under the SMART City Mission, parks are also been maintained by the SMART City Authority (functioning under Urban Administration Development Department) concerned.
8.	Public amenities including street lighting, parking lots, bus stops and public conveniences (O)	Installation and maintenance of street lights	Urban Local Bodies were wholly responsible for discharging these functions.
		Deciding and operating bus routes	Urban Local Bodies and Nigrani Samiti, headed by the Collector concerned are discharging the function.
		Creation and maintenance of parking lots	Urban Local Bodies are discharging this function but SMART Cities concerned are also maintaining parking lots in their jurisdiction.
		Creation and maintenance of public toilets	
9.	Roads and bridges (O)	Construction and maintenance of roads	Urban Local Bodies were wholly responsible for discharging these functions, but Public Works Department and Capital Project Administration (in Bhopal) are also engaged in the function.
		Construction and maintenance of bridges, drains, flyovers and footpaths	
10.	Water supply for domestic, industrial and commercial purposes (O)	Distribution of water	Urban Local Bodies were wholly responsible for discharging these functions, but in some areas other Government Departments/ PSUs, viz. MPSIDC, BHEL (in Bhopal) and NEPA Paper Mill (in Nepanagar), etc. were also discharging the function.
		Providing connections	
		Operation & Maintenance (O&M)	
		Collection of charges	
11.	Public Health, Sanitation Conservancy and Solid Waste Management (O&D)	Maintaining hospitals, dispensaries	Department of Health and Family Welfare is discharging the function
		Immunisation/ Vaccination	
		Registration of births and deaths	Department of Health and Family Welfare and Urban Local Bodies both are discharging the function.
		Cleaning and disinfection of localities affected by infectious disease	Urban Local Bodies were wholly responsible for discharging these three functions.

Sl. No.	Functions Obligatory(O)/ Discretionary (D)	Activities	Actual status of implementation
		Solid-waste management	
		Control and supervision of public markets	
12.	Urban forestry, protection of the environment and promotion of ecological aspects (D)	Afforestation	Forest department and Capital Project Administration (in Bhopal city) are discharging these functions.
		Greenification	
		Awareness drives	
		Protection of the environment and promotion of ecological aspects	
		Maintenance of natural resources like water bodies, <i>etc.</i>	Urban Local Bodies, Water Resources Department and Narmada Valley Development Department are discharging this function.
13.	Promotion of cultural, educational and aesthetic aspects (O&D)	Schools and education	Education Department is discharging the function.
		Public space beautification	Urban Local Bodies are discharging these functions.
		Fairs and festivals	
		Cultural buildings	Urban Local Bodies, Culture Department and Archaeological Department are discharging these functions.
		Institutions	
		Heritage	
14.	Vital statistics including birth and death registration (O)	Coordinating with hospitals/ crematoriums, <i>etc.</i> for obtaining information	Urban Local Bodies and Department of Health and Family Welfare are discharging these functions.
		Maintaining and updating database	
15.	Regulation of land-use and construction of buildings (D)	Regulating land use	Revenue Department (Collector office) is discharging this function.
		Approving building plans/ high rises	Urban Local Bodies, Nagar and Gram Nivesh are discharging this function.
		Demolishing illegal buildings	Urban Local Bodies and Revenue Department are discharging this function.
Urban Local Bodies as mere implementing agencies			
16.	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded (D)	Identifying beneficiaries	State Departments such as Social welfare, Tribal welfare, Empowerment of Differently abled and senior citizens and Parastatal such as District Urban Development Authorities (District Urban Development Agency) were responsible for these functions. Urban Local Bodies were only implementing agencies for central
		Providing tools/ benefits such as tricycles	
		Housing programs	
		Scholarships	
17.	Slum improvement and upgradation (D)	Identifying beneficiaries	
		Affordable Housing	

Sl. No.	Functions Obligatory(O)/ Discretionary (D)	Activities	Actual status of implementation
		Upgradation	and state government schemes.
18.	Urban poverty alleviation (D)	Identifying beneficiaries	Urban Local Bodies have minimum role in these functions.
		Livelihood and employment	
		Street vendors	

(Source: Information received from Urban Administration and Development Directorate, Madhya Pradesh Municipal Corporation Act and Madhya Pradesh Municipalities Act)

The empowerment of local self- governments can be fully achieved by devolving all the functions. The advent of SMART Cities has further eroded the space of Urban Local Bodies.

Role of SMART Cities

Formation and Functioning of SMART Cities in Madhya Pradesh

The Government of India introduced “100 SMART Cities Mission” on 25 June 2015 with the objective to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of ‘SMART’ Solutions. In Madhya Pradesh, seven cities were selected to be developed as SMART Cities. The seven SMART Cities in Madhya Pradesh are Indore, Bhopal, Jabalpur, Gwalior, Ujjain, Sagar and Satna. The works done by the SMART Cities under the mission guidelines are related to construction of roads, construction of houses, development and maintenance of Parks, renovation of Heritage Sites, etc. Further, with the concept of Area Based Development, certain areas are allocated to the SMART Cities. For example, in Bhopal, the “North and South TT Nagar” and in Indore, “Rajwada area” are being developed by SMART Cities. The funds allotted to the SMART Cities is also very significant with Bhopal having an expenditure of ₹1,027.77 crore, during the period 2016-21, and Indore having an expenditure of ₹773.58 crore as on 31 March 2021.

Functions of SMART Cities include promoting land use, housing, road, water supply, solid waste management, creation of parks and developing open spaces, which were otherwise functions that have been devolved to the Urban Local Bodies in Madhya Pradesh. As shown above, SMART Cities are getting significant funds for executing their functions, which could have otherwise been utilised by Urban Local Bodies concerned.

Further, as per the SMART City Mission Guidelines, the functions and responsibilities of the SMART Cities also include determination and collection of the user charges, collection of taxes, surcharges, etc. as authorised by the Urban Local Bodies. These have the potential to further curtail the receipt of Urban Local Bodies.

With the formation of SMART Cities, the scope and extent of work of Urban Local Bodies has further been reduced and there will also be an impact on devolved funds of the Urban Local Bodies, further diminishing the already stressed revenues of Urban Local Bodies.

3.2 Limited powers over manpower

Urban Local Bodies are organised under different wings as shown in **Table 3.2:**

Table 3.2: Functional Organisations in Urban Local Bodies

Sl. No.	Name of wing/ section	Functions
1	General Administration	General Administration, including meetings of council and committee.
2	Water Works and Sewerage	Construction, Operation and maintenance of Water Supply and Sewerage network, etc.
3	Public Works and Horticulture	Construction, Operation and maintenance of roads, drains, buildings, parks, play grounds and water supply.
4	Revenue	Assessment and collection of various Taxes, Rent, Advertisements and other property related activities.
5	Finance and Accounts	Preparation and maintenance of accounts, preparation of budget, etc.
6	Electrical and Mechanical	Street Lighting and maintenance of Heavy or Light Motor Vehicles, etc.
7	Sanitation and Solid Waste Management	Sanitation, Street sweeping, Solid Waste Management and other public health related activities.
8	Public Transport and Traffic Control	Public Transport and Traffic Control, etc.
9	Planning and Information Technology	Town Planning activities such as issue of Building Licences, etc.
10	Urban Poverty Alleviation	Implementation of Schemes relating to Social and Economic Development.

3.2.1 Staff position of Urban Local Bodies

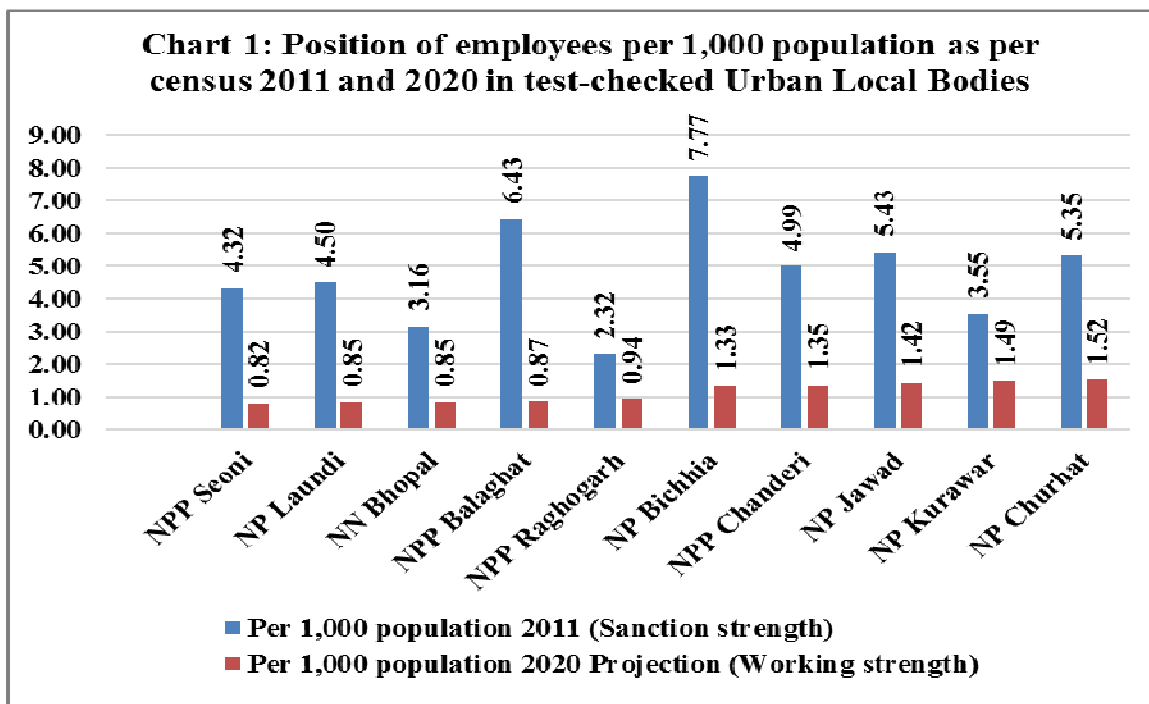
The assessment of manpower should be based on the functions undertaken by Urban Local Bodies with a view that majority of the functions which are service oriented have to be discharged within a reasonable time period. This assessment could be done best by Urban Local Bodies themselves considering various criteria such as the extent of geographical area to be covered, the extent and type of population, the number of existing properties, *etc.*

We observed that Urban Local Bodies neither had the powers to assess the staff requirement nor could recruit the required permanent staff except on contractual basis. These powers are vested with the State Government. The State Government assesses the requirement of staff based on population alone, as discussed subsequently, and without seeking the actual requirement from Urban Local Bodies.

Further, the State Government can effect transfers of officers between Urban Local Bodies. An appeal against any order of Urban Local Body imposing penalty on any officer or employee rests with the State Government. Staff of Group A, B and C were appointed by State Government, and the powers to regulate their conditions of services, discipline, as well as conduct were with the State Government.

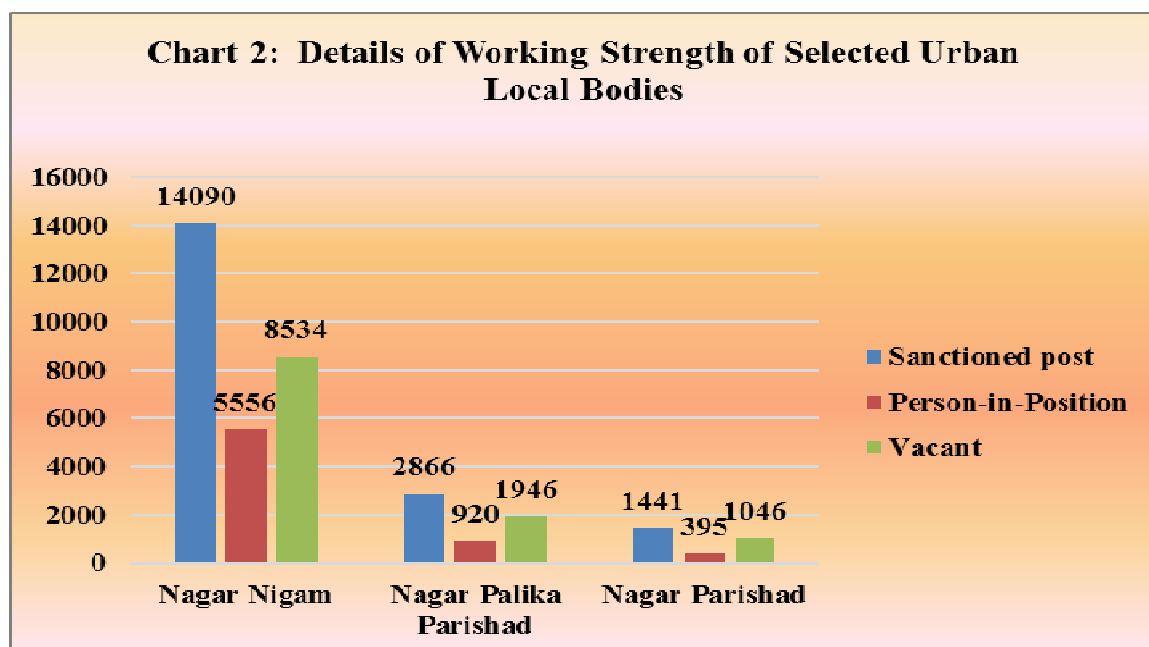
The staff strength was not revised considering the increase in population. **Chart 1** depicts position of top five and bottom five Urban Local Bodies by the working strength per

1,000 of projected population of 2020⁷. In these Urban Local Bodies, acute gap between Sanctioned Strength and Working Strength can be seen. This is explanatory of the fact that there is acute shortfall of working strength in the Urban Local Bodies.



(Source: Information provided by the Urban Local Bodies)

Tier wise details of working strength of selected Urban Local Bodies showing sanctioned posts, person-in-position and vacancies are given in **Chart 2** below:



(Source: Information provided by the Urban Local Bodies)

⁷ Projected population of 2020 = Population of 2011 X 123 per cent. In Madhya Pradesh, the population growth during 2001 to 2011 i.e. for 10 years was 25.6 per cent, hence growth for nine years from 2011 to 2020 is calculated as 23 per cent.

As seen from **Chart 2** there are large number of vacancies in the staff in Nagar Nigams (8,534), Nagar Palika Parishads (1,946) and Nagar Parishads (1,046) respectively.

The Government replied (November 2021) that Municipal Corporations have full authority to recruit employees. The cadre structure of Nagar Palika Parishad and Nagar Palika have been approved by the State Government and the Government will appoint State level cadre posts, like Chief Municipal Officers, Sub-Engineers, *etc.* The Professional Examination Board has been authorized to recruit Class-III employees, while the recruitment of Class-II officers is being done through the Public Service Commission.

However, the Department did not provide the orders related to recruitment of staff by Municipal Corporations. Also, the fact remains that there are still huge vacancies in all the three tiers of Urban Local Bodies affecting smooth functioning of these Bodies.

3.3 Institutional mechanism for empowerment of Urban Local Bodies

Table 3.1 detailed the status of devolution of 18 functions to Urban Local Bodies. The discharge of these functions can be effective only when appropriate institutions are established.

Under the Madhya Pradesh Municipal Corporation and Madhya Pradesh Municipalities Acts, the Corporations and Municipalities consist of elected Parshads/ Councillors, nominated Parshads/ Councillors, Members of Legislative Assembly, Members of Legislative Council, Members of Lok Sabha and Members of Rajya Sabha, who represent the constituencies falling in the municipal area. The nominated members do not have voting power. A Mayor, *i.e.* chairperson, is directly elected from the municipal area and councillors are directly elected from the Wards. The Nagar Nigams, Nagar Palika Parishads and Nagar Parishads have various⁸ departments for discharging allotted functions. The Commissioner/ Chief Municipal Officer is the executive head of the Urban Local Body.

This section discusses the effectiveness of such institutional mechanisms.

3.3.1 State Election Commission

The 2nd Administrative Reforms Commission recommended that the task of delimitation and reservation of constituencies be entrusted to the State Election Commission. This recommendation was accepted by the Government of India.

The powers of the State Election Commission include superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to Urban Local Bodies.

However, in Madhya Pradesh, the power of delimitation of local government constituencies has been retained by the State Government.

3.3.2 Status of elections and formation of councils

Every Municipal Corporation/ Municipality, unless sooner dissolved, shall continue for five years from the date appointed for its first meeting and no longer. Elections to Urban Local Bodies shall be completed before the expiry of their duration. In case of dissolution, election shall be held within six months from that date. Subject to the

⁸ Nagar Nigam, Nagar Palika Parishad and Nagar Parishad have 10, seven and five departments respectively. Urban Local Bodies perform the devolved functions through different sections of Urban Local Bodies as their internal arrangements, which they call “Departments”.

provisions of these Acts, the term of Mayor/ President and every Councillor shall be co-terminus with the term of the Corporation/ the Council.

Out of total 407 Urban Local Bodies, elections were held in only 60 between January 2017 and January 2018. The remaining 347 Urban Local Bodies, work under the administrator-ship of the State Government, with elections due for periods ranging from one month to 49 months. The status of election in 347 Urban Local Bodies is detailed in **Table 3.3** below:

Table 3.3: Conduct of elections of Urban Local Bodies

Sl. No.	Previous Election held		Election due but not conducted		No. of New Urban Local Bodies due for election	Total No. of Urban Local Bodies due for election	Delay in election as of August 2021 (months)
	Months/ Year	No. of Urban Local Bodies	Year/ Months	No. of Urban Local Bodies			
1	June 2012	1	Aug 2017	1	8	9	49
2	Jan to Apr 2013	4	Feb to Jun 2018	4	6	10	41
3	Aug to Sep 2013	2	Sep to Oct 2018	2	15	17	35
4	Feb 2014	1	Jun 2019	1	0	1	27
5	Aug 2014	2	Aug 2019	2	0	2	25
6	Nov 2014 to Jan 2015	287	Dec 2019	287	0	287	21
7	Aug 2015	10	Sep 2020	10	0	10	11
8	Dec 2015	8	Jan 2021	8	0	8	7
9	July 2016	3	Aug 2021	3	0	3	1
	Total	318		318	29	347	

(Source: Information provided by the Urban Administration and Development Directorate)

Thus, provisions of the Act regarding holding of election before expiry of the stipulated period, were not adhered to.

We observed that rotation in reservation for Mayor/ President among different categories such as SC, ST and Women were not followed by the State Government when elections were held in 2015-16.

The Government replied (November 2021) that the constitutional validity and propriety of the rotation process has been challenged in Court. The Department has appealed in the Supreme Court and action will be taken according to the decision of the Hon'ble Court.

With regard to other institutional mechanisms, we found the following:

- The Corporation/ Council is required to meet at least once in every two months for the transaction of its business. Further, Minutes of every meeting of the Corporation are required to be sent to the State Government or prescribed authority as well as a copy of the same shall be pasted on the notice board of the Corporation/ Council within seven/ ten days from the date of confirmation of the Minutes.

Details of meetings in 33 selected Urban Local Bodies are given in **Appendix 4**. During 2015-20, against the requirement of 1,011 meetings, 887 meetings were actually held. We also noted that nine⁹ Urban Local Bodies had less than six instances of delay, the incidence of delay was in excess of 10 in 15¹⁰ Urban Local Bodies.

The Government replied (November 2021) that the updated position in these cases will be provided after due scrutiny of audit conclusions.

- After the first meeting of the Council, the Speaker shall constitute an Advisory Committee for every Department of the Council from amongst the elected Councillors which shall meet at least once in every two months.

Out of 33 selected Urban Local Bodies, Advisory Committees in departments of 12¹¹ Urban Local Bodies have not been constituted. Further, meetings of Advisory Committees were held in seven¹² Urban Local Bodies only.

The Government accepted the facts (November 2021) and stated that Advisory Committees are to be mandatorily formed and updated position will be provided after due scrutiny of audit conclusions.

3.3.3 Formation and Functioning of various Committees

- Ward Committees, consisting of one or more wards, should be constituted for every Municipality having a population of three lakh or more within thirty days from the date of election of Speaker.
- In every municipal area, which is notified by the State Government in this behalf, a Mohalla Committee is also to be constituted within three months from the date of notification. We observed that Ward Committees were constituted only in Gwalior and Jabalpur and Mohalla Committee was constituted only in Jabalpur in the selected Urban Local Bodies. This defeated the objective of facilitating community oversight in local governance and would adversely impact prioritisation of development works, monitoring of execution of works, utilisation and maintenance of assets created, *etc.*

The Government replied (November 2021) that, directions are being issued according to provisions of Madhya Pradesh Municipal Corporation Act, 1956. The same will be reviewed thereafter continuously.

- A District Planning Committee is to be constituted in every District 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. These plans would cover spatial planning; sharing of water and other physical and natural resources; integrated development of infrastructure and environmental conservation and extent and type of available resources whether financial or otherwise. The Development Plan, was to be integrated into the State Plan. Further, the meeting of the Committee shall be held at least once in every quarter of the Financial Year. We observed that though District Planning Committees were constituted, meetings of the committees

⁹ Anuppur, Balaghat, Bhainsdehi, Bichhiya, Chhatarpur, Gwalior, Kurawar, Laundi and Sendhwa.

¹⁰ Badoni, Bhedaghat, Chhindwara, Hatpipliya, Ichhawar, Jabalpur, Jawad, Khategaon, Mandideep, Mau, Omkareshwar, Raisen, Raghogarh, Rajgarh, and Sultanpur.

¹¹ Badoni, Balaghat, Bichhia, Bhopal, Dongar Parasia, Hatpipliya, Jawad, Kurawar, Raisen, Raghogarh, Sendhwa and Sultanpur.

¹² Chanderi, Chhatarpur, Chhindwara, Mau, Nepanagar, Satai and Seoni.

were not held regularly and consolidated District Development Plan for the District as a whole was not prepared in any of the 25 Districts in which the 33 test-checked Urban Local Bodies were located. There was shortfall in the review meetings ranging from six to 20 meetings (30 *per cent* to 100 *per cent*), as detailed in **Appendix 5**.

The Government replied (November 2021) that earlier, preparation of District Development Plans was in vogue, but, it has stopped now. Directions will be issued after discussion with the Planning, Economics and Statistics Department in this regard.

- Every metropolitan area¹³ will have a Metropolitan Planning Committee to prepare its Development Plan. We observed that Metropolitan Planning Committee was not constituted in any city due to absence of provision in the Madhya Pradesh Municipal Corporation Act. Thus, comprehensive development of metropolitan area and matters of common interest between the local authorities which includes mainly, coordinated spatial planning of the area, sharing of water, sharing of other physical and natural resources and the issue of integrated development of infrastructure and environmental conservation are likely to be carried out in a sub optimal manner.

The Government replied (November 2021) that the revised notification has been issued in the case of Municipal Corporation, Bhopal.

However, this will require an amendment in the Act so that it can be implemented in all the metropolitan areas.

- A Municipal Accounts Committee must be constituted to consider the report of the auditor. Defects or irregularities pointed in audit are to be remedied and a report sent to the State Government within a period of three months from the date of receipt of the Audit Report. Except in Jabalpur, the Municipal Account Committee was not formed in any of the selected Nagar Nigams. In all 24,437 Audit Paras were pending in 30¹⁴, out of selected 33 Urban Local Bodies relating to period from 1954-55 to 2019-20.

The Government stated (November 2021) that a high level committee has been constituted at Government level to settle the pending paragraphs of the Inspection Reports.

3.3.4 State Finance Commission

A State Finance Commission constituted every five years shall review the financial position of the Municipalities and make recommendations to the Governor.

Accordingly, the Sixth State Finance Commission was due from 2019-20. However, as on date, recommendations of the Third State Finance Commission were being implemented. Recommendations of the Fourth State Finance Commission were accepted by the Government in July 2017 but the Government decided to implement these recommendations with the interim Report of Fifth State Finance Commission. The delays in constitution of State Finance Commission and implementation of State Finance Commission recommendations are detailed in **Table 3.4** below:

¹³ An area having a population of 10 lakh or more.

¹⁴ Three Urban Local Bodies (Rajgarh, Raisen and Nepanagar) have not provided information.

Table 3.4: Delay in constitution of State Finance Commission and implementation of recommendations

State Finance Commission	To be constituted as per constitution	To be constituted with reference to previous State Finance Commissions	Actually constituted	Delay in constitution (days)	Date of sub-mission of Recommendations	Acceptance by the Government	Days taken for acceptance	Period covered
First	By 31 st May 1994	31/05/1994	25/02/1995	169	20/07/1996	13/02/1998	569	1996-01
Second	1999-2000	24/02/2000	17/06/1999	No delay	22/07/2003	31/12/ 2003	159	2001-06
Third	2004-05	16/06/2004	12/07/2005	390	31/10/2008	05/02/ 2010	460	2006-20
Fourth	2009-10	11/07/2010	27/01/2012	564	30/01/2017	20/07/2017	170	N/A
Fifth	2014-15	24/01/2017	20/03/2017	54	31/01/2018	Awaited	N/A	N/A
Sixth	2019-20	Not constituted						

(Source: Finance Commission reports and notification of acceptance)

The delay in constitution of State Finance Commissions and implementation of the State Finance Commission's recommendations resulted in further delay in devolution of funds to the Urban Local Bodies affecting the financial position of the Urban Local Bodies. Moreover, recommendations of the Fifth State Finance Commission which were submitted in January 2018, have not been accepted by the Government so far (November 2021), even when the constitution of Sixth State Finance Commission was due. The impact thereof is discussed in **paragraph 4.1.2**.

3.3.4.1 Response of the State Government to State Finance Commission recommendations

The State Government may accept the recommendations of the State Finance Commission in totality or with modifications. We observed that the State Government accepted few of the recommendations with modifications, and action was yet to be initiated on other recommendations. The important recommendations of Third and Fourth State Finance Commissions and their modifications with reference to transfer of funds are given in **Table 3.5** below:

Table 3.5: State Finance Commission wise important recommendations and their modifications

State Finance Commission	Recommendations	Modifications
First	Devolution of 8.699 <i>per cent</i> of Net Tax Revenue of the State to Urban Local Bodies.	0.514 <i>per cent</i> of Net Tax Revenue of the State is to be devolved from 1998-99.
Second	₹8.5 crore is to be provided as general-purpose grants to municipalities.	The State Government did not accept this recommendation.
Third	Devolution of one <i>per cent</i> of the Own Tax Revenue of the State after deducting 10 <i>per</i>	State Government accepted the recommendation.

State Finance Commission	Recommendations	Modifications
	<i>cent</i> of expenditure on collection of tax and amount of assigned tax revenue ¹⁵ to Urban Local Bodies.	
Fourth	Devolution of two <i>per cent</i> Own Tax Revenue of the State after deducting 10 <i>per cent</i> of expenditure on collection of tax and amount of assigned tax revenue to Urban Local Bodies.	These recommendations were not considered immediately and were deferred until the submission of interim report of Fifth State Finance Commission. However, Own Tax Revenue was being devolved at the rate of one <i>per cent</i> , as per recommendation of Third State Finance Commission.

(Source: Recommendations of State Finance Commissions Reports)

The Government replied (November 2021) that at present, the recommendations of the Third State Finance Commission have been approved by the State Government.

3.3.5 Property Tax Board

On the recommendations of 13th Finance Commission, a Property Tax Board (Board) was constituted (March 2011) in the State to assist the municipalities in levy and realisation of Property Tax. The Commissioner, Urban Administration and Development Directorate, Madhya Pradesh, is the President of the Board.

The Board was required to evaluate at least five *per cent* cases of Property Tax, imposed in the State; monitor and evaluate that Property Tax imposed and realised by Urban Local Bodies, was as per norms; prepare an Annual Report of its activities during the year and publish a report in State Gazette and place it before the Legislature; and conduct training of staff related to Property Tax for capacity building.

We noticed that none of the above activities were performed by the Board. Further, after its constitution (March 2011), the Board met only five¹⁶ times. After the fourth meeting (May 2014), its fifth meeting was held on 13 September 2019 with a gap of more than five years.

Thus, constitution of Board was just a mere formality and no concrete work was done by the Board to assist/ guide the Urban Local Bodies in raising their revenue realisation capabilities.

The Government replied (November 2021) that the constituted Board is being strengthened and accordingly, the Department has created a Property Tax Tool last year in which there is an inbuilt self-buoyancy mechanism. Property tax will be indexed as per the Collector Guidelines and consequently Property Tax will increase every year.

3.3.6 Adoption of Accrual Based Accounting

On the recommendation of 11th Finance Commission, the CAG of India had constituted a Task Force to recommend budget and accounting formats for Urban Local Bodies in India. The CAG Task Force in its report, *inter alia*, suggested adoption of accrual basis of accounting by Urban Local Bodies. The Government of Madhya Pradesh introduced

¹⁵ The taxes which were imposed and collected by the Urban Local Bodies, i.e. Chungi (before 1976), Niryat kar (before 2013) and Yatri/ Tirthyatri kar (before 1995).

¹⁶ Meetings were held on 15/12/2011, 28/07/2012, 18/09/2012, 15/05/2014 and 13/09/2019.

Accrual Based Double Entry Accounting System with effect from 1 July, 2007 in all the Urban Local Bodies. Out of 407 Urban Local Bodies 341 have adopted Accrual Based Double Entry Accounting System as per Madhya Pradesh Municipal Accounting Manual in a phased manner (Six Phases).

The Government replied (November 2021) that it is their priority to implement the “Accrual Based Double Entry Accounting System” in all the Urban Local Bodies of the State. This work is being carried out in different phases and in the remaining Urban Local Bodies, it shall be completed soon.

Recommendations:

1. *The Government may consider entrusting the task of delimitation to the State Election Commission and ensure timely elections of the Urban Local Bodies.*
2. *Various Committee, like Advisory Committee, Ward Committee and Mohalla Committee, may be constituted in the Urban Local Bodies as per the Madhya Pradesh Municipal Corporations/ Madhya Pradesh Municipalities Acts and they should be nurtured and encouraged to function effectively.*
3. *Government may avoid delays in constituting the State Finance Commission and ensure prompt implementation of their recommendations.*
4. *Adequate powers over manpower resources should be delegated to Urban Local Bodies in matters such as assessment and recruitment of required staff.*

Chapter IV

Financial Resources of Urban Local Bodies

Chapter IV

Financial Resources of Urban Local Bodies

Summary

The share of Own Revenue (₹7,227.5 crore) in total financial resources (₹36,999.9 crore) of the Urban Local Bodies is approximately 20 *per cent*. On the other hand, devolution of funds by the State Government to the Urban Local Bodies during 2015-20 was short of the norms of the third State Finance Commission by ₹312.6 crore.

The Urban Local Bodies prepared budget without assessing the actuals of VAT/ GST, resulting in short realisation of ₹1,465.8 crore.

The average collection of Property Tax for the period 2015-20 was 60 *per cent* of total demand. The collection declined from 69 to 45 *per cent* during the period 2017-20. An amount of ₹269.66 crore was outstanding for collection as on March 2020 in the selected Urban Local Bodies. GIS Survey was conducted only in 123 (30 *per cent*) of Urban Local Bodies. Out of 12 selected Nagar Palika Parishads, only Raghogarh and Seoni and out of 17 selected Nagar Parishads, only Sultanpur collected Service Charges in lieu of property taxes.

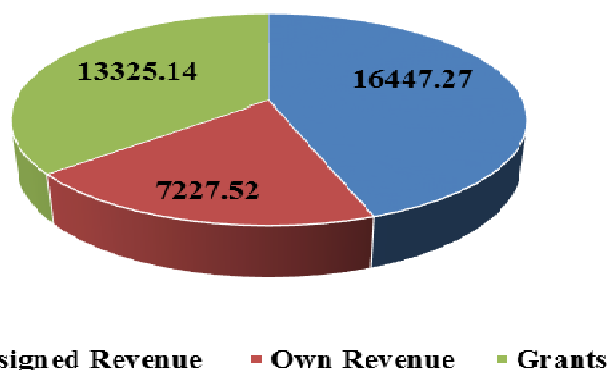
Similarly, in the case of Water Charges of 33 selected Urban Local Bodies, during 2016-20, collection has declined from 29 to 15 *per cent*. An amount of ₹375.40 crore of Water Charges was outstanding in selected Urban Local Bodies as on March 2020. Further, we noticed that none of the selected Urban Local Bodies had installed meters for water connections and only fixed water charges were being levied. Therefore, the collection of monthly Water Charges from the beneficiaries was insufficient against the expenses incurred on Operation and Maintenance of water supply. Shop Rent amounting to ₹8.9 crore was also outstanding against leaseholders/ occupiers.

In terms of effectiveness of devolved functions on ground, Urban Local Bodies were generally effective in achieving the coverage of toilets and household level coverage of Solid Waste Management, but as far as other parameters are concerned, there were gaps.

Sustainable Financing is paramount to ensure discharge of any function. The devolved functions can be carried out effectively by Urban Local Bodies only when they are supported with sufficient financial resources. Such financial resources could take the form of predictable fiscal transfers or access to own revenue streams that are buoyant and commensurate with the expenditure obligations, accompanied by appropriate expenditure powers. Predictable fiscal transfers to Urban Local Bodies need to be ensured through a robust State Finance Commission mechanism and compliance with State and Central Finance Commission recommendations. Access to own sources of revenue would include both the power to levy and collect from specific revenue streams. Expenditure powers refer to reasonable delegation limits that allow the Urban Local Bodies to utilise their financial resources.

4.1 Sources of Revenue

The details of revenue of Urban Local Bodies in the State during the period 2015-20 are indicated in **Chart 3** and **Table 4.1** below:

Chart 3: Showing the break-up of sources of Revenue (₹ in crore)

(Source: Information by Urban Administration and Development Directorate)

Table 4.1: Details of revenues of Urban Local Bodies during the period 2015-20

(₹ in crore)

Year	Own Revenue	Assigned Revenue	Grants	Total Revenue	Percentage of Own Revenue to Total Revenue	Percentage of fiscal transfer to Total Revenue
2015-16	1,121.4	2,946.4	1,959.4	6,027.2	18.6	32.5
2016-17	1,400.2	3,013.2	2,569.6	6,981.0	20.0	36.8
2017-18	1,624.4	3,378.0	2,964.6	7,967.1	20.4	37.2
2018-19	1,653.4	3,813.7	2,941.2	8,408.3	19.6	34.0
2019-20	1,428.1	3,295.1	2,890.3	7,613.5	18.8	37.9
Total	7,227.5	16,446.4	13,325.1	36,999.1	19.4	36.0

(Source: Information by Urban Administration and Development Directorate)

The share of Own Revenue to total financial resources of the Urban Local Bodies is approximately 20 *per cent*. Thus, the Urban Local Bodies rely largely on other revenue streams, which are not under their control. Moreover, the share of own resources was falling over the period 2018-20.

The Government replied (November 2021) that continuous efforts are being made to increase own revenue by issuing instructions to the Urban Local Bodies.

4.1.1 Own Revenue of Urban Local Bodies

Urban Local Bodies do not have a large independent tax domain. The Property Tax on land and buildings is the mainstay of Urban Local Bodies' Own Revenue. The own non-tax revenue of Urban Local Bodies comprises Water Charges, rent from commercial establishments, trade licences, fee for sanction of plans/ mutations, *etc.* The share of Own Revenue to Total Revenue of Urban Local Bodies for the period 2015-20 in test-checked Urban Local Bodies ranged from six to 36 *per cent* as shown in **Table 4.2** below:

Table 4.2: Details of total own revenue against total financial resources for 2015-20

(₹ in crore)

Type of Urban Local Body	Assigned Revenue	Own Revenue	Government Grants	Other, if any	Total financial resources	Percentage of Own Revenue against financial resources
Nagar Nigam	2,939.7	3,887.3	2,733.5	1101.5	10,661.9	36.5
Nagar Palika Parishad	379.0	163.6	574.7	63.9	1,181.3	13.9
Nagar Parishad	141.3	39.2	353.0	85.2	618.8	6.3

(Source: Information provided by the Urban Local Bodies)

It is evident from the above table that financial condition of the Nagar Palika Parishads and Nagar Parishads is highly critical and they are totally dependent on the Government Grants. Even the Nagar Nigams are collecting only around 36 *per cent* of Total Revenue as their Own Revenue.

The Government replied (November 2021) that continuous efforts are being taken by all the Urban Local Bodies in the State to strengthen the process of tax collection and there has been an increase in tax collection in recent years. The Urban Local Bodies, where the pace of growth in tax collection is low, are being constantly reviewed. At present, schemes like *e-nagarpalika*, etc. are being implemented to make tax collection dynamic.

4.1.1.1 Utilisation of Education Cess

Urban Local Bodies are permitted to levy Education Cess at a rate of not more than five *per cent* of the Annual Letting Value of those land/ buildings on which Property Tax was imposed. The revenue is to be used on maintenance, sanitation and for providing potable water facilities to Government Schools within the municipal area.

During 2015-20, 31¹⁷ Urban Local Bodies collected an amount of ₹101.38 crore, of which ₹71.88 crore, representing 71 *per cent* of collection was utilised by 10 Urban Local Bodies and ₹29.51 crore remained un-utilised (**Appendix 6**).

The Government replied (November 2021) that instructions will be issued to ensure basic facilities in all primary and secondary schools located in urban areas and necessary provision will also be made in the budget.

4.1.2 Fiscal transfers to Urban Local Bodies

Funds were devolved to Urban Local Bodies through transfer by the Central and State Governments in the form of grants. Grants from Government, based on the recommendations of the State Finance Commission, account for 36 *per cent* of revenue of Urban Local Bodies in the State during the period 2015-20.

- **Short release of divisible fund**

The Fourth State Finance Commission recommended devolution at the rate of two *per cent* from Divisible Fund¹⁸ to the Urban Local Bodies, but the State Government

¹⁷ Nagar Nigam Bhopal didn't provide information while Nagar Parishad Mau has no information regarding Education Cess.

decided to consider this recommendation with the interim report of Fifth State Finance Commission. The Funds to be devolved and those actually devolved by the State Government are given in **Table 4.3** below:

Table 4.3: Details of short devolution of State Finance Commission Grant

(₹ in crore)

Year	Own tax revenue of State during the previous year (based on account of previous year)	Net tax Revenue after deducting 10 per cent collection charges	Amount of Assigned revenue of previous year	Divisible fund of State (net tax revenue less Assigned revenue)	Funds to be devolved as per third SFC recommendation (One per cent of divisible fund)	Funds devolved to Urban Local Body by State Government	Short release
2015-16	36,567.3	32,910.6	2,946.4	29,964.2	299.6	271.3	28.3
2016-17	40,213.7	36,192.3	3,013.2	33,179.1	331.8	259.8	72.0
2017-18	44,193.7	39,774.3	3,378.0	36,396.3	364.0	326.7	37.3
2018-19	44,810.9	40,329.8	3,813.7	36,516.1	365.2	309.2	55.9
2019-20	50,882.4	45,794.2	3,296.0	42,498.2	425.0	306.0	119.0
Total	2,16,667.9	1,95,001.1	16,447.3	1,78,553.8	1,785.5	1,472.9	312.6

(Source: State Finance Accounts and Urban Administration and Development Directorate)

It can be seen from the above table that devolution of funds by the State Government to the Urban Local Bodies was short by ₹312.6 crore as compared to the norms of the third State Finance Commission. On an average Urban Local Bodies received around 82 per cent of the funds to be devolved during the period 2015-20.

• Trend in growth of Assigned Revenue

Assigned Revenue forms 44 per cent of the total revenue of the Urban Local Bodies. These include *Chungi* compensation, *Niryat kar*, *Yatri kar* and *Tirthyatri kar*. The break-up of year wise Assigned Revenue is shown in **Table 4.4**.

Table 4.4: Break-up of the Assigned Revenue

(₹ in crore)

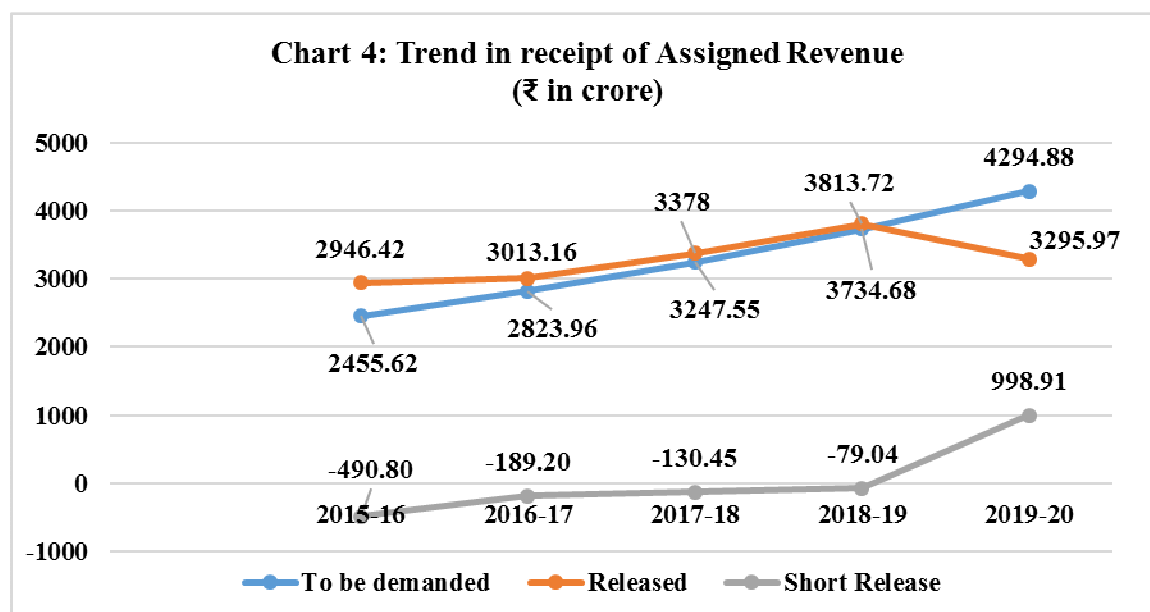
Particulars	Year				
	2015-16	2016-17	2017-18	2018-19	2019-20
Chungi compensation	2,736.0	2,802.7	3,167.6	3,648.0	3,120.0
Niryat kar	120.4	120.4	120.4	104.6	103.0
Yatri kar	90.0	90.0	90.0	61.1	72.2
Tirthyatri kar	0.0	0.0	0.0	0.0	0.8
Total	2,946.4	3,013.2	3,378.0	3,813.7	3,296.0

(Source: Urban Administration and Development Directorate)

¹⁸ The net tax revenue of the State is arrived after deducting the share of state Government in Central taxes, 10 per cent amount as a collection charges and assigned revenue. The net tax revenue is known as divisible fund and it is distributed among the different departments to run their activities.

Subsequent to withdrawal of power of levy and collection of *Chungi*¹⁹, the third Finance Commission recommended that the Government of Madhya Pradesh will collect the tax and make it available to Urban Local Bodies on population basis as Assigned Revenue. Further, the Third State Finance Commission also analysed the *Chungi* compensation for the period from 1976 to 2007 and noticed gradual increase at the rate of 15 *per cent* each year compared to previous years.

Assigned Revenue in total should also gradually increase in terms of *Chungi* compensation, but we noticed negative growth in assigned revenue during the years 2019-20, as depicted in **Chart 4** below:



(Source: Information received from Urban Administration and Development Directorate)

It is evident that devolution of Assigned Revenue, during the period 2015-19 was almost in line with the funds released, while it was less devolved by ₹998.91 crore in 2019-20, which impacted working of the Urban Local Bodies.

The Government replied (November 2021) that Assigned Revenue is provided through the budgetary mechanism to the Department in proportion to the taxes received by the State Government. Further, in the budget discussion with the Finance Department every year, demands are placed to increase Assigned Revenue.

• **Short release of compensation on VAT/ GST**

Compensation at the rate of five *per cent* from the collected Value Added Tax (VAT) is to be released to the Urban Local Bodies, after 15 *per cent* cess leviable on Commercial Tax was abolished from March 2006 due to introduction of VAT. Details of budget provision made by Urban Administration and Development Directorate and amount released by Finance Department are as given in **Table 4.6** below:

¹⁹ A duty levied on various goods entering a town or city. Government of Madhya Pradesh withdrew the *Chungi* from Urban Local Bodies to avoid traffic congestion or unwanted delay in trade and business.

Table 4.6: Short release of compensation on VAT/ GST

(₹ in crore)

Year	VAT/ GST Compensation ²⁰						Short Release
	Collection of previous years (VAT)	Collection of previous years GST (GST= SGST+ IGST)	Total Collection of VAT+ GST	To be demanded in current year	Actually demanded by Urban Admin. and Development Directorate	Actually released in current year	
2015-16	17,112.4	0.0	17,112.4	855.6	824.0	751.8	103.8
2016-17	18,687.4	0.0	18,687.4	934.4	856.6	856.6	77.8
2017-18	21,428.9	0.0	21,428.9	1,071.5	1,014.8	1,014.8	56.6
2018-19	14,468.4	13,828.6	28,297.0	1,414.9	1,156.9	1,055.4	359.4
2019-20	9,761.3	19,640.7	29,402.0	1,470.1	914.8	602.0	868.1
Total	81,458.4	33,469.3	1,14,927.7	5,746.4	4,767.1	4,280.6	1,465.8

(Source: Finance Accounts and information provided by the Urban Administration and Development Directorate)

From the above table, it could be seen that budget has been prepared without assessing the actual recovery of VAT/ GST by the State Government. This resulted in short release of ₹1,465.8 crore to the Urban Local Bodies.

The Government replied (November 2021) that after examining the facts, the Finance Department would be asked to release the remaining amount. Further, it will be taken into consideration during preparation of budgets in future.

4.1.2.1 Central Finance Commission Grants

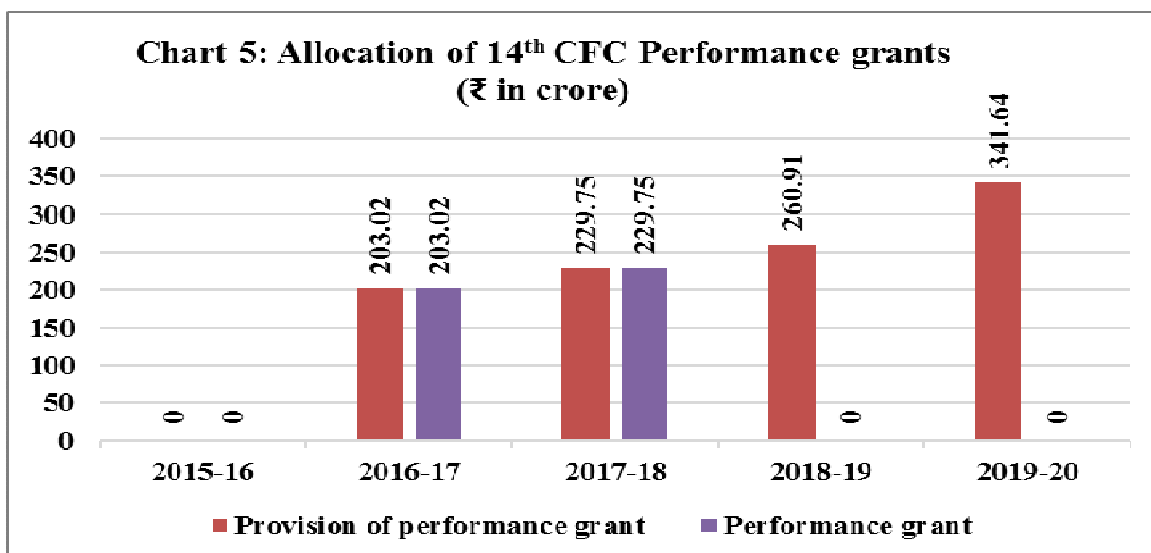
The Fourteenth Finance Commission recommended Basic Grant and Performance Grant to Urban Local Bodies as a percentage of divisible pool²¹ account.

On the recommendation of Fourteenth Finance Commission, the State Government fixed the following conditions for distribution of Performance Grant among Urban Local Bodies:

- i) The Municipality will have to submit audited accounts that relates to the year, not earlier than two years preceding the year, in which the Municipality seeks to claim the Performance Grant.
- ii) The Municipality will have to show an increase in its own revenue over the preceding year as reflected in the audited accounts.
- iii) The Municipality must measure and publish the Service Level Benchmarks to basic urban services each year for the period of the award and make it publicly available.

²⁰ Assuming compensation of GST as it was in VAT.

²¹ The net tax revenue of the State is known as divisible fund. The net tax revenue is arrived at after deducting the share of State Government in Central taxes, 10 per cent amount as a collection charges and assigned revenue.



(Source: Information received from Urban Administration and Development Directorate)

We observed that 298 Urban Local Bodies out of 378 in 2018-19 and 329 Urban Local Bodies out of 378 in 2019-20 were qualified for receiving Performance grant. However, Performance Grants for the aforesaid period, amounting to ₹602.55 crore²² was not received.

The Government replied (November 2021) that Urban Development and Housing Department has made correspondence with the Central Government to release the Performance Grant amounting to ₹602.55 crores, but the said grant has not been released yet by the Government of India.

4.1.3 Property Tax

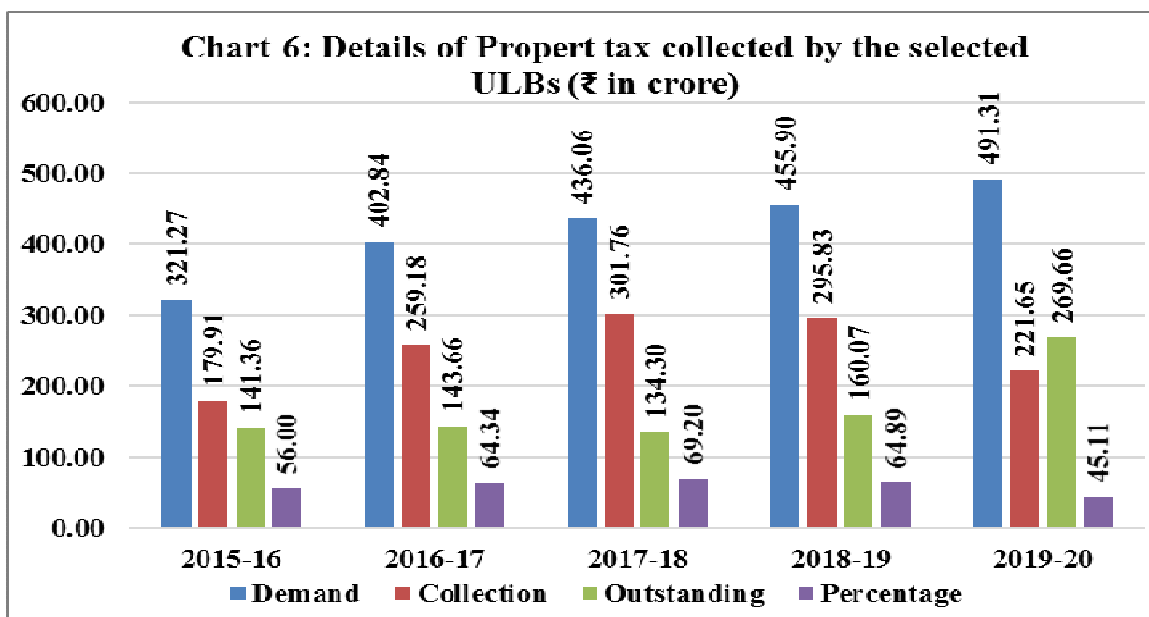
The Urban Local Bodies were empowered to levy Property Tax every year on all buildings or vacant lands or both situated within their jurisdiction. Every owner is to assess the Annual Letting Value of his land or building and deposit the amount of Property Tax along with a return in this behalf, in the prescribed form, on or before the date fixed by the Council on the basis of self-assessment.

• Short Realisation of Property Tax

We noticed in the test-checked 32²³ out of 33 Urban Local Bodies that the average collection of Property Tax for the period 2015-20 was 60 *per cent* of total demand and from 2017-18 it was on a declining trend (**Chart 6**). A cumulative amount of ₹269.66 crore of these selected Urban Local Bodies was outstanding as on March 2020. Details are given in the **Appendix 7**.

²² ₹602.55 crore (₹260.91 crore for 2018-19 and ₹341.64 crore for 2019-20).

²³ Data not provided by the Nagar Parishad Badoni (Datia).



(Source: Information received from selected Urban Local Bodies)

The Government replied (November 2021) that continuous efforts are being taken to reduce the gap between demand and collection under Property Tax. There has been an increase in the collection of Property Tax in the recent years and such efforts will continue in future.

• Service Charges

The State and Central Government properties located in the vicinity of municipal area are exempted from payment of Property Tax and in lieu of the Property Tax, service charges are levied at the rate of 33, 50 and 75 *per cent* of the total Property Tax where no services, partial services and all services are being provided by the Municipal Corporations/ Councils respectively.

We noticed the following shortcomings in the collection of Service tax by the Urban Local Bodies:

- Out of the four²⁴ selected Nagar Nigams, only three²⁵ were collecting Service Charges; of these, two *i.e.* Gwalior and Jabalpur Nagar Nigams started collection of Service Charges from the current year (2019-20). During the period 2015-20 Bhopal Nagar Nigam collected ₹26.59 crore (22.47 *per cent*) against the demand of ₹118.34 crore. An amount of ₹91.74 crore was outstanding up to March 2020. Gwalior and Jabalpur Nagar Nigams were able to collect only ₹22.14 lakh against the demand of ₹6.74 crore for the year 2019-20 *i.e.* 3.28 *per cent* of demand.
- Out of 12 selected Nagar Palika Parishads, only two Raghogarh and Seoni collected Service Charges;
- Out of 17 selected Nagar Parishads, only Sultanpur collected Service Charges of ₹35,469 against the outstanding amount of ₹1.37 lakh for the period 2015-19.

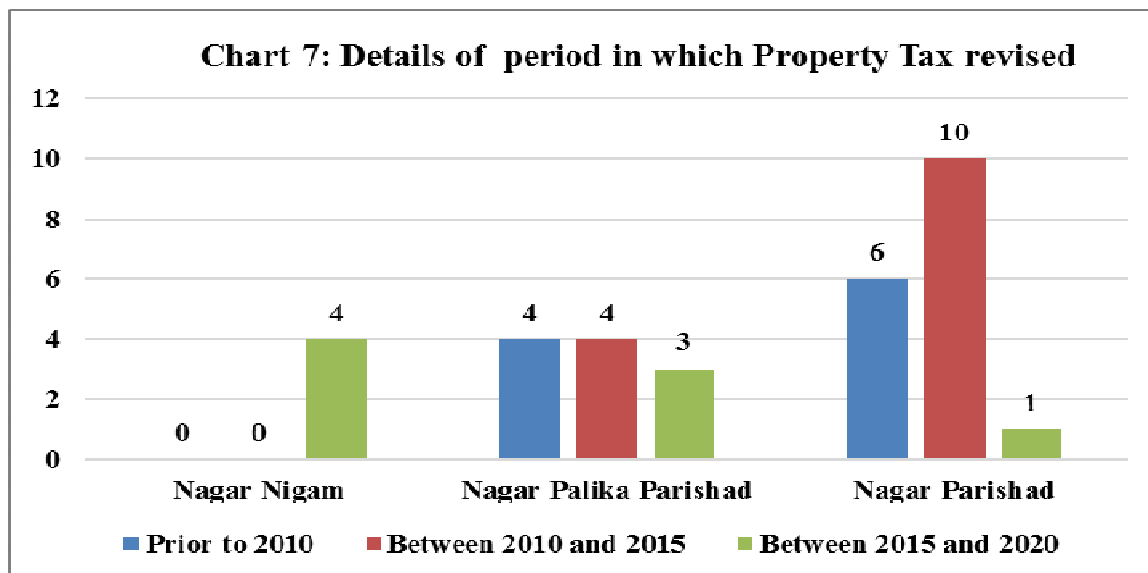
The Government replied (November 2021) that instructions, in this regard, have been issued to all the Urban Local Bodies in October 2015. But due to administrative reasons, most of the Urban Local Bodies were not able to recover the service charges.

²⁴ Bhopal, Chhindwara, Gwalior and Jabalpur Nagar Nigams.

²⁵ Bhopal, Gwalior and Jabalpur Nagar Nigams.

- **Revision of Property Tax**

Property Tax is levied at the rate not less than six *per cent* and not more than 10 *per cent* of the Annual Letting Value, as may be determined by the Corporation for each Financial Year.



(Source: Information provided by the Urban Local Bodies)

Out of 33 test-checked Urban Local Bodies (**Chart 7**), in 10, the last revision was prior to 2010; 14 have revised it between 2010 and 2015; eight revised it between 2015 and 2020 while one Urban Local Body²⁶ did not provide the information.

The Government replied (November 2021) that amendments (September 2020) in the Act were made and the rules have also been amended (September 2020) accordingly. As per the amendment, minimum increase in property tax value of building or land shall be according to percentage increase in market value of building or land determined under Collector guidelines, in the present year over the last year. These have been implemented from the year 2021-22.

- **Geographical Information System (GIS) survey for enhancing Property Tax**

The Third State Finance Commission recommended use of GIS survey in levy of Property Tax.

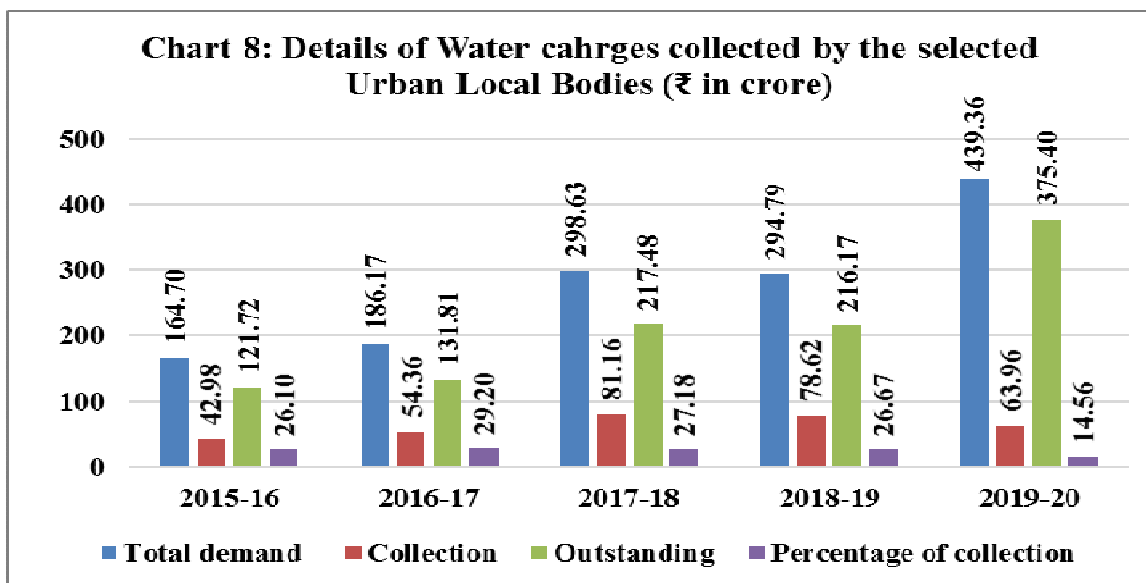
We noticed that GIS survey was conducted (2013-20) in 123 Urban Local Bodies (30 *per cent* of total Urban Local Bodies), which led to 26 *per cent* to 1612 *per cent* increase over the collection of the previous years. Property Tax collection has increased remarkably in most of the Urban Local Bodies from the collection of the previous years. The remaining Urban Local Bodies are yet to use GIS survey.

The Government replied (November 2021) that the GIS Survey is being done for the Urban Local Bodies in five phases. Survey work in 152 Urban Local Bodies has been completed and work is in progress in the remaining Urban Local Bodies.

²⁶ Nagar Palika Parishad Raisen had not provided data.

• Collection of Water Charges

Test-check of Water Charges in 33 Urban Local Bodies revealed that average collection for the period 2015-20 was 23 *per cent* of the amount billed and since 2017-18, this collection was on the decline (**Chart 8**). During the period 2016-20, the collection declined from 29 to 15 *per cent*. An amount of ₹375.40 crore of these selected Urban Local Bodies was outstanding as on March 2020. Details are at **Appendix 8**.



(Source: Information provided by the selected Urban Local Bodies)

We also noted that none of the selected Urban Local Bodies had installed meters with the water connections.

The Government accepted (November 2021) the facts and replied that new rules *i.e.* Madhya Pradesh Municipalities (user charges for water supply, sewerage and solid waste management services) Rules, 2020 have been published (September 2020) in this regard.

Fourteenth Finance Commission recommended that the Urban Local Bodies should rationalise their Service Charges in a way that they are able to at least recover the Operation and Maintenance costs from the beneficiaries.

The water charges collected could meet the expenses of only 21 to 31 *per cent* of the expenses incurred by Urban Local Bodies on Operation and Maintenance of water supply (**Table 4.7**).

Table 4.7: Statement showing demand and collection of Water User charges by Urban Local Bodies (₹ in crore)

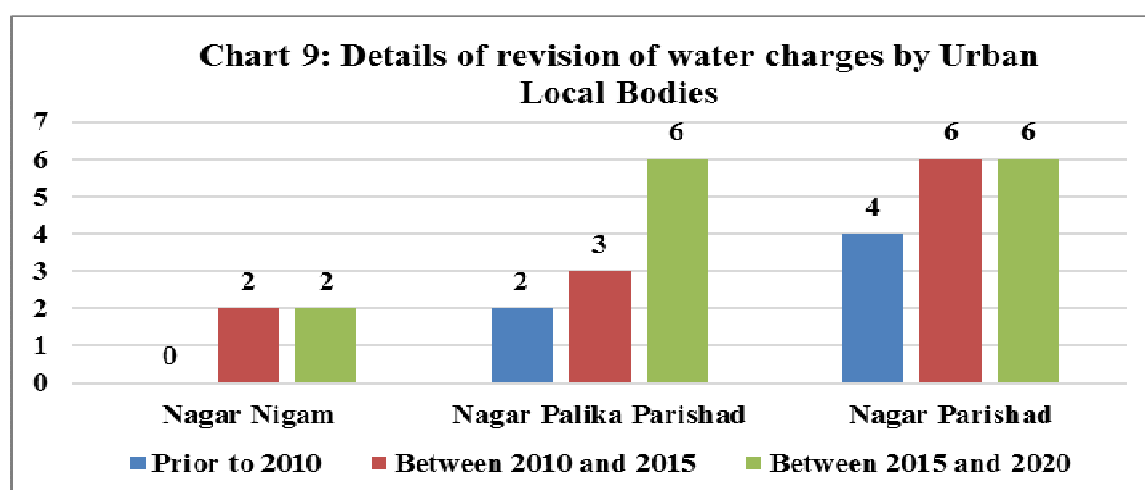
Year	2015-16	2016-17	2017-18	2018-19	2019-20
Total demand	164.7	186.2	298.6	294.8	439.4
Collection against Demand	43.0	54.4	81.2	78.6	64.0
Total Outstanding Demand	121.7	131.8	217.5	216.2	375.4
Expenses on Operation and Maintenance	195.8	216.1	265.6	289.0	297.9
Percentage of collection against expenses on O&M	22.0	25.2	30.6	27.2	21.5

(Source: Information provided by the Urban Local Bodies)

The Government replied (November 2021) that new rules in this regard have been published (September 2020) and directions will be issued to implement these in all Urban Local Bodies.

- **Revision of Water Charges**

We noticed that the Urban Local Bodies were not revising water charges regularly. Out of 33 test-checked Urban Local Bodies, 31 had revised their water charges. Out of which six Urban Local Bodies last revised it prior to 2010, 11 revised the charges during 2010-15 and 14 other revised during 2015-20 (**Chart 9**). While one Urban Local Body²⁷ did not provide information and in Nagar Parishad Kurawar, water supply network is under construction stage as it is newly constituted.



(Source: Information provided by the Urban Local Bodies.)

The Government replied (November 2021) that necessary instructions have been issued to fix the rates in proportion to the expenditure on operation and maintenance and these will be implemented soon.

4.1.4 Solid Waste Management

According to Solid Waste Management Rules 2016, domestic waste should be collected by the Urban Local Bodies and the Urban Local Bodies have power to decide and levy user charges on Solid Waste Management.

- **Non-levy of user charges for Solid Waste Management**

Out of 33 Urban Local Bodies, 31²⁸ had incurred an expenditure of ₹297.35 crore on Solid Waste Management during the period 2015-20. Of these only two²⁹ Municipal Corporations have collected ₹4.00 crore as user charges for Solid Waste Management during 2016-20. The Nagar Palika Parishads and Nagar Parishads had not collected any user charges. Moreover, there was no collection prior to 2016-17.

The Government replied (November 2021) that rules have been notified for determination of user charges for Solid Waste Management on the basis of cost of services, so that cost of operation and maintenance can be recovered.

²⁷ Data not provided by Nagar Palika Parishad Raisen.

²⁸ Data not provided by the Nagar Nigams Bhopal and Gwalior.

²⁹ Chhindwara and Jabalpur.

4.1.5 Other sources of revenue

Sub-Section 6 of the Section 132 of the Madhya Pradesh Municipal Corporation Act and Section 127 of the Madhya Pradesh Municipalities Act envisaged to explore other sources of revenue. We noticed that 31 Urban Local Bodies had collected ₹47.51 crore from other sources during 2015-20. Our findings on other sources are as detailed below:-

- **Levy on Outdoor Advertisement**

Out of 33 selected Urban Local Bodies, only four³⁰ levied tax on outdoor advertisement and collected ₹9.3 crore during 2015-20.

The Government replied (November 2021) that advertisements are being placed in the Urban Local Bodies according to the Madhya Pradesh Outdoor Media Advertisement Rules, 2017.

- **Levy on Mobile Tower**

Thirty one Urban Local Bodies collected ₹8.41 crore as levy on mobile towers. Out of 1328 mobile towers installed in the vicinity of the 30 Urban Local Bodies, 241 mobile towers located under the jurisdiction of five Urban Local Bodies³¹, were found to be unauthorised but no action for regularisation as well as levy of penalty was initiated by the Urban Local Bodies concerned. Further, licence period of 334 towers (22 Urban Local Bodies) had expired as of June 2021 for periods ranging from one to 148 months, but action for renewal was not initiated by the Urban Local Bodies concerned as detailed in **Appendix 9**.

- **Shop Rent**

In 30³² out of 33 sampled Urban Local Bodies, shop rent amounting to ₹8.9 crore was outstanding and was to be recovered (**Table 4.8**) for the period 2015-20. Arrears of shop rent have increased since 2017-18. Out of these, six³³ Urban Local Bodies are major defaulters having arrears more than 60 *per cent*.

Table 4.8: Details of outstanding Shop Rent

	(₹ in crore)				
Year	2015-16	2016-17	2017-18	2018-19	2019-20
Total Demand	9.5	9.0	11.1	12.4	14.3
Total Collection	5.9	5.8	7.0	5.7	5.4
Outstanding Balance at the year end	3.6	3.2	4.1	6.7	8.9

(Source: Information provided by the selected Urban Local Bodies)

The Government replied (November 2021) that recovery is not regular due to shortage of staff. But action will be taken to recover the rent of the shops as per the rules.

³⁰ Bhedaghat, Gwalior, Jabalpur and Seoni.

³¹ Unauthorised mobile towers at Bhopal-169, Chhindwara-4, Gwalior-58, Badoni-7 and Mau-3.

³² Bhopal and Gwalior had not provided the information whereas Kurawar had realised only 27 *per cent* shop rent in the year 2018-19 and for the remaining years no information has been provided.

³³ Badoni (76 *per cent*), Jabalpur (60 *per cent*), Mandideep (67 *per cent*), Manpur (60 *per cent*), Laundi (72 *per cent*) and Sultanpur (86 *per cent*).

4.2 Expenditure on services

Madhya Pradesh Municipalities Act, 1961 is not in consonance with the spirit of the 74th Constitutional Amendment Act, as in the case of Nagar Palika and Nagar Parishads, Budget is to be sent to the State Government, indicating the control of State Government on these Urban Local bodies.

There was significant variation between Budget Estimates and actual income and expenditure. On an average the actual income of the Urban Local Bodies over estimates varied by 44 *per cent* during 2015-20. Details are given in **Table 4.9**.

Table 4.9: Showing the details regarding preparation of unrealistic budget

(₹ in crore)

Year	Revenue				Expenditure			
	Estimate	Actual	Difference	Percent- age of difference	Estimate	Actual	Difference	Percent- age of difference
2015-16	5,267.2	2,039.1	3,228.1	38.7	5,383.4	2,021.6	3,361.8	37.6
2016-17	5,280.8	2,621.8	2,659.0	49.6	5,371.8	2,312.9	3,058.9	43.1
2017-18	5,861.4	2,871.7	2,989.7	49.0	5,890.9	2,423.3	3,469.3	41.1
2018-19	7,451.0	3,262.4	4,188.7	43.8	7,314.6	3,678.6	3,655.1	50.3
2019-20	8,698.3	3,247.4	5,450.8	37.3	8,587.1	3,412.4	5,177.9	39.7

(Source: Information provided by the Urban Local Bodies)

In 20 Urban Local Bodies, budget was approved by the Council after 31 March each year with delays ranging from four to 707 days. Three Urban Local Bodies did not provide the approval dates of the Budget, as detailed in **Appendix 10**.

The Government replied (November 2021) that necessary instructions will be issued to the concerned so that the budget can be presented on actual basis and in time as well.

4.3 Effectiveness of devolved functions

Benchmarking is an important mechanism for introducing accountability in service delivery. Recognising its importance, Ministry of Urban Development, Government of India prescribed Service Level Benchmarks since 2008 for performance management of basic services. Ministry of Urban Development had also issued Service Level Benchmarks Handbook prescribing the standardised framework for performance monitoring in respect of four basic municipal services, *viz.*, Water Supply, Sewerage, Solid Waste Management and Storm Water Drainage. Service Level Benchmark indicators include coverage of water supply connections, quality of water, cost recovery in water supply, coverage of toilets, coverage of sewage network service, household coverage of solid waste management, segregation and disposal of municipal solid wastes and coverage of storm water drainage network.

In compliance to the recommendations of Fifteenth Finance Commission, the Government of Madhya Pradesh, Urban Development and Housing Department had fixed (December 2020) benchmarks for improving service delivery system.

Handbook on Service Level Benchmarking developed by the Ministry of Urban Development, also seeks to:

- Identify a minimum set of standard performance parameters for the water and sanitation sector that are commonly understood and used by all stakeholders across the country;

- (ii) Define a common minimum framework for monitoring and reporting on these indicators; and
- (iii) Set out guidelines on how to operationalize this framework in a phased manner.

Urban Local Bodies are to generate performance reports on Service Level Benchmarks periodically and institutionalise systems for performance management.

Out of the 28 parameters under four heads (Water Supply, Sewerage, Solid Waste Management and Storm Water Drainage), we analysed 10 parameters under three heads of Water Supply, Sewerage and Solid Waste Management, in the 33 Sampled Urban Local Bodies. The Service Level Benchmarks set for these parameters along with other details are indicated in **Appendix 11**.

- **Water Supply:**

Thirty-two out of 33 Urban Local Bodies, were yet to meet the target of achieving 100 *per cent* water connections. Only Nagar Parishad Jawad had provided connections to 100 *per cent* households. However, 23 Urban Local Bodies had provided connections to at least 70 *per cent* of households. Further, 26 Urban Local Bodies were still not able to provide 135 litre per capita per day of water, whereas the goal of achieving 24 hours continuous water supply is also very distant. 21 Urban Local Bodies were providing less than even 100 litre per capita per day, with minimum supply being 50 litre per capita per day in Nagar Parishad Satai. With regard to continuous water supply, 24 Urban Local Bodies were able to provide water for maximum of one hour only, with the minimum being reported as 16 minutes by Nagar Parishad Hatpipliya.

The Government accepted the facts and replied (November 2021) that the target of 100 *per cent* metering and 24 hours supply is yet to be achieved in case of water supply. Work is going on in this regard to achieve the target.

- **Sewerage:**

Coverage of toilets has increased considerably over the period 2019-20, with 16 Urban Local Bodies indicating 100 *per cent* coverage. However, coverage of sewage network is abysmal, with 26 Urban Local Bodies indicating nil coverage. Similarly, 26 Urban Local Bodies indicated nil capacity in sewerage treatment.

The Government replied (November 2021) that in 49 cities, a wide range of projects, like Sewage Treatment Plants, are either completed or are under progress. The Department is going forward with the concept of Faecal Sludge Treatment Plant as well.

- **Solid Waste Management:**

Household Level Coverage has improved considerably, with 16 Urban Local Bodies indicating 100 *per cent* coverage. Similarly, Collection Efficiency was also reported as 100 *per cent* by nine Urban Local Bodies. Only six Urban Local Bodies did not segregate solid waste and only two reported 100 *per cent* segregation. 11 Urban Local Bodies reported up to 50 *per cent* segregation.

In this regard, specific reply was not offered by the Government.

Recommendations:

1. *Devolution of funds to the Urban Local Bodies, as recommended by State Finance Commission, may be done in a timely manner so that Urban Local Bodies have adequate financial resources to carry out their developmental activities.*
2. *Monitoring of the realisation of revenue due to the Urban Local Bodies should be strengthened so that receivable amounts are realised fully and in time.*
3. *Service Level Benchmarks for improving service delivery system under sewerage and solid waste management should be strictly adhered to.*

Chapter V

Conclusion

Chapter V

Conclusion

The 74th Amendment introduced Part IX A (the Municipalities) in the Constitution containing Articles 243P to 243ZG. This amendment came into effect on 1 June 1993 and authorised the State Legislatures to enact laws to endow local bodies with powers and authority as may be necessary to enable them to function as institutions of self-governance and make provisions for devolution of powers and responsibilities (Article 243W). The 12th Schedule lists out the 18 functions to be carried out by Urban Local Bodies.

Each State had to enact a legislation to implement the 74th Constitutional Amendment Act. The Urban Local Bodies in the State were governed by the Madhya Pradesh Municipal Corporation Act, 1956 and the Madhya Pradesh Municipalities Act, 1961. After enactment of the 74th Constitutional Amendment Act, the State Government had made some rules to comply with the provisions of 74th Constitutional Amendment Act. These rules were, however, not supported by firm action thus, defeating the spirit of the constitutional amendment specifically with reference to devolution of functions and creation of appropriate institutional mechanisms.

Out of the 18 functions, Urban Local Bodies were solely responsible for four functions, had no role in one function, had over-lapping roles in 10 functions, and acted as mere implementing agencies in three functions.

In case of Human Resources, most of the Urban Local Bodies were found to be functioning with acute shortage of staff and were highly dependent on outsourced staff.

The power of delimitation of wards, reservation of seats for the council and rotation policy of seats for the posts of Mayor/ President, Deputy-Mayor/ Vice-Presidents and wards were vested with the State Government.

It was also seen that in many of the Urban Local Bodies, elections were not held since long and hence, in the absence of elected local government, development of these Urban Local Bodies may be hampered. Besides, the mandate of 74th Constitutional Amendment Act to empower the Urban Local Bodies was also getting violated.

Advisory Committee, the Wards and Mohalla Committees, Municipal Accounts Committee and the Metropolitan Planning Committee were not found constituted in case of some of the Urban Local Bodies. Though the District Planning Committees were constituted, meeting of the Committees were not being held regularly.

As per the Constitutional provisions and the Acts, implementation of the recommendations of the sixth State Finance Commission was due from 2019-20. However, as on date, recommendations of the 3rd State Finance Commission were being implemented.

The devolution of funds by the State Government to the Urban Local Bodies was short by up to ₹312.6 crore, compared to the norms of the third State Finance Commission.

The share of Own Revenue to Total Revenue of Urban Local Bodies for the period 2015-20, in test-checked Urban Local Bodies was meagre (Nagar Parishads 6.3 *per cent*, Nagar Palika Parishads 13.9 *per cent* and Nagar Nigams 36.5 *per cent*).

This shows that the financial condition of the Urban Local Bodies was highly critical and they were totally dependent on the Government grants. Instances of short realisation of

various taxes/ charges in respect of Property tax, Service Charges and Water Charges were also observed.

Urban Local Bodies were found to be generally effective in terms of achieving the coverage of sanitation and household level coverage of Solid Waste Management. But as far as other parameters were concerned, there were huge gaps.

The indicators of Service Level Benchmarks, when seen in conjunction with the fact that Urban Local Bodies have not been able to collect the requisite charges appropriately and are not making adequate efforts to recover cost of services, show a dire situation of their financials which is adversely impacting the implementation of services.

Bhopal
The 01 June 2022


(BIJIT KUMAR MUKHERJEE)
Accountant General (Audit-II)
Madhya Pradesh

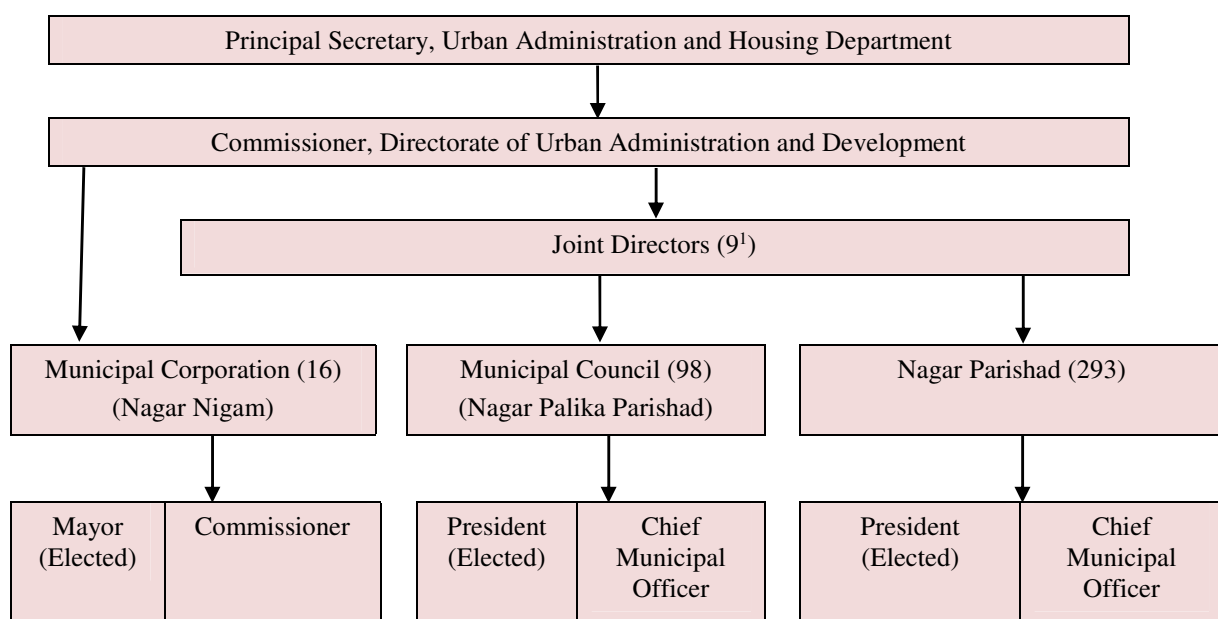
Countersigned

New Delhi
The 20 June 2022


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendices

Appendix-1
(Reference: Paragraph 1.4)
Organisational Chart of Urban Local Bodies



¹ Bhopal, Gwalior, Indore, Jabalpur, Narmadapuram, Rewa, Sagar, Shahdol and Ujjain.

Appendix-2
(Reference: Paragraph 1.4)
List of Parastatals and their functions

Sl. No.	Parastatals	Functions
1.	Nagar and Gram Nivesh	Formed in 1956 for preparation of development plans to establish the towns in organised and planned manners; and to review such development plan at regular interval in terms of population of the town and prepare plan for State Development Plan.
2.	Capital Project Administration	After re-organisations of states, it was formed in 1956 for planned and rapid development of Bhopal, the newly formed capital of the Madhya Pradesh. The Capital Project Administration develops different infrastructures, basic amenities, acts as a co-ordinator for various works and for beautification and development of gardens, plantations, etc.
3.	State Institute for Town Planning	It was formed under Gram and Nagar Nivesh Act, 1973. 10 Development Authorities - Bhopal, Indore, Gwalior, Jabalpur, Ujjain, Dewas, Katni, Singrauli and Amarkantak; Six Special Area Development Authorities- Pachmarhi, Gwalior Counter Magnet, Khajuraho, Orchha, Maheshwar, Mandleshwar and Chitrakoot; and three Urban Local Bodies - Khajuraho, Dhanpuri and Grahakota are associate members of the institute. Primary objective of the institutes are: to assist and provide consultancy to Nagar and Gram Nivesh Department on subject matters of urban/ rural planning.
4.	Madhya Pradesh Housing and Infrastructure Development Board	It was formed in 1972 as a corporate body under the Madhya Pradesh Griha Nirman Mandal Adhiniyam, 1972. It was established to resolve the housing problems by way of development of land and constructing housing for various classes.
5.	Madhya Pradesh Rajya Karmchari Awas Nigam	It was formed in 1988 under Madhya Pradesh Society Registration Act, 1973 to resolve the housing problems of staff of State Government and Co-operative Societies established by Government.
6.	Madhya Pradesh Public Works Department	Public Works Department is the premier agency of Government of Madhya Pradesh engaged in Planning, Designing, Construction and Maintenance of Government assets like Roads, Bridges, Railway Over Bridges, Fly Overs and Buildings. The internal roads of the city which have not been handed over to the Municipal Corporation are being maintained by the Public Works Department.
7.	Public Health Engineering Department	According to the provision of the National Rural Drinking Water Programme, the Madhya Pradesh Public Health Engineering Department is responsible to provide safe and pure drinking water in the rural area of the state. The Public Health Engineering Department is also responsible to prepare, outline and co-ordinate the activities of Water Augmentation Development Schemes of the entire state. The Public Health

Sl. No.	Parastatals	Functions
		Engineering Department is also responsible to operate the water qualities testing laboratories.
8.	District Urban Development Authorities	At the District level, District Urban Development Authorities work as a district level nodal agency for implementation of various livelihood schemes financed by the Central and State Government as well as to provide assistance to people living below poverty line.
9.	Madhya Pradesh Urban Development Company	It was formed in January 2015 and is responsible for preparation of Comprehensive Development Plan and execution of Externally Aided Projects.
10.	SMART City Companies	The Government of India introduced "100 SMART Cities Mission" on 25 June 2015 with the objective to promote cities that will provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment with the application of 'SMART' Solutions. In Madhya Pradesh, seven cities i.e. Indore, Bhopal, Jabalpur, Gwalior, Ujjain, Sagar and Satna were selected. The works done by the SMART Cities under the mission guidelines are related to construction of roads, construction of houses, development and maintenance of Parks, renovation of Heritage Sites, etc.
11.	Madhya Pradesh State Industrial Development Corporation	Madhya Pradesh State Industrial Development Corporation is responsible to develop land in industrial areas and provide infrastructure facilities to the industries as a single window.

Appendix-3
(Reference: Paragraph 1.7)
List of selected Urban Local Bodies

Sl. No.	Name of Urban Local Body	District	Category
1	Gwalior	Gwalior	Nagar Nigam
2	Jabalpur	Jabalpur	Nagar Nigam
3	Chhindwara	Chhindwara	Nagar Nigam
4	Bhopal	Bhopal	Nagar Nigam
5	Balaghat	Balaghat	Nagar Palika Parishad
6	Chhatarpur	Chhatarpur	Nagar Palika Parishad
7	Seoni	Seoni	Nagar Palika Parishad
8	Anuppur	Anuppur	Nagar Palika Parishad
9	Rajgarh	Rajgarh	Nagar Palika Parishad
10	Chanderi	Ashoknagar	Nagar Palika Parishad
11	Dongar Parasiya	Chhindwara	Nagar Palika Parishad
12	Nepanagar	Burhanpur	Nagar Palika Parishad
13	Raghogarh	Guna	Nagar Palika Parishad
14	Mandideep	Raisen	Nagar Palika Parishad
15	Raisen	Raisen	Nagar Palika Parishad
16	Sendhwa	Barwani	Nagar Palika Parishad
17	Bichhia	Mandla	Nagar Parishad
18	Mau	Bhind	Nagar Parishad
19	Kurawar	Rajgarh	Nagar Parishad
20	Jawad	Neemuch	Nagar Parishad
21	Hatpipliya	Dewas	Nagar Parishad
22	Laundi	Chhatarpur	Nagar Parishad
23	Omkareshwar	Khandwa	Nagar Parishad
24	Bhainsdehi	Betul	Nagar Parishad
25	Bhedaghat	Jabalpur	Nagar Parishad
26	Ichhawar	Sehore	Nagar Parishad
27	Manpur	Indore	Nagar Parishad
28	Churhat	Sidhi	Nagar Parishad
29	Khategaon	Dewas	Nagar Parishad
30	Mandleshwar	Khargone	Nagar Parishad
31	Satai	Chhatarpur	Nagar Parishad
32	Sultanpur	Raisen	Nagar Parishad
33	Badoni	Datia	Nagar Parishad

Appendix-4
(Reference: Paragraph 3.3.2)
Meetings of the Corporation/ Council

Sl. No.	Name of Urban Local Body	Period of Corporation/ Council	No. of Bi-monthly meetings to be held during the period of Council	Total No. of Bi-monthly meetings held during the period of Council	No. of instances at which delay in conduct of Bi-monthly meetings occurred	Details of meetings delayed by more than two months		
						Date of first meeting	Date of next meeting	Delay (in days)
1	Nagar Nigam, Bhopal	20/02/2015 to 19/02/2019	24	33	6	23/03/2017	27/05/2017	5
						28/03/2018	04/06/2018	8
						01/08/2018	06/10/2018	6
						06/10/2018	28/12/2018	23
						28/02/2019	19/06/2019	51
						29/11/2019	01/02/2020	4
2	Nagar Nigam, Chhindwara	18/02/2015 to 17/02/2020	30	18	12	21/05/2015	14/08/2015	25
						14/08/2015	29/12/2015	77
						11/01/2016	18/03/2016	7
						18/03/2016	17/06/2016	31
						04/08/2016	10/10/2016	7
						10/10/2016	16/12/2016	7
						20/03/2017	16/06/2017	28
						16/06/2017	26/08/2017	11
						26/08/2017	07/02/2018	105
						07/02/2018	25/08/2018	139
						25/08/2018	23/02/2019	122
						23/02/2019	28/08/2019	126
3	Nagar Nigam, Gwalior	10/01/2015 to 05/06/2019	26	74	1	06/10/2018	28/12/2018	23
4	Nagar Nigam, Jabalpur	19/02/2015 to 19/02/2020	30	35	11	10/06/2015	16/10/2015	68
						16/10/2015	05/01/2016	21
						21/03/2016	21/06/2016	32
						06/08/2016	28/11/2016	54
						07/04/2017	19/06/2017	13
						16/10/2017	29/12/2017	14
						29/12/2017	15/03/2018	16
						10/05/2018	08/08/2018	30
						03/10/2018	02/02/2019	62

Sl. No.	Name of Urban Local Body	Period of Corporation/ Council	No. of Bi-monthly meetings to be held during the period of Council	Total No. of Bi-monthly meetings held during the period of Council	No. of instances at which delay in conduct of Bi-monthly meetings occurred	Details of meetings delayed by more than two months		
						Date of first meeting	Date of next meeting	Delay (in days)
						27/02/2019	08/07/2019	71
						28/08/2019	27/01/2020	92
5	Nagar Palika Parishad, Anuppur	17/10/2013 to 17/10/2018	30	31	2	06/06/2017	27/03/2018	234
						27/04/2018	01/10/2018	97
6	Nagar Palika Parishad, Balaghat	12/01/2015 to 11/01/2020	30	59	4	30/12/2015	10/03/2016	11
						14/07/2017	22/09/2017	10
						04/10/2018	20/12/2018	17
						20/02/2019	30/05/2019	39
7	Nagar Palika Parishad, Chanderi	11/01/2015 to 05/01/2020	30	36	7	10/04/2015	20/07/2015	41
						01/09/2015	28/11/2015	28
						15/07/2016	21/02/2017	161
						21/02/2017	16/05/2017	24
						27/05/2017	27/11/2017	124
						18/01/2018	19/04/2018	31
						17/02/2019	07/06/2019	50
8	Nagar Palika Parishad, Chhatarpur	10/01/2015 to 09/01/2020	30	34	2	24/03/2015	16/06/2015	24
						21/04/2016	04/08/2016	45
9	Nagar Palika Parishad, Dongar Parasia	13/01/2015 to 08/03/2019	25	24	9	30/06/2015	22/09/2015	24
						22/09/2015	05/02/2016	76
						31/03/2016	08/06/2016	9
						27/06/2016	08/09/2016	13
						08/09/2016	02/12/2016	25
						02/12/2016	21/02/2017	21
						11/05/2017	12/10/2017	94
						20/04/2018	17/07/2018	28
						11/09/2018	07/01/2019	58
10	Nagar Palika Parishad, Nepanagar	06/08/2012 to 12/08/2017	30	13	5	21/05/2015	04/09/2015	46
						04/09/2015	15/12/2015	42
						15/12/2015	13/04/2016	60
						13/04/2016	27/08/2016	76
						26/09/2016	22/02/2017	89
					4	30/10/2017	31/03/2018	92

Sl. No.	Name of Urban Local Body	Period of Corporation/ Council	No. of Bi-monthly meetings to be held during the period of Council	Total No. of Bi-monthly meetings held during the period of Council	No. of instances at which delay in conduct of Bi-monthly meetings occurred	Details of meetings delayed by more than two months		
						Date of first meeting	Date of next meeting	Delay (in days)
		08/09/2017 to continue	15			31/03/2018	16/01/2019	231
						16/01/2019	02/08/2019	138
						02/08/2019	26/12/2019	86
11	Nagar Palika Parishad, Raghogarh	2015-16 to 16/02/2018 and 16/02/2018 to till date	30	20	14	08/03/2015	16/10/2015	14
						16/10/2015	01/02/2016	48
						01/02/2016	11/04/2016	10
						11/04/2016	05/07/2016	25
						03/09/2016	02/12/2016	30
						02/12/2016	15/03/2017	43
						15/03/2017	12/06/2017	29
						12/06/2017	20/10/2017	70
						20/10/2017	22/12/2017	3
						22/12/2017	11/06/2018	111
						11/06/2018	19/09/2018	40
						19/09/2018	23/01/2019	66
						08/03/2019	14/08/2019	99
						07/09/2019	03/03/2020	118
12	Nagar Palika Parishad, Raisen	07/01/2015 to 06/01/2020	30	23	11	18/03/2015	27/05/2015	10
						21/07/2015	01/10/2015	12
						01/06/2016	09/08/2016	9
						09/08/2016	07/11/2016	30
						07/11/2016	11/01/2017	5
						11/01/2017	21/03/2017	9
						21/03/2017	11/07/2017	52
						11/07/2017	13/10/2017	34
						28/09/2018	28/12/2018	31
						02/03/2019	30/05/2019	29
						30/05/2019	24/09/2019	57
13	Nagar Palika Parishad, Rajgarh	13/01/2015 to 08/01/2020	30	30	11	24/03/2015	06/08/2015	75
						06/08/2015	10/10/2015	5
						10/10/2015	18/12/2015	9
						26/05/2016	26/08/2016	32

Sl. No.	Name of Urban Local Body	Period of Corporation/ Council	No. of Bi-monthly meetings to be held during the period of Council	Total No. of Bi-monthly meetings held during the period of Council	No. of instances at which delay in conduct of Bi-monthly meetings occurred	Details of meetings delayed by more than two months		
						Date of first meeting	Date of next meeting	Delay (in days)
						22/10/2016	18/01/2017	28
						21/03/2017	10/06/2017	21
						23/06/2017	16/10/2017	55
						16/10/2017	01/03/2018	76
						01/03/2018	23/06/2018	54
						27/04/2019	19/07/2019	23
						19/07/2019	29/11/2019	73
14	Nagar Palika Parishad, Sendhwa	09/08/2012 to 17/08/2017	30	7	2	10/02/2015	11/01/2016	275
		11/01/2016				20/03/2017	374	
		16/02/2018 to continue			1	20/03/2017	16/04/2018	332
15	Nagar Palika Parishad, Seoni	16/01/2015 to 16/01/2020	30	32	8	22/01/2016	05/04/2016	14
						23/01/2017	28/03/2017	4
						28/03/2017	07/07/2017	41
						29/11/2017	16/03/2018	47
						03/10/2018	18/12/2018	16
						18/12/2018	31/05/2019	104
						31/05/2019	08/08/2019	9
						11/10/2019	18/12/2019	8
16	Nagar Palika Parishad, Mandideep	10/04/2015 to 17/03/2020	30	27	14	12/08/2015	11/01/2016	92
						11/01/2016	29/03/2016	18
						20/05/2016	31/08/2016	43
						31/08/2016	05/11/2016	6
						06/01/2017	27/03/2017	20
						28/03/2017	24/07/2017	58
						14/09/2017	25/11/2017	12
						12/01/2018	13/03/2018	1
						10/05/2018	06/08/2018	28
						28/09/2018	21/12/2018	24
						21/12/2018	22/02/2019	3
						22/02/2019	06/07/2019	74
						06/07/2019	21/10/2019	47
						21/10/2019	17/03/2020	88

Sl. No.	Name of Urban Local Body	Period of Corporation/ Council	No. of Bi-monthly meetings to be held during the period of Council	Total No. of Bi-monthly meetings held during the period of Council	No. of instances at which delay in conduct of Bi-monthly meetings occurred	Details of meetings delayed by more than two months		
						Date of first meeting	Date of next meeting	Delay (in days)
17	Nagar Parishad, Badoni	2015-16 to 2019-20	30	24	12	15/04/2015	02/09/2015	80
						13/10/2015	19/02/2016	69
						19/02/2016	20/05/2016	31
						08/06/2016	30/08/2016	23
						15/09/2016	04/01/2017	51
						09/03/2017	18/05/2017	10
						30/05/2017	01/10/2017	64
						11/10/2017	17/01/2018	38
						23/03/2018	28/06/2018	37
						28/06/2018	27/09/2018	31
						27/09/2018	04/10/2019	312
						04/10/2019	24/01/2020	52
18	Nagar Parishad, Bhainsdehi	15/01/2014 to 30/01/2018	24	29	4	15/07/2015	24/11/2015	72
						13/04/2016	01/07/2016	19
						03/01/2017	27/03/2017	23
						07/06/2017	19/09/2017	44
19	Nagar Parishad, Bhedaghat	03/02/2016 to 02/02/2021	30	29	12	23/02/2016	26/05/2016	33
						26/05/2016	02/08/2016	8
						09/09/2016	26/12/2016	48
						26/12/2016	05/05/2017	70
						05/05/2017	07/08/2017	34
						23/11/2017	16/05/2018	114
						01/06/2018	23/08/2018	23
						08/10/2018	29/12/2018	22
						27/02/2019	12/06/2019	45
						29/09/2019	30/03/2020	123
						30/03/2020	04/07/2020	36
20	Nagar Parishad, Bichhiya	03/08/2012 to 02/08/2017	30	9	3	19/03/2015	24/07/2015	67
						24/07/2015	18/07/2016	300
						14/09/2016	01/03/2017	108

Sl. No.	Name of Urban Local Body	Period of Corporation/ Council	No. of Bi-monthly meetings to be held during the period of Council	Total No. of Bi-monthly meetings held during the period of Council	No. of instances at which delay in conduct of Bi-monthly meetings occurred	Details of meetings delayed by more than two months		
						Date of first meeting	Date of next meeting	Delay (in days)
		03/08/2017 to 02/08/2022	30	2	1	09/05/2017	30/12/2019	905
21	Nagar Parishad, Churhat	04/07/2013 to 25/06/2018	30	18	10	05/05/2015	21/07/2015	17
						21/07/2015	14/10/2015	25
						05/12/2015	03/03/2016	29
						29/04/2016	05/07/2016	7
						05/07/2016	23/11/2016	81
						23/11/2016	31/01/2017	9
						28/03/2017	10/08/2017	75
						24/08/2017	24/11/2017	32
						03/01/2018	20/03/2018	16
						20/03/2018	22/05/2018	3
22	Nagar Parishad, Hatpipliya	09/01/2015 to 08/01/2020	30	20	11	26/03/2015	08/06/2015	14
						30/06/2015	27/09/2015	29
						30/10/2015	09/03/2016	71
						29/06/2016	06/10/2016	39
						06/10/2016	09/03/2017	94
						27/04/2017	30/11/2017	157
						30/11/2017	19/02/2018	21
						19/02/2018	01/05/2018	11
						01/05/2018	07/09/2018	69
						29/09/2018	28/02/2019	92
						28/02/2019	08/07/2019	70
23	Nagar Parishad, Ichhawar	05/01/2015 to 04/01/2020	30	31	11	13/04/2015	03/08/2015	52
						03/08/2015	13/10/2015	11
						13/10/2015	26/03/2016	105
						29/04/2016	04/07/2016	6
						04/07/2016	06/01/2017	126
						25/01/2017	16/06/2017	82
						19/02/2018	24/04/2018	4
						24/04/2018	06/07/2018	13
						01/09/2018	28/12/2018	58

Sl. No.	Name of Urban Local Body	Period of Corporation/ Council	No. of Bi-monthly meetings to be held during the period of Council	Total No. of Bi-monthly meetings held during the period of Council	No. of instances at which delay in conduct of Bi-monthly meetings occurred	Details of meetings delayed by more than two months		
						Date of first meeting	Date of next meeting	Delay (in days)
						18/02/2019	14/06/2019	56
						14/06/2019	25/10/2019	73
24	Nagar Parishad, Jawad	12/01/2015 to 05/01/2020	30	17	13	25/02/2015	22/05/2015	26
						22/05/2015	03/09/2015	44
						03/12/2015	08/02/2016	7
						01/08/2016	05/11/2016	36
						05/11/2016	06/01/2017	2
						06/01/2017	20/03/2017	13
						22/04/2017	19/09/2017	90
						19/09/2017	22/12/2017	34
						22/12/2017	20/03/2018	28
						20/03/2018	08/06/2018	20
						08/06/2018	07/09/2018	31
						07/09/2018	31/01/2019	86
						01/03/2019	27/12/2019	241
25	Nagar Parishad, Khategaon	09/01/2015 to 08/01/2020	27	27	11	19/03/2015	06/06/2015	19
						05/11/2015	29/03/2016	85
						13/05/2016	21/09/2016	71
						21/09/2016	03/12/2016	13
						06/01/2017	30/03/2017	23
						19/04/2017	21/06/2017	3
						21/06/2017	13/09/2017	24
						27/12/2017	28/09/2018	215
						28/09/2018	20/02/2019	85
						06/03/2019	25/06/2019	51
						25/06/2019	06/11/2019	74
26	Nagar Parishad, Kurawar	12/01/2015 to 11/01/2020	30	20	5	23/06/2015	16/03/2016	207
						16/03/2016	24/05/2017	374
						21/12/2017	13/03/2018	22
						23/05/2018	30/07/2018	8
						03/10/2018	26/07/2019	236

Sl. No.	Name of Urban Local Body	Period of Corporation/ Council	No. of Bi-monthly meetings to be held during the period of Council	Total No. of Bi-monthly meetings held during the period of Council	No. of instances at which delay in conduct of Bi-monthly meetings occurred	Details of meetings delayed by more than two months		
						Date of first meeting	Date of next meeting	Delay (in days)
27	Nagar Parishad, Laundi	09/01/2015 to 01/01/2020	30	41	3	28/07/2015	04/01/2016	100
						27/06/2017	16/10/2017	51
						23/09/2019	16/12/2019	24
28	Nagar Parishad, Mandleshwar	14/09/2012 to 17/08/2017	30	23	5	16/06/2015	04/09/2015	20
						01/01/2016	26/03/2016	25
						04/08/2016	01/11/2016	29
						01/02/2017	22/04/2017	20
						22/04/2017	11/07/2017	20
		11/09/2017 to continue			5	07/11/2017	05/02/2018	30
						05/02/2018	28/06/2018	83
						28/06/2018	04/01/2019	130
						27/02/2019	18/06/2019	51
						28/02/2020	22/06/2020	55
29	Nagar Parishad, Manpur	16/01/2015 to 12/01/2020	30	13	10	04/07/2015	11/09/2015	9
						11/09/2015	17/03/2016	128
						24/05/2016	16/08/2016	24
						13/12/2016	25/03/2017	42
						31/03/2017	04/09/2017	97
						04/09/2017	06/11/2017	3
						06/04/2018	07/07/2018	32
						05/09/2018	24/12/2018	50
						14/02/2019	03/06/2019	49
						03/06/2019	09/09/2019	38
30	Nagar Parishad, Mau	15/01/2015 to 15/01/2020	30	26	13	28/02/2015	11/05/2015	12
						11/05/2015	14/08/2015	35
						14/08/2015	21/01/2016	100
						21/01/2016	22/03/2016	1
						30/04/2016	13/07/2016	14
						28/11/2016	14/02/2017	18
						04/03/2017	12/05/2017	9
						21/06/2017	06/09/2017	17
						06/09/2017	12/12/2017	37

Sl. No.	Name of Urban Local Body	Period of Corporation/ Council	No. of Bi-monthly meetings to be held during the period of Council	Total No. of Bi-monthly meetings held during the period of Council	No. of instances at which delay in conduct of Bi-monthly meetings occurred	Details of meetings delayed by more than two months		
						Date of first meeting	Date of next meeting	Delay (in days)
						12/12/2017	22/02/2018	12
						20/04/2018	22/06/2018	3
						22/06/2018	24/08/2018	3
						10/09/2018	25/02/2019	108
31	Nagar Parishad, Omkareshwar	10/01/2013 to 10/01/2018	30	23	8	09/04/2015	15/06/2015	7
						14/07/2015	26/09/2015	14
						26/09/2015	30/12/2015	35
						30/12/2015	31/03/2016	32
						31/05/2016	28/01/2017	182
						28/01/2017	18/04/2017	20
						18/04/2017	18/08/2017	62
						18/08/2017	02/11/2017	16
		11/01/2018 to continue			4	02/11/2017	07/03/2018	65
						03/10/2018	16/01/2019	45
						05/03/2019	03/07/2019	60
						03/07/2019	11/05/2020	253
32	Nagar Parishad, Satai	27/01/2015 to 26/01/2020	30	21	6	29/06/2015	13/11/2015	77
						11/04/2016	11/08/2016	62
						13/10/2017	16/01/2018	35
						18/09/2018	31/12/2018	44
						27/05/2019	20/08/2019	25
						20/08/2019	24/12/2019	66
33	Nagar Parishad, Sultanpur	07/01/2015 to 06/01/2020	30	18	12	21/01/2015	30/03/2015	8
						11/05/2015	01/10/2015	83
						01/10/2015	31/12/2015	31
						28/01/2016	13/06/2016	77
						22/09/2016	28/12/2016	37
						16/02/2017	11/05/2017	24
						14/06/2017	02/10/2017	50
						02/10/2017	18/12/2017	17
						18/12/2017	27/03/2018	39
						27/03/2018	15/06/2018	20

Sl. No.	Name of Urban Local Body	Period of Corporation/ Council	No. of Bi-monthly meetings to be held during the period of Council	Total No. of Bi-monthly meetings held during the period of Council	No. of instances at which delay in conduct of Bi-monthly meetings occurred	Details of meetings delayed by more than two months		
						Date of first meeting	Date of next meeting	Delay (in days)
						05/10/2018	31/12/2018	27
						20/02/2019	05/12/2019	228
Total			1,011	887				

Appendix-5
(Reference: Paragraph 3.3.3)
District Planning Committee

Sl. No.	Name of District (Urban Local Body)	Whether the District Planning Committee was constituted? (Yes/ No)	If yes, Whether the quarterly meetings of District Planning Committee were conducted? (Yes/ No)	Details			Status of Five year and Annual Development Plan of the district	Whether the common interests of Panchayats and Municipalities were considered? (Yes/ No)
				Required no. of meetings to be conducted	Actual no. of meetings conducted	Short-fall		
1	Anuppur	Yes	Yes	20	8	12	Annual Plan for two years	No
2	Datia (Badoni)	Yes	Yes	20	11	9	Annual Plan for five years	Yes
3	Badwani (Sendhwa)	Yes	Yes	20	12	8	Annual Plan for three years	No
4	Balaghat	Yes	Yes	20	9	11	Annual Plan for three years	No
5	Betul (Bhainsdehi)	Yes	Yes	20	10	10	Annual Plan for three years	No
6	Bhopal	Yes	Yes	20	8	12	Annual Plan for five years	No
7	Mandla (Bichhia)	Yes	Yes	20	6	14	Not provided	Not provided
8	Burhanpur	Yes	Yes	20	8	12	Annual Plan for three years	No
9	Ashoknagar (Chanderi)	Yes	Yes	20	0	20	Annual Plan for five years	No
10	Chhatarpur (Chhatarpur, Laundi and Satai)	Yes	Yes	20	9	11	Annual Plan for three years	No
11	Chhindwara and Dongar Parasia	Yes	Yes	20	13	7	Annual Plan for three years	No
12	Sidhi (Churhat)	Yes	Yes	20	4	16	Annual Plan for four years	Yes
13	Gwalior	Yes	Yes	20	0	20	Annual Plan for five years	No
14	Sehore (Ichhawar)	Yes	Yes	20	9	11	Not prepared	No
15	Indore (Manpur)	Yes	Yes	20	8	12	Annual Plan for four years	No

Sl. No.	Name of District (Urban Local Body)	Whether the District Planning Committee was constituted? (Yes/ No)	If yes, Whether the quarterly meetings of District Planning Committee were conducted? (Yes/ No)	Details			Status of Five year and Annual Development Plan of the district	Whether the common interests of Panchayats and Municipalities were considered? (Yes/ No)
				Required no. of meetings to be conducted	Actual no. of meetings conducted	Short-fall		
16	Jabalpur (Jabalpur and Bhedaghat)	Yes	Yes	20	10	10	Annual Plan for four years	Yes
17	Khandwa (Omkareshwar)	Yes	Yes	20	8	12	Annual Plan for three years	No
18	Khargone (Mandleshwar)	Yes	Yes	20	14	6	Annual Plan for three years	No
19	Dewas (Khategaon and Hatpipliya)	Yes	Yes	20	7	13	Annual Plan for five years	No
20	Bhind (Mau)	Yes	Yes	20	5	15	Annual Plan for five years	Yes
21	Neemuch	Yes	Yes	20	7	13	Annual Plan for four years	No
22	Guna (Raghogarh)	Yes	No	20	0	20	Annual Plan for three years.	No
23	Raisen (Mandideep, Raisen and Sultanpur)	Yes	Yes	20	10	10	No	Yes
24	Rajgarh (Kurawar, Rajgarh)	Yes	No	20	0	20	No	No
25	Seoni	Yes	Yes	20	9	11	Not provided	Not provided

Appendix-6
(Reference: Paragraph 4.1.1.1)
Utilisation of Education Cess

(₹ in lakh)

Name of Urban Local Body	Education Cess available in five years	Expenditure incurred in five years from Education Cess	Total amount remained unspent from Education Cess
Nagar Nigam, Chhindwara	359.13	359.41	-0.28
Nagar Nigam, Gwalior	3,037.60	847.29	2,190.31
Nagar Nigam, Jabalpur	5,925.97	5,925.97	0
Total (Nagar Nigam)	9,322.70	7,132.67	2,190.03
Nagar Palika Parishad, Anuppur	0.14	0.03	0.11
Nagar Palika Parishad, Balaghat	188.62	0	188.62
Nagar Palika, Chanderi	4.26	4.26	0
Nagar Palika Parishad, Chhatarpur	7.11	0	7.11
Nagar Palika Parishad, Dongar Parasia	18.06	0	18.06
Nagar Palika Parishad, Mandideep	188.76	25.66	163.10
Nagar Palika Parishad, Nepanagar	2.73	0	2.73
Nagar Palika Parishad, Raghogarh	133.59	13.74	119.85
Nagar Palika Parishad, Raisen	8.83	1.50	7.33
Nagar Palika Parishad, Rajgarh	10.45	0	10.45
Nagar Palika Parishad, Sendhwa	12.63	0	12.63
Nagar Palika Parishad, Seoni	192.91	6.17	186.74
Total (Nagar Palika Parishad)	768.09	51.36	716.73
Nagar Parishad, Badoni	0	0	0
Nagar Parishad, Bhainsdehi	9.97	0	9.97
Nagar Parishad, Bhedaghat	1.08	0	1.08

Name of Urban Local Body	Education Cess available in five years	Expenditure incurred in five years from Education Cess	Total amount remained unspent from Education Cess
Nagar Parishad, Bichhiya	1.77	0	1.77
Nagar Parishad, Churhat	4.33	0	4.33
Nagar Parishad, Hatpipliya	0	0	0
Nagar Parishad, Ichhawar	3.43	3.50	-0.07
Nagar Parishad, Jawad	1.03	0	1.03
Nagar Parishad, Khategaon	1.03	0	1.03
Nagar Parishad, Kurawar	11.59	0	11.59
Nagar Parishad, Laundi	0.11	0	0.11
Nagar Parishad, Mandleshwar	6.12	0	6.12
Nagar Parishad, Manpur	3.50	0	3.50
Nagar Parishad, Omkareshwar	3.19	0	3.19
Nagar Parishad, Satai	0.06	0	0.06
Nagar Parishad, Sultanpur	0.20	0	0.20
Total (Nagar Parishad)	47.41	3.50	43.91
Total	10,138.20	7,187.53	2,950.67
Total Amount (in Crore)	101.38	71.88	29.51

Appendix-7
(Reference: Paragraph 4.1.3)
Short realisation of Property Tax

(₹ in crore)

Year	Nagar Nigam			Nagar Palika Parishad			Nagar Parishad		
	Total Demand	Total Collected	Total Outstanding	Total Demand	Total Collected	Total Outstanding	Total Demand	Total Collected	Total Outstanding
2015-16	298.32	169.54	128.78	19.20	9.47	9.72	3.95	1.02	2.93
2016-17	378.34	248.65	129.69	20.36	20.25	9.30	4.61	3.75	0.89
2017-18	407.94	289.05	118.88	23.94	11.44	12.49	4.25	1.23	3.02
2018-19	427.98	284.25	143.73	23.59	10.51	13.08	4.19	1.26	2.93
2019-20	458.86	208.28	250.57	28.13	12.28	15.85	4.31	1.06	3.25
Cumulative Outstanding								269.66	

Appendix-8
(Reference: Paragraph 4.1.3)
Short collection of Water User Charges

(₹ in crore)

Amount of Water Tax	2015-16	2016-17	2017-18	2018-19	2019-20
Total Demand	164.70	186.17	298.63	294.79	439.36
Collection	42.98	54.36	81.16	78.62	63.96
Outstanding	121.72	131.81	217.48	216.17	375.40
Percentage of collection	26.10	29.20	27.18	26.67	14.56

Appendix-9
(Reference: Paragraph 4.1.5)
Levy on Mobile Towers

(Amount in ₹)

Name of Urban Local Body	Unauthorised	Authorised	Due for renewal	Total Amount Collected (₹)	Installation Date
Nagar Nigam, Bhopal	169	706	185	5,02,80,000	February 2004-January 2016
Nagar Nigam, Chhindwara	4	17	5	12,75,000	June 2015-January 2016
Nagar Nigam, Gwalior	58	70	10	1,31,50,000	Not Provided
Nagar Nigam, Jabalpur	0	136	31	1,56,00,000	May 2015-September 2016
Nagar Palika Parishad, Anuppur	0	11	11	1,50,000	December 2005-May 2013
Nagar Palika Parishad, Balaghat	0	12	5	6,00,000	February 2015-January 2016
Nagar Palika Parishad, Chanderi	0	5	0	2,50,000	Not Required
Nagar Palika Parishad, Chhatarpur	0	9	0	4,50,000	Not Required
Nagar Palika Parishad, Dongar Parasia	0	3	3	1,50,000	December 2015-March 2016
Nagar Palika Parishad, Mandideep	0	5	1	7,00,000	December 2015
Nagar Palika Parishad, Rajgarh	0	4	0	1,50,000	Not Required
Nagar Palika Parishad, Raghogarh	0	11	10	50,000	June 2006-May 2009
Nagar Palika Parishad, Raisen	0	6	5	50,000	April 2010-March 2020
Nagar Palika Parishad, Sendhwa	0	18	17	2,20,000	February 2009-August 2011
Nagar Palika Parishad, Seoni	0	16	16	3,60,000	December 2008-May 2014
Nagar Parishad, Badoni	7	0	0	0	Not Provided
Nagar Parishad, Bhainsdehi	0	4	4	40,000	September 2006-October 2009
Nagar Parishad, Bhedaghat	0	4	2	25,000	April 2007
Nagar Parishad, Bichhia	0	6	5	Not Provided	April 2007-March 2010
Nagar Parishad, Churhat	0	9	7	1,65,000	January 2006-December 2015

Name of Urban Local Body	Unauthorised	Authorised	Due for renewal	Total Amount Collected (₹)	Installation Date
Nagar Parishad, Ichhawar	0	2	1	50,000	April 2015
Nagar Parishad, Jawad	0	6	4	75,000	December 2006- December 2015
Nagar Parishad, Khategaon	0	4	2	1,00,000	March 2006
Nagar Parishad, Kurawar	0	3	0	Not Available	Not Available
Nagar Parishad, Laundi	0	5	0	85,000	Not Required
Nagar Parishad, Mandleshwar	0	8	5	50,000	March 2008- July 2011
Nagar Parishad, Manpur	0	1	1	50,000	Not Required
Nagar Parishad, Mau	3	1	0	25,000	Not Provided
Nagar Parishad, Satai	0	1	0	25,000	Not Required
Nagar Parishad, Sultanpur	0	4	4	0	2005-2010
Total	241	1,087	334	8,41,25,000	

Appendix-10
(Reference: Paragraph 4.2)
Delay in approval of Budget

Name of Urban Local Body	Budget delayed year	Budget passed by Council (31 March onward)	Delay (in days)
Nagar Palika Parishad, Mandideep	2015-16	10/6/2015	71
Nagar Palika Parishad, Rajgarh	2016-17	13/6/2016	74
	2018-19	7/5/2018	37
Nagar Parishad, Ichhawar	Not available in the Parishad.		
Nagar Parishad, Kurawar	Not available in the Parishad.		
Nagar Parishad, Sultanpur	Not available in the Parishad.		
Nagar Palika Parishad, Anuppur	2015-16	27/7/2015	118
	2016-17	6/6/2016	67
	2017-18	24/4/2017	24
Nagar Parishad, Bhainsdehi	2015-16	5/6/2015	66
	2016-17	18/4/2016	18
Nagar Palika Parishad, Chhatarpur	2015-16	7/9/2015	160
	2016-17	21/4/2016	21
Nagar Parishad, Laundi	2016-17	19/5/2016	49
	2017-18	5/8/2017	127
	2018-19	15/7/2018	106
	2019-20	6/7/2019	97
Nagar Parishad, Satai	2015-16	13/4/2015	13
	2019-20	17/6/2019	78
Nagar Palika Parishad, Dongar Parasia	2016-17	22/4/2016	22
	2017-18	18/4/2017	18
	2018-19	16/4/2018	16
Nagar Parishad, Khategaon	2019-20	4/4/2019	4
Nagar Parishad, Hatpipliya	2017-18	Not available in the Parishad.	
	2018-19	5/4/2018	5
	2019-20	Not available in the Parishad.	
Nagar Parishad, Badoni	2015-16	Information not provided by the Urban Local Body.	
	2016-17	20/5/2016	50
	2017-18	9/7/2017	100
	2018-19	Information not provided by the Urban Local Body.	
	2019-20	Information not provided by the Urban Local Body.	
Nagar Parishad, Mau	2017-18	17/4/2017	17

Name of Urban Local Body	Budget delayed year	Budget passed by Council (31 March onward)	Delay (in days)
Nagar Parishad, Jawad	2018-19	13/4/2018	13
Nagar Parishad, Mandleshwar	2015-16	8/4/2015	8
	2017-18	2/5/2017	32
Nagar Parishad, Manpur	2016-17	20/5/2016	50
	2017-18	22/1/2018	297
	2019-20	6/8/2019	128
Nagar Palika Parishad, Nepanagar	2016-17	13/4/2016	13
	2019-20	2/8/2019	124
Nagar Parishad, Omkareshwar	2015-16	14/7/2015	105
	2016-17	4/4/2016	4
	2017-18	22/9/2017	175
Nagar Parishad, Bhedaghat	2016-17	5/5/2016	35
	2017-18	20/6/2017	81
	2018-19	15/2/2019	321
	2019-20	18/1/2020	293
Nagar Parishad, Churhat	2015-16	25/6/2015	86
	2016-17	4/5/2016	34
	2017-18	8/3/2019	707
	2018-19	25/6/2019	451
	2019-20	25/6/2019	86
Nagar Palika Parishad, Seoni	2015-16	2/6/2015	63
	2016-17	8/6/2016	69
	2019-20	31/5/2019	61

Appendix-11
(Reference: Paragraph 4.3)
Service Level Benchmark

Sl. No.	Name of selected Urban Local Bodies	Water Supply								Sewerage						Solid Waste Management					
		Coverage of Water Supply Connections (Percentage)		Per Capita Supply of Water (in Litre)		Extent of Metering (Percentage)		Continuity of Water Supplied (Hours)		Coverage of Toilets (Percentage)		Coverage of Sewerage Network (Percentage)		Adequacy of Sewerage Treatment Capacity (Percentage)		Household Level Coverage (Percentage)		Efficiency in Collection of Solid Waste (Percentage)		Extent of Segregation of SWM (Percentage)	
		Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment
1	Nagar Nigam, Bhopal	100	95	135	135	100	78	24	4	100	100	100	45	100	90	100	100	100	100	100	100
2	Nagar Nigam, Chhindwara	100	91	135	135	100	65	24	1	100	100	100	100	100	100	100	100	100	85	100	100
3	Nagar Nigam, Gwalior	100	61	135	125	20	4	4-6	1-2	93	75	80	70	90	80	100	90	100	95	30	97
4	Nagar Nigam, Jabalpur	100	81	135	135	100	5	24	4	100	100	50	32	70	33	100	100	100	100	100	75
5	Nagar Parishad, Anuppur	85	35	90	70	100	0	2	1	60	60	47	0	0	0	100	90	92	70	62	0
6	Nagar Palika Parishad, Balaghat	80	57	100	100	10	10	3	1	100	100	0	0	0	0	100	100	100	100	75	75
7	Nagar Palika Parishad, Chanderi	100	76	135	135	90	0	24	2	100	93	0	0	0	0	100	100	100	100	100	30
8	Nagar Palika Parishad, Chhatarpur	90	80	70	70	0	0	4	2	100	100	0	0	0	0	100	100	100	90	100	80
9	Nagar Palika Parishad, Dongar Parasiya	100	80	70	65	0	0	1	1	100	90	0	0	0	0	100	60	100	80	0	0

Sl. No.	Name of selected Urban Local Bodies	Water Supply								Sewerage						Solid Waste Management					
		Coverage of Water Supply Connections (Percentage)		Per Capita Supply of Water (in Litre)		Extent of Metering (Percentage)		Continuity of Water Supplied (Hours)		Coverage of Toilets (Percentage)		Coverage of Sewerage Network (Percentage)		Adequacy of Sewerage Treatment Capacity (Percentage)		Household Level Coverage (Percentage)		Efficiency in Collection of Solid Waste (Percentage)		Extent of Segregation of SWM (Percentage)	
		Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment
10	Nagar Palika Parishad, Mandideep	65	65	60	60	50	0	1	1	100	91	0	0	0	0	100	85	100	90	100	60
11	Nagar Palika Parishad, Nepanagar	90	60	135	80	0	0	1	1	100	70	0	0	0	0	85	95	100	90	10	5
12	Nagar Palika Parishad, Raghogarh	100	93	120	100	100	0	24	1	100	100	0	0	0	0	100	100	100	80	100	50
13	Nagar Palika Parishad, Raisen	100	79	135	135	100	0	10	8	100	95	100	17	100	20	100	100	100	80	100	50
14	Nagar Palika Parishad, Rajgarh	95	95	98	98	0	0	45 min	45 min	100	100	0	0	0	0	98	98	98	98	90	90
15	Nagar Palika Parishad, Sendhwa	95	90	135	135	95	0	1	1	100	100	0	0	0	0	75	70	85	80	0	0
16	Nagar Palika Parishad, Seoni	100	87	80	70	0	0	1	1	100	95	0	0	0	0	100	100	100	100	100	60
17	Nagar Parishad, Badoni	100	90	135	100	100	0	24	1	100	100	0	0	0	0	100	80	100	80	100	50
18	Nagar Parishad, Bhainsdehi	100	90	85	80	25	0	1	1	100	80	0	0	0	0	100	70	100	65	100	50

Sl. No.	Name of selected Urban Local Bodies	Water Supply								Sewerage						Solid Waste Management					
		Coverage of Water Supply Connections (Percentage)		Per Capita Supply of Water (in Litre)		Extent of Metering (Percentage)		Continuity of Water Supplied (Hours)		Coverage of Toilets (Percentage)		Coverage of Sewerage Network (Percentage)		Adequacy of Sewerage Treatment Capacity (Percentage)		Household Level Coverage (Percentage)		Efficiency in Collection of Solid Waste (Percentage)		Extent of Segregation of SWM (Percentage)	
		Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment
19	Nagar Parishad, Bhedaghat	70	70	70	70	0	0	4	4	100	80	0	0	0	0	100	100	0	0	0	0
20	Nagar Parishad, Bichhia	100	90	90	80	0	0	1	1	100	70	0	0	0	0	100	95	100	90	100	70
21	Nagar Parishad, Churhat	90	60	70	55	100	0	1	1	100	100	50	0	100	0	90	50	100	50	100	0
22	Nagar Parishad, Hatpipliya	100	80	135	70	0	0	3	16 min	100	90	0	0	0	0	100	100	100	100	0	0
23	Nagar Parishad, Ichhawar	100	80	80	75	0	0	1	1	100	80	0	0	0	0	100	80	100	90	100	80
24	Nagar Parishad, Jawad	100	100	135	95	0	0	1	54 min	100	100	0	0	0	0	100	100	100	100	0	60
25	Nagar Parishad, Khategaon	92	86	135	110	0	0	1	54 min	100	90	0	0	0	0	100	92	100	85	50	10
26	Nagar Parishad, Kurawar	75	60	70	60	25	0	1	1	75	75	0	0	0	0	100	75	100	80	100	70
27	Nagar Parishad, Laundi	80	50	75	75	0	0	1	1	100	95	0	0	0	0	100	100	100	100	100	90

Sl. No.	Name of selected Urban Local Bodies	Water Supply								Sewerage						Solid Waste Management					
		Coverage of Water Supply Connections (Percentage)		Per Capita Supply of Water (in Litre)		Extent of Metering (Percentage)		Continuity of Water Supplied (Hours)		Coverage of Toilets (Percentage)		Coverage of Sewerage Network (Percentage)		Adequacy of Sewerage Treatment Capacity (Percentage)		Household Level Coverage (Percentage)		Efficiency in Collection of Solid Waste (Percentage)		Extent of Segregation of SWM (Percentage)	
		Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment	Tar-get	Achieve-ment
28	Nagar Parishad, Manpur	100	90	95	70	0	0	1	1	100	100	0	0	0	0	100	100	100	95	0	10
29	Nagar Parishad, Mandleshwar	100	95	130	70	100	0	40 min	45 min	100	100	100	0	100	0	100	90	100	75	100	25
30	Nagar Parishad, Mau	100	90	70	60	100	0	24	2	100	100	0	0	0	0	100	70	100	60	100	10
31	Nagar Parishad, Omkareshwar	90	70	135	70	75	0	1	1	90	100	50	35	50	30	100	100	100	100	100	60
32	Nagar Parishad, Satai	100	42	70	50	0	0	24	1	100	90	100	70	100	20	100	95	100	95	100	80
33	Nagar Parishad, Sultanpur	100	90	135	135	0	0	4	4	100	100	0	0	0	0	100	100	100	85	0	50
	Maximum	100	100	135	135	100	78	24	8	100	100	100	100	100	100	100	100	100	100	100	100
	Minimum	65	35	60	50	0	0	40 min	16 min	60	60	0	0	0	0	75	50	0	0	0	0

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