



सत्यमेव जयते

**Performance Audit Report of the  
Comptroller and Auditor General of India  
on  
Implementation of 74<sup>th</sup> Constitutional Amendment Act**



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest



**Government of Uttar Pradesh**

**Report No. 5 of the year 2024**



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## Preface

This Report of the Comptroller and Auditor General of India has been prepared for submission to the Governor of Uttar Pradesh under Article 151 of the Constitution of India.

The Report contains the results of the Performance Audit on ‘Implementation of 74<sup>th</sup> Constitutional Amendment Act’, covering the period 2015-20. The instances mentioned in this Report are those, which came to notice in the course of test-audit for the period 2015-20. Instances relating to the period subsequent to 2019-20 have also been included, wherever necessary.

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



## Executive Summary

The 74<sup>th</sup> Constitutional Amendment Act, which came into effect on 1 June 1993, provided a clear mandate for democratic decentralisation 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 (ULBs) to perform 18 functions as listed in the 12<sup>th</sup> Schedule of the Constitution. Accordingly, the State Government enacted (May 1994) “Uttar Pradesh Local Self Government Laws (Amendment) Act, 1994”, to incorporate necessary provisions of 74<sup>th</sup> Constitutional Amendment Act into the Uttar Pradesh Municipality Act, 1916 (UPM Act) and Uttar Pradesh Municipal Corporation Act, 1959 (UPMC Act) for empowering ULBs in terms of funds, functions and functionaries.

The aim of this Audit was to ascertain empowerment of ULBs through creation of appropriately designed institutions and devolution of adequate resources for effective discharge of functions, as enshrined in 12<sup>th</sup> Schedule of the Constitution.

Audit observed deficiencies in provisioning and functioning of institutional mechanism of ULBs as out of 18 functions, the State Government devolved 15 functions fully and one function partially to ULBs. Further, ULBs lack autonomy in discharge of these devolved functions as they were solely responsible for implementation of only one function and had either limited role or no role in execution of other functions.

Delay in delimitation of wards resulted in delays in elections of ULBs in 2017. Subsequent elections to ULBs were held in May 2023. The State Government nominated members to the Councils with delays. The meetings of Council and Executive committee were also deficient in test-checked ULBs and agenda of meetings was also not served to Corporators/Members prior to scheduled time of meeting. Test-checked ULBs did not constitute various committees such as Ward committees and Joint committees as required under provisions of UPM Act and UPMC Act.

The planning process was also deficient as the yearly Development plan was not prepared in any of the test-checked ULBs. Further, District Development Plan with regard to matters of common interest between the Panchayats and the Municipalities was not prepared by the District Planning Committee in selected districts. Besides, Metropolitan Planning Committee was also not constituted in the State for preparation of development plan for metropolitan region. The Solid waste management plan was also not prepared in test-checked ULBs in conformity with the provisions of Solid Waste Management

Rules 2016. Role of ULBs was also limited in planning process of Centrally/State sponsored schemes. Besides, role of ULBs in execution of selected functions was limited to operation and maintenance. Test-checked ULBs could not provide selected services as per the service level benchmark of the Central Public Health and Environment Engineering Organisation.

ULBs lack authority over human resources as powers regarding sanction of posts, to decide emoluments *etc.* for staff were vested with the State Government and ULBs had no role in recruitment of staff under various services, resulting in shortfall in human resources to the extent of 43 *per cent* under the various services.

Audit also observed inadequacy of resources of ULBs as the State Government had powers to determine the revenue base of ULBs. The Own revenue of ULBs was nominal and the Fiscal transfers from the Central and State Governments, on the basis of recommendations of Central and State Finance Commissions, constituted major share of the revenue of ULBs. Many possible sources of own revenue were not optimised by the ULBs. Besides, there was shortfalls in release of assigned revenue to ULBs.

There was not only delay in constitution of the State Finance Commissions but also in submission and acceptance of its reports. Besides, implementation of accepted recommendations of SFC was also delayed or yet to be implemented. The budget estimates of test-checked ULBs were unrealistic and formats of UP Municipal Accounts Manual 2018 for preparation of budget estimates and financial accounts were also not adopted by the ULBs. Besides, Budget estimates were either not submitted to Council or approved by Council with delays. The State Government directly transferred grants, to parastatals, appropriated by the State Legislature under Minor Heads of Accounts meant for aiding ULBs. Besides, the State Government also transferred receipts of ULBs on account of additional stamp duty to the Dedicated Urban Transport Fund. ULBs were not provided any compensation due to subsumption of Entry tax (levied on movement of goods to form an infrastructural development fund for the use of ULBs) under the Goods and Services Tax.

Many restrictions/limitations were imposed on ULBs in respect of utilisation of funds, financial and administrative sanctioning powers and execution of functions.

Chapter - I

# **Introduction**



## Chapter-I: Introduction

### 1.1 Constitutional Amendment

In order to enable the Urban Local Bodies (ULBs) to perform effectively as vibrant democratic units of self-government, it was considered necessary that provisions relating to ULBs are incorporated in the Constitution of India through an amendment. Such an amendment was to put on a firmer footing, their relationship with 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, hereinafter referred as 74<sup>th</sup> Constitutional Amendment Act, which came into effect on 1 June 1993, introduced Part IX A (the Municipalities) in the Constitution. The Act provided a constitutional status to ULBs. Article 243W of the 74<sup>th</sup> 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 12<sup>th</sup> Schedule of the Constitution enumerates 18 specific functions to be devolved to ULBs as listed in **Table 4.1** of Chapter IV.

### 1.2 Trend of Urbanisation in Uttar Pradesh

Uttar Pradesh is the most populous State of India. As per census 2011, 4.45 crore (22.28 *per cent*) out of the total population of 19.96 crore of the State resided in urban areas. The growth rate of urban population in the decade 2001-2011 was 28.75 *per cent* as against the 20.23 *per cent* of overall growth rate of population. Further, the State had highest number of ULBs in the country as there were 648 ULBs (16 *per cent*), out of 4,041 ULBs in the country as per census 2011. However, the level of urbanisation (22.28 *per cent*) in the State was quite low as compared to all India figures of 31.16 *per cent*. Further, there was marked regional imbalances in the level of urbanisation in the State. As per census 2011, Western region with 32.45 *per cent* was most urbanised and Eastern region with 13.40 *per cent* was the least urbanised. Urban population of Central and Bundelkhand regions stand at 20.06 *per cent* and 22.74 *per cent* respectively.

Due to higher demographic centralisation, urban population faces multiple challenges, ranging from public health issues, sanitation, waste management, poverty alleviation, adequate water supply, pollution etc. In this scenario, ULBs 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 the State, ULBs are categorised in three-tier structures, namely, *Nagar Nigam*<sup>1</sup> (NN), *Nagar Palika Parishad*<sup>2</sup> (NPP) and *Nagar Panchayat*<sup>3</sup> (NP). The categorisation of ULBs are based on a mix of criterion involving

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<sup>1</sup> Represents larger urban area.

<sup>2</sup> Represents smaller urban area.

<sup>3</sup> Represents transitional area.

population<sup>4</sup>, dependency of at least 75 *per cent* inhabitants on occupation other than agriculture, convenience of road transportation and availability of urban facilities<sup>5</sup> *etc.* There were 707 ULBs in the State as of March 2020, as shown in **Table 1.1** below:

**Table 1.1: Category-wise ULBs in the State**

Type of ULBs	Number of ULBs
<i>Nagar Nigam</i>	17
<i>Nagar Palika Parishad</i>	199
<i>Nagar Panchayat</i>	491
<b>Total</b>	<b>707</b>

(Source: Director, LB)

The NNs (or Municipal Corporation) are governed by Uttar Pradesh Municipal Corporation Act, 1959 (UPMC Act), while NPPs and NPs (or Municipalities) are governed by the Uttar Pradesh Municipalities Act, 1916 (UPM Act). Each Municipal Corporation/Municipality area has been divided into wards, which are determined and notified by the State Government for the purpose of election of Corporators/Members. ULBs have an elected body comprising these elected representatives along with the Mayor/President and other ex-officio and nominated members.

#### **1.4 Organisational Structure of Urban Governance**

The Urban Development Department (UD Department), headed by the Additional Chief Secretary, is the nodal department for the governance of all ULBs. The Directorate of Local Bodies (LB), established during 1973 and headed by a Director, functions as an interface between the State Government and ULBs for exercising administrative and financial control over ULBs. At Commissionerate level, Divisional Commissioner and Additional Commissioner (Administration) and at district level, District Magistrate has been respectively empowered to look into the matters of ULBs. Besides, Additional District Magistrate (Administration) has been nominated as Nodal Officer of ULBs at district level to supervise the working of ULBs.

Elected representatives head the ULBs *viz.*, Mayor heads the NN, President heads NPP and NP. The other elected representatives are supposed to exercise their powers and discharge duties through the committees of elected members. The Municipal Commissioner (MC) in case of NN and Executive Officer (EO) in case of NPP and NP are the administrative heads, responsible for execution of work and utilisation of funds. The organisational structure with respect to functioning of ULBs in the State is indicated in *Appendix-I*.

<sup>4</sup> Population of more than 3.00 lakh is required for *Nagar Nigam*, Population of more than 1.00 lakh and upto 3.00 lakh is required for *Nagar Palika Parishad* and Population of less than 1.00 lakh but more than 20,000 is required for *Nagar Panchayat*.

<sup>5</sup> Which includes availability of Police station; Commercial centres, Schools and level of other educational institutions, Hospitals/level of health facilities in Health centres, supply of Electricity, Banks, Post offices *etc.*, within their jurisdiction.

Chapter - II

## **Audit Framework**



## Chapter-II: Audit Framework

### 2.1 Audit objectives

The purpose of this audit was to evaluate whether ULBs have been empowered in terms of funds, functions and functionaries to establish themselves as effective institutions of local self-government and whether the 74<sup>th</sup> Constitutional Amendment Act has been effectively implemented in the State. Accordingly, the following objectives were framed to assess:

- Whether provisions of the 74<sup>th</sup> Constitutional Amendment Act have been adequately covered in the State Legislation;
- Whether ULBs have been empowered by the State Government to discharge their functions/responsibilities effectively through creation of appropriately designed institutions/institutional mechanisms and their function;
- Effectiveness of the functions stated to have been devolved; and
- Whether ULBs have been empowered to access adequate resources including sufficient resources for discharge of functions stated to be devolved to them.

### 2.2 Audit Criteria

The criteria for the Performance Audit (PA) were derived from the following:

- 74<sup>th</sup> Constitutional Amendment Act, 1992;
- Uttar Pradesh Municipal Corporation Act, 1959 (UPMC Act), Uttar Pradesh Municipalities Act, 1916 (UPM Act) and the Rules made thereunder by the State Government;
- Bye-laws/regulations of test-checked ULBs;
- Uttar Pradesh Local Self Government Laws (Amendment) Act 1994;
- Solid Waste Management Rules, 2016;
- Uttar Pradesh Water supply and Sewerage Act, 1975;
- Uttar Pradesh District Planning Committee Act, 1999 and Metropolitan Planning Committee Rules, 2011;
- The National Municipal Accounts Manual;
- Central Public Health and Environmental Engineering Organization Manual;
- Central/State Finance Commission Reports;
- Report of the Second Administrative Reforms Commission; and
- State Government orders, notifications, circulars and instructions issued from time to time.

### 2.3 Audit scope and Methodology

The PA covering the period April 2015 to March 2020 was carried out from March 2021 to November 2021. Scrutiny of records was done at the office of the Director (Local Bodies) and Additional Chief Secretary, Urban

Development Department (UD Department) in order to assess the status of implementation of 74<sup>th</sup> Constitutional Amendment Act by the State Government. The role of parastatals in performing functions of ULBs were also critically analysed. Besides this, scrutiny of records of 50 ULBs (out of 707 ULBs), across all three tiers, was also done for assessment of devolution of fund, function and functionaries. ULBs were selected through Simple Random Sampling on the basis of their population as per census 2011 from each tier of ULBs. The list of selected ULBs is mentioned in *Appendix-II*.

To form an opinion regarding the effectiveness of functions stated to have been devolved, audit selected the following two functions, out of 18 functions identified in the 12<sup>th</sup> schedule, and analysed these in detail:

- i) Water supply for domestic, industrial and commercial purpose; and
- ii) Public health, sanitation conservancy and solid waste management.

Apart from above selected functions, issues related to levy and realisation of Property Tax and Water charges were also scrutinised in order to assess the revenue buoyancy of the ULBs.

The audit methodology involved requisition of records/information, document analysis and responses to audit queries.

An Entry Conference was held on 6 January 2021 with the Principal Secretary, UD Department, in which the audit methodology, scope, objectives and criteria were explained. Further, an Exit Conference was also held with the Principal Secretary, UD Department on 23 August 2022, wherein audit observations and conclusions were accepted by the Department. The UD Department also submitted detailed replies to the audit observations and conclusion of draft PA in the month of November 2022. Replies of the UD Department have been suitably incorporated in the relevant paragraphs.

Moreover, after incorporating the replies, the draft report was again forwarded to the UD Department in the month of the September 2023 for their further response. Despite issuing reminder on 4 October 2023, response of the UD Department is still awaited (February 2024).

## **2.4 Constraints in audit**

For collection of data and information, required for preparation of PA, audit queries and on the basis of scrutiny of records, preliminary audit observations, were issued to the Director (LB) during the months of September & October 2020 and February & March 2021 respectively. However, the Director (LB) did not furnish replies to these audit queries and observations as of November 2021 (except those related with observations of Urban Transport Directorate) despite repeated reminders<sup>1</sup> to the Director (LB) and ACS (UD Department). Further, the Director (LB) provided replies of some audit queries and observations during the month of December 2021, most of which were either incomplete or irrelevant.

Similarly, audit queries were issued to Principal Secretary (UD Department) during the month of July 2020, however, replies to these audit queries were

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<sup>1</sup> Letter nos. AMG-I/74-CAA/04 dated 16.10.2020, AMG-I/74-CAA/06 dated 16.11.2020, AMG-I/74-CAA/07 dated 07.12.2020, AMG-I/74-CAA/31 dated 31.03.2021, AMG-I/74-CAA/37 dated 14.06.2021, AMG-I/74-CAA/38 dated 16.06.2021, AMG-I/74-CAA/43 dated 17.08.2021 and AMG-I/74-CAA/46 dated 03.12.2021.

also not provided by the Department as of December 2022 despite repeated reminders<sup>2</sup>.

Further, due to criminal proceedings against the employees and President of NP Maniyar (Ballia), required records were not produced to Audit.

## 2.5 Organisation of Audit findings

The audit findings related with status of devolution of functions, funds and functionaries are presented in following chapters:

**Chapter III-** Compliance with provisions of 74<sup>th</sup> Constitutional Amendment Act

**Chapter IV-** Empowerment of ULBs and their functioning

**Chapter V-** Effectiveness of devolved functions of ULBs

**Chapter VI-** Human Resources of ULBs

**Chapter VII-** Financial Resources of ULBs

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<sup>2</sup> Letter nos. AMG-I/74-CAA/07 dated 29.07.2021, AMG-I/74-CAA/AP-02/16 dated 16.09.2021, AMG-I/74-CAA/AP-02/26 dated 03.11.2021 and AMG-I/74-CAA/AP-02/28 dated 29.11.2021.



**Chapter - III**

**Compliance with provisions of  
74<sup>th</sup> Constitutional Amendment Act**



## Chapter-III: Compliance with provisions of 74<sup>th</sup> Constitutional Amendment Act

### 3.1 Comparison of State level legislations with 74<sup>th</sup> Constitutional Amendment Act

The 74<sup>th</sup> Constitutional Amendment Act introduced certain provisions relating to municipalities through Articles 243Q to 243ZG. The State Government vide amendments to the UPMC/UPM Act introduced provisions corresponding to provisions of the 74<sup>th</sup> Constitutional Amendment Act as indicated in **Table 3.1** below:

**Table 3.1: Comparison of State level legislations with the provisions of 74<sup>th</sup> Constitutional Amendment Act**

Provision of Constitution of India	Requirement as per provision of Constitution of India	Provision of State Act/Acts (Section-wise)
Article 243Q	<b>Constitution of Municipalities:</b> It provides for constitution of three types of municipalities namely a <i>Nagar Panchayat</i> for transitional area, a Municipal Council for a smaller urban area and a Municipal Corporation for a larger urban area.	Section 3(A) of UPM Act & Section 4 of UPMC Act.
Article 243R	<b>Composition of Municipalities:</b> All the seats in a Municipality shall be filled by direct elections and by persons with special knowledge in municipal administration nominated by Government. The Legislature of a State may by law, provide for representation, in a Municipality, of Members of Parliament and Legislative Assembly whose constituencies lie within the municipal area and Members of the council of State and State Legislative Council who are registered as electors within the city.	Section 9 of UPM Act & Section 6 of UPMC Act.
Article 243S	<b>Constitution and composition of Wards Committee:</b> This provides for constitution of Wards Committees in all municipalities with a population of 3 lakh or more.	Section 3(B) of UPM Act & Section 6(A) of UPMC Act.
Article 243T	<b>Reservation of seats:</b> The seats to be reserved for SC/ST, Women and Backward classes for direct election.	Section 9(A) of UPM Act & Section 7 of UPMC Act.
Article 243U	<b>Duration of Municipalities:</b> The municipality has a fixed tenure of 5 years from the date of its first meeting and re-election to be held before the expiry of tenure or within six months of its dissolution.	Section 10(A) of UPM Act & Section 8 of UPMC Act.
Article 243V	<b>Disqualifications for membership:</b> A person shall be disqualified for a member of a Municipality- <ul style="list-style-type: none"> <li>• 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.</li> <li>• If he is so disqualified by or under any law made by the Legislature of the State.</li> </ul>	Section 3(D) of UPM Act & Sections 80 and 83 of UPMC Act.
Article 243W	<b>Powers, authority and responsibilities of the Municipalities:</b> All municipalities would be empowered with such powers as may be necessary to enable them to function as effective institutions of self-government. The	Section 7 of UPM Act & Section 114 of UPMC Act.

	State Government shall entrust with such powers and authority to enable them to carry out the responsibilities in relation to the 12 <sup>th</sup> Schedule.	
Article 243X	<p><b>Power to impose taxes by, and funds of the Municipalities:</b></p> <ul style="list-style-type: none"> <li>• Municipalities would be empowered to levy and collect the taxes, fees, duties etc.</li> <li>• Grant-in-aid would be given to the Municipalities from the State.</li> <li>• Constitution of funds for crediting and withdrawal of moneys by the Municipality.</li> </ul>	Sections 128, 127(C) and 114 of UPM Act & Sections 172, 138(A) and 139 of UPMC Act.
Article 243Y read with Article 243I	<p><b>Finance Commission:</b> State Government shall constitute Finance Commission for</p> <ul style="list-style-type: none"> <li>• Reviewing the financial position of the Municipalities and taking such steps that help in boosting the financial condition of the Municipal bodies.</li> <li>• Distributing between the State and the Municipalities of the net proceeds of the taxes, fees, tolls and duties that are levied by the State Government.</li> <li>• Allotting the funds to the municipal bodies in the State from the consolidated fund of the State.</li> </ul>	Section 127(C) of UPM Act and Section 138(A) of UPMC Act.
Article 243Z	<p><b>Audit of accounts of Municipalities:</b> This provides provision for maintenance of accounts by the Municipalities and the auditing of such accounts.</p>	Section 95(E) of UPM Act & Section 142 of UPMC Act.
Article 243ZA read with Article 243K	<p><b>Elections to the Municipalities:</b> The Superintendence, direction and control of all procedure of election of the Municipalities shall be vested in the State Election Commission (SEC).</p>	Section 13(B) of UPM Act & Section 45 of UPMC Act.
Article 243 ZD	<p><b>Committee for District Planning:</b></p> <ul style="list-style-type: none"> <li>• Constitution of District Planning Committee at district level.</li> <li>• Composition of District Planning Committee.</li> <li>• Preparation of draft development plan and forwarded to the Government.</li> </ul>	Section 127(A) of UPM Act & Section 383(A) of UPMC Act.
Article 243ZE of Constitution of India	<p><b>Committee for Metropolitan Planning:</b> Provision for constitution of Metropolitan Planning Committee (MPC) in every Metropolitan area with a population of 10 lakhs or more.</p>	Section 57(A) of UPMC Act.

The above table shows that the enacted statutes complied with the provisions of the 74<sup>th</sup> Constitutional Amendment Act. However, compliance to the constitutional provisions by law does not guarantee effective decentralisation on ground unless followed by effective implementation. Audit observed that the legal provisions were not backed by decisive actions resulting in a situation in which the spirit of the 74<sup>th</sup> Constitutional Amendment Act has not fructified. This was especially true in case of provisions pertaining to the devolution of functions and creation of appropriate institutional mechanisms for effective decentralisation, which are discussed in the subsequent Chapters.

**Chapter - IV**

**Empowerment of Urban Local Bodies  
and their functioning**



## Chapter-IV: Empowerment of Urban Local Bodies and their functioning

### Summary

Urban Local Bodies (ULBs) are required to be empowered in terms of funds, functions and functionaries to establish themselves as effective institutions of local self-government through creation of appropriately designed institutions/institutional mechanism and their function. However, audit observed certain deficiencies in creation and functioning of institutions/institutional mechanisms meant for empowerment of ULBs as summarised below and discussed in succeeding paragraphs.

Out of 15 functions fully and one function partially stated to have been devolved, ULBs were solely responsible for only one function; had no role in one function; had limited role in eleven functions; were mere implementing agencies in two functions; and in respect of one function, they had dual role with Government Departments. This defeated the purpose of 74<sup>th</sup> Constitutional Amendment Act. Out of total 707 ULBs, elections were held for only 652 ULBs during the year 2017. Thus, the mandate of 74<sup>th</sup> Constitutional Amendment Act to empower ULBs with democratically elected body is not getting fulfilled at initial level itself. The expenses of elections were not being recovered from the ULBs. In test-checked ULBs, meetings of the Councils were not held as per laid down norms. Besides, meetings of Executive Committee were also short against the norms in test-checked Municipal Corporations. There was a consistent delay in the nomination of members to the Council by the State Government. Advisory Committees, Ward Committee, Development Committee and other Committees were not constituted in any of the test-checked ULBs. This defeated the objective of facilitating community participation in local governance as well as prioritization and monitoring of development works. Yearly Development Plan was also not prepared in any of the test-checked ULBs for onward submission to the District/Metropolitan Planning Committee. District Planning Committee did not prepare comprehensive District Development Plan for the districts of selected ULBs. Neither the Budget estimates for each financial year during the period 2015-20 was prepared nor submitted to Council for approval in many of the test-checked ULBs. Estimates and Contracts of requisite value were also not submitted to the Council for approval.

### 4.1 Actual Status of devolution of functions

The 74<sup>th</sup> Constitutional Amendment Act sought to empower ULBs to perform functions and implement schemes in relation to 18 subjects specified in the 12<sup>th</sup> schedule. Each State was expected to enact a legislation to implement the amendment. The State Government enacted (May 1994) "Uttar Pradesh Local Self Government Laws (Amendment) Act 1994", to incorporate necessary provisions of 74<sup>th</sup> Constitutional Amendment Act into UPM Act & UPMC Act

and transferred 15 functions<sup>1</sup> fully and one function<sup>2</sup> partially to ULBs. The functions not devolved to ULBs were Regulation of Land Use & Construction of Buildings and Planning for Economic & Social Development. Further, out of Urban Planning including Town Planning, only Town Planning was devolved to ULBs. All fully devolved functions were obligatory for each tier of ULBs, except partially devolved function Town planning was obligatory for NN and discretionary for NPP and NP.

Audit observed several overlaps in discharge of the functions between ULBs and parastatals/Government departments. Despite devolution of major functions as enshrined in the 12<sup>th</sup> schedule, many functions or activities related therewith were being performed by authorities other than ULBs as indicated in **Table 4.1** below:

**Table 4.1: Statement showing the actual status of implementation of functions**

Sl. No.	Functions: Obligatory(O)/ Discretionary(D)	Activities	Actual status of implementation
<b>Functions where ULBs has full jurisdiction</b>			
1	Burials and burial grounds; cremations, cremation grounds (O)	Construction and Operation & Maintenance (O&M) of crematoriums and burial grounds and electric crematoriums	ULBs were solely responsible for discharging this function.
<b>Functions with no role for ULBs</b>			
2	Fire Services (O)	Establishing and maintaining fire brigades Providing fire NOC/approval certificate in respect of high rise buildings	Uttar Pradesh Fire Services Department was performing this function.
<b>Functions with minimal role and/or having overlapping jurisdictions with state departments and/or parastatals</b>			
3	Regulation of slaughter houses and tanneries (O)	Ensuring quality of animals and meat Disposal of waste	Department of Food and Drug Administration A State Level Committee, constituted under the chairmanship of the Principal Secretary (UD Department) was empowered for approving the establishment of slaughter houses by private sector. Owners were responsible for treatment of generated effluents on their own

<sup>1</sup> (i) Roads and bridges, (ii) Water supply for domestic; industrial and commercial purposes (iii) Public health, sanitation conservancy and solid waste management (iv) Fire Services (v) Urban forestry; protection of the environment and promotion of ecological aspects (vi) Safeguarding the interests of weaker sections of society; including the handicapped and mentally retarded (vii) Slum improvement and up-gradation (viii) Urban poverty alleviation (ix) Provision of urban amenities and facilities such as parks; gardens; playgrounds (x) Promotion of cultural; educational and aesthetic aspects (xi) Burials and burial grounds; cremations; cremation grounds (xii) Cattle pounds; prevention of cruelty to animals (xiii) Vital statistics including birth and death registration (xiv) Public amenities including street lighting; parking lots; bus stops and public conveniences and (xv) Regulation of slaughter houses and tanneries.

<sup>2</sup> Town planning.

			through establishment of Effluent Treatment Plant, as per the norms/standards prescribed <sup>3</sup> in this regard, under the supervision of State Pollution Control Board. Further, ULBs were also responsible for disposal of solid waste generated therein, however, private owners had to place waste bins/vessels for this purpose.
		O & M of slaughter houses	Private owners
4	Urban poverty alleviation (O)	Identifying beneficiaries	The National Urban Livelihood Mission was being operated through State Urban Development Agency (SUDA) and District Urban Development Agency (DUDA) for providing employment to urban poor with a view to alleviate poverty.
		Livelihood and employment	
		Street vendors	ULBs.
5	Urban planning including town planning (O) (D)	Master Planning / Development Plans /Zonal Plans	Town and Country Planning Department was assigned for this activity. Though, 24 Development Authorities, five Special Area Development Authorities and 72 Regulated Area Authorities were performing this function in their respective jurisdiction. In remaining towns this function was being performed by concerned ULBs.
		Enforcing master planning regulations	
		Enforcing building bye-laws and licenses	
		Group Housing, Development of Industrial Areas	Activities related to Group Housing were being performed by Housing and Urban Planning Department. The Uttar Pradesh State Industrial Development Corporation (UPSIDC) was assigned for development of Industrial area.
6	Cattle pounds; prevention of cruelty to animals (O)	Catching and keeping strays	ULBs were solely responsible for discharging these activities.
		Sterilisation and anti-rabies	
		Ensuring animal safety	Animal Welfare Board of India, ULBs and Home Department.
7	Public health, sanitation conservancy and solid waste management (O)	Maintaining hospitals, dispensaries	ULBs only had limited role in case of public health allied responsibilities, as Department of Medical Health & Family Welfare, Department of Medical Education, Department of Labour <i>etc.</i> played a significant role in maintaining

<sup>3</sup> Water (Pollution prevention and control) Act 1974 and Air (Pollution prevention and control) Act 1974.

			hospitals and dispensaries. Only 11 NN <sup>4</sup> and three NPP <sup>5</sup> had established 62 and five hospitals/dispensaries respectively.
		Immunisation/Vaccination	Department of Medical Health & Family Welfare undertook immunization/ vaccination programmes.
		Registration of births and deaths	ULBs along with Department of Medical Health & Family Welfare (Nodal Department) were performing this activity.
		Cleaning and disinfection of localities affected by infectious disease	ULBs were responsible for cleaning and disinfection of localities affected by infectious disease, solid waste management and control & supervision of public markets.
		Solid waste management	
		Control and supervision of public markets	
8	Urban forestry, protection of the environment and promotion of ecological aspects (O)	Afforestation	Environment, Forest and Climate Change Department played a significant role in the discharge of this function. ULBs also undertook afforestation and awareness drives along with the State Government Department.
		Greenification	
		Awareness drives	
		Protection of the environment and promotion of ecological aspects	
		Maintenance of natural resources like water bodies etc.	ULBs along with <i>Uttar Pradesh Jal Nigam</i> ; Environment, Forest & Climate Change Department; and Irrigation Department were performing this activity.
9	Provision of urban amenities and facilities such as parks, gardens, playgrounds (O)	Creation of parks and gardens	ULBs along with Horticulture department and Development Authorities/ <i>Awas Evam Vikas Parisad</i> etc. were responsible for this activity.
		Operation and Maintenance	
10	Public amenities including street lighting, parking lots, bus stops and public conveniences (O)	Installation and maintenance of street lights	ULBs along with parastatal Energy Efficiency Services Limited were performing this activity.
		Creation and maintenance of parking lots	ULBs along with Development Authorities were performing this activity.
		Creation and maintenance of public toilets	ULBs were solely responsible for this activity.
		Deciding and operating bus routes	Urban Transport Directorate was performing this activity through Special Purpose Vehicles.
11	Water supply for	Distribution of water	Parastatal <i>Uttar Pradesh Jal Nigam</i>

<sup>4</sup> Agra (01), Gorakhpur (01), Kanpur (42), Lucknow (03) Mathura-Vrindavan (01), Meerut (03), Moradabad (01), Prayagraj (06), Saharanpur (01) Shahjahanpur (01) and Varanasi (02).

<sup>5</sup> NPPs: Hapur (01), Samthar of Jhansi (02) and Pt. DDUP of Chandauli (02).

	domestic, industrial and commercial purposes (O)	Providing connections Operation & Maintenance (O&M) Collection of charges	was in-charge of creation of assets. ULBs role was restricted to distribution of water, operation and maintenance, providing connections, collection of charges <i>etc.</i>
12	Roads and bridges (O)	Construction and maintenance of roads Construction and maintenance of bridges, drains, flyovers and footpaths.	ULBs, Development Authorities, NHAI & Public Works Department were executing this function.
13	Promotion of cultural, educational and aesthetic aspects (O)	Schools and education Fairs and festivals Cultural buildings /institutions Heritage Public space beautification	Schools and education were mainly handled by Education Department of the State, though 11 NN <sup>6</sup> , 36 NPP <sup>7</sup> and two NP <sup>8</sup> were also running schools. ULBs along with the State Cultural Department and Development Authorities undertook activities allied with public space beautification, organising fairs and festivals, maintenance of Cultural buildings/institutions and Heritage sites <i>etc.</i>
<b>Function with dual role</b>			
14	Vital statistics including birth and death registration (O)	Coordinating with hospitals/ crematoriums <i>etc.</i> for obtaining information Maintaining and updating database	Both ULBs and the Department of Public Health and Family Welfare (Nodal Department) were registering birth and death cases on their own websites during the period 2015-20 and were responsible for maintenance & updating their database.
<b>Functions wherein ULBs were mere implementing agencies</b>			
15	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded (O)	Identifying beneficiaries Providing tools/benefits such as tricycles Housing programs Scholarships	State departments such as Social welfare, Empowerment of Persons with Disabilities <i>etc.</i> were responsible for this function. ULBs were only an implementing arm for central and State Government schemes.
16	Slum improvement and up-gradation (O)	Identifying beneficiaries Affordable Housing	SUDA and DUDA established under Urban Employment and

<sup>6</sup> Agra (03), Bareilly (03), Ghaziabad (06), Kanpur (13), Lucknow (06), Mathura-Vrindavan (02), Meerut (01), Moradabad (01), Prayagraj (03) Sahjahanpur (01) and Varanasi (03).

<sup>7</sup> NPPs; Rampur (01), Syana of Bulandshahar (01), Nazibabad of Bijnore (01), Muzaffarnagar (01), Budaun (01), Sahasvan of Budaun (01), Kakrala of Budaun (01), Bisalpur of Pilibhit (01), Kosikalan of Mathura (02), Etah (01), Ganjdundwara of Kasganj (01), Soro of Kasganj (01), Kasganj (02), Shikohabad of Firojabad (01), Billhour of Kanpur (01), Farrukhabad (01), Auraiya (02), Mauranipur of Jhansi (01), Samthar of Jhansi (01), Baruasagar of Jhansi (01), Chirgaon of Jhansi (02), Lalitpur (02), Konch of Jalaun (01), Kalpi of Jalaun (01), Banda (01), Bindki of Fatehpur (01), Ahraura of Mirzapur (03), Raebareli (01), Shahabad of Hardoi (02), Sitapur (01), Biswa of Sitapur (02), Lakhimpur (01), Gonda (01), Deoria (02), Pt. DDU of Chandauli (01) and Jaunpur (02).

<sup>8</sup> NPs; Bewar (01) and Bhogaon (01) of Mainpuri.

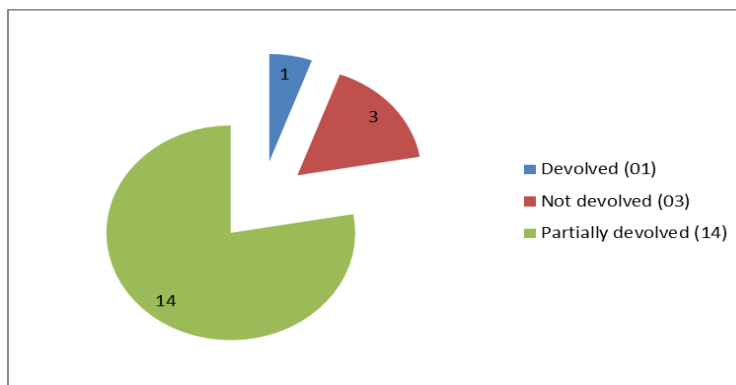
		Up-gradation	Poverty Alleviation Programme Department was performing this function through implementation of Central/ State Government Schemes. Though, identification/ verification of beneficiaries was being done by the ULBs.
<b>Functions not devolved to ULBs</b>			
17	Regulation of land-use and construction of buildings	Regulating land use	Revenue Department
		Approving building plans/high rises	This activity has not been devolved to NNs and Development Authorities were performing this activity in their area.  The UPM Act empowers the NPPs/NPs to approve building plans. However, <i>Awas Evam Vikas Parishad</i> and Regulated Area Authorities in the area of 119 NPPs/NPs were performing this activity. In remaining urban areas of the State, NPPs/NPs were performing this activity.
		Demolishing illegal buildings	
18	Planning for economic and social development	Program implementation for economic activities	Welfare Departments of the State such as Social, Minority, Backward Class etc. were involved in performing this function.
		Policies for social development	

(Source: Director, Local Bodies)

It can be seen from the above that there were several overlaps in discharge of the functions between ULBs and parastatals/Government departments. Out of 15 functions fully and one function partially stated to have been devolved, ULBs were solely responsible for only one function; had no role in one function; had limited role in eleven functions; were mere implementing agencies in two functions; and in respect of one function, they had dual role with Government departments.

On the basis of above actual implementation of functions, the status of devolution of functions is depicted in **Chart 4.1**.

**Chart 4.1: Showing status of devolution of functions**



Thus, only one function was actually devolved to ULBs and selected two functions fell under partially devolved category of functions.

Further, on the basis of activities being performed by the test-checked ULBs, status of effective devolution of functions in selected NNs and NPPs is detailed in *Appendix-III*. Thus, activities of test-checked ULBs also confirmed that majority of functions either not devolved or partially devolved to ULBs.

Moreover, as detailed in **Table 4.1** above, the Development Authorities (DA) as constituted by the State Government under the provisions of the UP Town Planning and Development Act 1973 for ensuring development of bigger cities of the State and also empowered for carrying out construction works related with roads, drainage, sewage, water supply and other civic facilities such as development of parks *etc.*, had many overlapping functions with the ULBs.

However, in absence of any separate accounting for expenditure on overlapping activities, audit worked out estimated expenditure by five NNs of the State with their respective DAs for comparison of their financial resources and overlapping activities, as given in *Appendix-IV* and summarised in **Table 4.2** below:

**Table 4.2: The details of Income vis-à-vis Expenditure of NNs and DAs during the period 2017-22**

(₹ in crore)

Year	Name of district	Nagar Nigams		Development Authorities	
		Income	Expenditure on overlapping activities	Income	Expenditure on overlapping activities
2017-18	Jhansi	164.49	88.34	13.65	01.25
2018-19		169.43	72.08	14.35	10.63
2019-20		184.97	36.83	18.92	14.49
2020-21		155.12	131.19	17.63	22.25
2021-22		95.23	69.89	20.66	25.10
<b>Total</b>		<b>769.24</b>	<b>398.33</b>	<b>85.21</b>	<b>73.72</b>
2017-18	Lucknow	951.10	557.24	2586.55	175.01
2018-19		956.19	100.49	2472.31	197.24
2019-20		1,062.11	182.81	2235.88	108.44
2020-21		1,150.12	149.67	1935.24	171.64
2021-22		1,329.53	206.05	2021.64	158.61
<b>Total</b>		<b>5,449.05</b>	<b>1,196.26</b>	<b>11,251.62</b>	<b>810.94</b>
2017-18	Mathura-Vrindavan	143.44	20.91	74.98	32.54
2018-19		178.88	22.25	95.44	31.22
2019-20		192.91	34.60	62.17	46.76
2020-21		209.46	116.95	46.73	34.41
2021-22		215.96	104.27	69.40	51.49
<b>Total</b>		<b>940.65</b>	<b>298.98</b>	<b>348.72</b>	<b>196.42</b>
2017-18	Moradabad	181.65	54.29	257.45	43.61
2018-19		187.79	78.07	257.09	42.68
2019-20		214.63	99.53	312.04	44.65
2020-21		262.88	115.08	274.68	40.24
2021-22		215.91	64.22	287.37	20.28
<b>Total</b>		<b>1,062.86</b>	<b>411.19</b>	<b>1,388.63</b>	<b>191.46</b>
2017-18	Prayagraj	203.72	57.29	140.85	40.37

<b>2018-19</b>		200.35	100.21	95.29	77.08
<b>2019-20</b>		227.29	78.81	112.89	38.85
<b>2020-21</b>		481.27	87.45	98.43	18.38
<b>2021-22</b>		482.97	125.36	61.59	10.77
<b>Total</b>		<b>1,595.60</b>	<b>449.12</b>	<b>509.05</b>	<b>185.45</b>

(Source: Annual Accounts and Budget documents of the concerned entities)

It is evident from **Table 4.2** that though financial position of NN and DA varied from one district to another, both entities had incurred significant amount of expenditure on overlapping activities.

In reply, the Urban Development (UD) Department stated (November 2022) that the State Legislature is empowered to decide extent of devolution of functions to ULBs. While agreeing with the fact that State Legislature is to decide the functions to be devolved, it is important that the functions devolved to ULBs are actually performed by them.

**Recommendations:**

- 1. State Government may take necessary steps to devolve all the activities/functions and responsibilities to the ULBs as envisaged in the 12<sup>th</sup> schedule of the Constitution.**
- 2. State Government may take decisive action in order to translate the vision of achieving decentralisation into reality. Steps need to be taken to ensure that ULBs enjoy an adequate degree of autonomy in respect of the functions assigned to them.**

**4.1.1 Approval of building plans by ULBs without framing bye-laws**

Provisions of Chapter 7 and Section 298 of UPM Act empower the NPPs and NPs to approve building plans by framing bye-laws in this regard.

Audit observed that out of test-checked 21 NPPs and 25 NPs, ten NPPs<sup>9</sup> and eleven NPs<sup>10</sup> were performing activity of approval of building plans. However, out of these NPPs and NPs performing approval of building plans, five NPPs<sup>11</sup> and 10 NPs<sup>12</sup> approved plans without framing required bye-laws.

Further, none of these ULBs had monitored the compliance of the terms and conditions of the approved plans. Details such as number of approved building plans and receipts therefrom during the period 2015-20 were also not provided to Audit.

The UD Department stated (November 2022) that the directions are being issued for observance or preparation of bye-laws by the ULBs in this regard.

<sup>9</sup> Bachhraon (Amroha), Bilaspur (Rampur), Bilari (Moradabad), Chirgaon (Jhansi); Gursarai (Jhansi); Mauranipur (Jhansi), Palia Kalan (Lakhimpur Kheri), Rasra (Ballia), Swar (Rampur) and Thakurdwara (Moradabad).

<sup>10</sup> Eka (Firozabad), Fariha (Firozabad), Kachhwa (Mirzapur), Kathera (Jhansi), Khamaria (Bhadohi), Kunda (Pratapgarh), Naugawan Sadat (Amroha), Pali (Lalitpur), Ranipur (Jhansi), Shahabad (Rampur) and Talbehat (Lalitpur).

<sup>11</sup> Bilari (Moradabad), Chirgaon (Jhansi); Gursarai (Jhansi), Palia Kalan (Lakhimpur Kheri) and Swar (Rampur).

<sup>12</sup> Eka (Firozabad), Fariha (Firozabad), Kachhwa (Mirzapur), Kathera (Jhansi), Khamaria (Bhadohi), Kunda (Pratapgarh), Naugawan Sadat (Amroha), Pali (Lalitpur), Ranipur (Jhansi) and Shahabad (Rampur).

## 4.2 Institutional mechanism for empowerment of ULBs

As discussed above, the State Government transferred 15 and half functions to the ULBs. The discharge of these functions can be effective only when appropriate institutions are established and adequately empowered.

The statutory provisions and institutional mechanism which existed in the State vis-a-vis effectiveness of such institutional mechanism are discussed in succeeding paragraphs.

### 4.2.1 Elections of ULBs

As per provisions<sup>13</sup>, all elections to Panchayats and ULBs are to be conducted under the superintendence, direction and control of the State Election Commission (SEC). Further, as per Sections 31 & 35 of UPMC Act and Sections 11(A) & 12(B) of UPM Act, for the purpose of the election of Corporators/Members of Council, Municipal Corporation/Municipality areas are to be divided into territorial constituencies, known as wards.

Audit observed that due to not completing the required arrangements on time, elections to ULBs was delayed as discussed in succeeding paragraphs:

#### 4.2.1.1 Delay in delimitation and reservation process

As per provisions of UPMC Act<sup>14</sup> and UPM Act<sup>15</sup>, the power of delimitation of wards, reservation and rotation policy of seats for the Council & the posts of Mayor/President for elections of ULBs are vested with the State Government. Further, Section 8 of UPMC Act and Section 10A of UPM Act also requires that the election to constitute Council shall be completed before the expiry of term of existing Council.

Audit observed that the term of Council, elected during the year 2012, was due for expire in July 2017; but the State Government had not taken up the delimitation and reservation process as of March 2017 and April 2017 respectively. Further, proposals for reservation of seats of Councils and posts of Mayor/President were submitted to the State Government in the month of October 2017 with a delay of more than four months, as it was to be submitted by May 2017. Similarly, process of delimitation of wards was also not completed by July 2017, *i.e.* the month of expiry of term of previous Council, though instructions for the same had been issued during the month of April 2017.

Thus, due to delay in delimitation and reservation process, election of the year 2017 for 653 ULBs could not be held before expiry of term of preceding Council and was delayed by five months.

The UD Department stated (November 2022) that the elections were held according to its and SEC directions. However, the reply is silent regarding reasons for delay in delimitation and reservation process.

<sup>13</sup> Sections 35, 45 & 50 of UPMC Act and Sections 12B & 13B of UPM Act.

<sup>14</sup> Sections 32, 7 and 50.

<sup>15</sup> Sections 11B, 9A and 13G.

#### 4.2.1.2 Status of elections and formation of councils

Article 243U(3)(a) of Constitution of India and provisions of the UPMC Act and UPM Act stipulates a fixed tenure of five years for the Council from the date of their first meeting. The election to constitute Council is to be conducted by SEC as per procedures laid down in Uttar Pradesh Municipality (Election of members, Corporators, Chairmen and Mayor) Rules, 2010 and it is to be completed before the expiry of term of existing Council. In case of dissolution of Council, election shall be held within six months from such date.

Audit observed that elections for constitution of Councils were held during the years 1995, 2000, 2006, 2012 and 2017, out of which, elections of the year 2006 and 2012 were held with a delay of eleven and six months respectively. Further, election of the year 2017 was also delayed due to not completing delimitation and reservation process on time as discussed earlier in *paragraph no. 4.2.1.1*. The status of current election and formation of Councils in the ULBs of the State is depicted in **Table 4.3** below:

**Table 4.3: Status of election and formation of Councils in ULBs**

Total no. of ULBs (as on March 2020)	707
Election due for ULBs in the year 2017	653
Election held for ULBs in the year 2017	652
Elections not held for ULBs in the year 2017	01
Newly formed ULBs (after election of year 2017)	54
Election held in newly formed ULB	Nil

(Source: Director, Local Bodies)

It can be seen from the above that the elections in the year 2017 were held in most of the ULBs barring NP Bharwari due to non-issuance of notification in this regard by the State Government. Further, there was no Council in 54 ULBs of the State as election was also not conducted in these newly formed ULBs. In the absence of an elected Council, the involvement of elected representatives in decision making and implementation, which is an essential element of democracy, was missing. Further, a ULB without a Council cannot be held accountable by citizens. Subsequent elections to ULBs were held in May 2023. Out of total 762 ULBs at that time, elections were held in 760 ULBs.

Further, the Hon'ble High Court of Allahabad (Lucknow Bench) had raised (December 2011) concerns about the role of Administrators in the functioning of ULBs and ruled that legislative functions of Municipalities cannot be delegated to the Administrator. Despite it, the State Government appointed Administrators to these 55 ULBs and that was too without provisions of an advisory committee as Section 8AA (2) (i) of UPMC Act requires to appoint an advisory committee<sup>16</sup> to assist the Administrator. Similarly, in two<sup>17</sup> test-checked ULBs, where election was held during the year 2017, President was removed from their post or their financial power were seized by State Government and Administrators were appointed without provision for advisory committee. This affected the discharge of functions in matters of

<sup>16</sup> Section 31 A (b) (iii) of UPM Act also authorises the State Government to make necessary arrangements in this regard.

<sup>17</sup> NPP: Bilari (Moradabad) & NP: Ranipur (Jhansi).

policy involving adoption of budget estimates and imposition of taxes in public interest, prioritisation of development works *etc.*

The UD Department stated (November 2022) that the election of ULBs could be delayed in unavoidable circumstances. Reply is not acceptable as none of the general election of ULBs since 2006 was held in time. Further, reply of the Government is silent regarding appointment of Administrators without advisory committee.

#### 4.2.1.3 Expenses of elections

As per Section 86 of UPMC Act, all expenditure incurred in connection with the preparation and revision of electoral rolls and on conduct of elections are to be charged and realised from the Municipal Corporation, except otherwise directed by the State Government. However, no similar provisions in respect of Municipalities were made in UPM Act, but provisions of UP Municipality (Preparation and Revision of Electoral roll) Rules 1994, framed by the State Government in September 1995, required recovery of expenses on preparation of electoral rolls from the Municipalities in the manner prescribed by the State Government. Similarly, provision of UP Municipal Corporation (Preparation and Revision of Electoral roll) Rules 1994<sup>18</sup>, also required recovery of expenses on electoral roll from NNs.

Audit observed that the State Government did not prescribe manner of recovery of election expenses from the ULBs and expenditure of ₹ 65.31 crore incurred in respect of election of ULBs in the year 2017-18 was borne by the State Government.

The UD Department stated (November 2022) that bearing election expenses by the Government seems appropriate due to poor financial status of ULBs. Reply is not acceptable as provisions in this regard required State Government to recover expenses of election from ULBs. Moreover, the State Government is expected to devolve more financial resources to ULBs to strengthen their financial status.

#### **Recommendation 3:**

**The State Government may ensure early completion of the tasks related with delimitation of wards and reservation of seats and posts for timely conduct of elections of the Urban Local Bodies.**

#### 4.2.2 Composition of Municipalities and Municipal Corporations

Article 243R stipulates the composition of Municipalities. As per Section 6 of UPMC Act and Section 9 of UPM Act, the Municipal Corporations and Municipalities consists of elected Mayor/President, elected<sup>19</sup> Corporators/Members, nominated<sup>20</sup> Corporators/Members (by the State Government amongst persons having special knowledge of municipal administration) and ex-officio members (comprising Member of Legislative Assembly, Member of Legislative Council, Member of Lok Sabha & Member of Rajya Sabha

<sup>18</sup> Framed by the State Government during the month of November 1994.

<sup>19</sup> For NNs: 60 to 110 members, NPPs: 25 to 55 members and for NPs: 10 to 24 members.

<sup>20</sup> The State Government to nominate members in Council (for NNs: five to ten members, NPPs: three to five members and NPs: two to three members) from the persons having special knowledge or experience in municipal administration.

representing the constituencies which comprise wholly/or partly the Municipal/Municipality area or registered as electors therein). The nominated members also have voting power. The term of Corporators/Members is coterminous with the term of Council.

#### **4.2.2.1 Delayed nomination of members**

Audit observed that Councils were constituted between December 2017 and January 2018 after the election of year 2017. However, the State Government nominated members to the Councils during the month of March 2020, with a delay of more than 25 months. This had happened after election of year 2012 also, where members were nominated by the State Government between April 2013 and January 2014, with a delay ranging from eight to seventeen months, though, the Councils were constituted during the month of July 2012.

Thus, delayed nomination of members, having experience of municipal administration, impacted the ability of Councils in management of their affairs.

The UD Department replied (November 2022) that there is no time limit for nomination of members. Reply is not acceptable as delayed nomination of members was not judicious with the spirit of provisions of both UPMC and UPM Acts in this regard.

#### **4.2.3 Functioning of Council**

The Council is the highest decision making body of ULBs. The powers of municipal administration and duties of Municipality are vested in Council. All powers and duties of Council are exercised and performed by various Municipal Authorities, though, they are accountable to Council for discharge of their duties. In NNs, the superintendence of the municipal administration, on behalf of Council, is exercised by Executive Committee, comprising of Mayor and 12 Corporators. However, there was no provision of Executive Committee for Municipalities in UPM Act. As per provisions of Schedule-I and other Sections of UPMC Act and UPM Act, Council is entrusted to require the Mayor/President or Municipal Commissioner/Executive Officer or any other officer or any Committee to furnish any reports/statement/records/documents *etc.*, sanction contracts and budget and to vary or alter a budget, constitute committees, appoint and remove President or members of committees, impose taxes, determine the rates of taxes, make regulations and by-laws *etc.* Besides, no expenditure is to be incurred by any municipal authority without sanction of budget by Council.

The Executive Committee is also empowered to require the Municipal Commissioner to furnish reports/statement/records/documents *etc.*, sanction proposals of acquisition; lease or disposal of property, approve contracts and estimates, examine annual administrative report and statement of accounts, approve budget estimates, frame proposals and prepare draft rules for imposition of any tax, amend assessment list *etc.*

Audit observed that functioning of the Council was deficient as detailed in succeeding paragraphs.

### 4.2.3.1 Meetings of Council

As per Section 88 of UPMC Act, meetings of council are to be held at least six times in every year for the transaction of business. Similarly, Section 86 of UPM Act, prescribe at least one meeting of Council in every month. As per Sections 102 & 103 of UPMC Act and Section 86 of UPM Act, the Council has powers to frame by-laws/regulations to decide manner and procedure of proceedings/holding of meetings of Council and Committees.

Audit observed shortfalls in holding meetings of the council in test-checked ULBs as detailed in *Appendix-V* and as summarised in **Table 4.4** below:

**Table 4.4: Details of meetings of Councils, held during 2015-20 in test-checked ULBs**

Type of ULB/No. of selected Units	No. of meetings to be held in selected Units	Actual no. of meeting	Shortfalls (percentage)
Nagar Nigams (04)	96	52	44 (46)
Nagar Palika Parishads (21)	1,134	452	682 (60)
Nagar Panchayats (25)	1,242	614	628 (51)
<b>Total</b>	<b>2,472</b>	<b>1,118</b>	<b>1,354 (55)</b>

(Source: Information provided by test-checked ULBs)

It can be seen from the above that overall shortfalls in holding meetings of Council in test-checked ULBs was 55 per cent. The shortfalls ranged between 30 per cent<sup>21</sup> to 63 per cent<sup>22</sup> in NNs, 15 per cent<sup>23</sup> to 87 per cent<sup>24</sup> in NPPs and 6 per cent<sup>25</sup> to 85 per cent<sup>26</sup> in NPs, which indicated that the Council did not play optimal role in municipal administration as they did not get enough time to discuss the issues of public interest and policy matters.

Further, as per Section 91 of UPMC Act, agenda of meeting was to be sent to the address of each member, at least 96 hours prior to scheduled time of meeting in case of NNs. However, there was no similar provisions under UPM Act for NPP & NP, though, provisions of by-laws of Municipalities requires sending of agenda to the members not less than three days prior to scheduled date of meeting of Council. Audit observed that only in three NNs<sup>27</sup>; four NPPs<sup>28</sup> and two NPs<sup>29</sup> (out of four NNs, 21 NPPs and 25 NPs test-checked), agenda of meeting was served to Corporators/members.

Further, none of the test-checked ULBs had used their website for disseminating information related to agenda and proceedings of meeting of Council. Had the ULBs used this medium for publication of matters related to functioning of Council, better transparency and timely action on decisions of Council could have been ensured.

The UD Department replied (November 2022) that the instructions would be issued to the concerned ULBs in this regard.

<sup>21</sup> NN: Lucknow.

<sup>22</sup> NN: Moradabad.

<sup>23</sup> NPP: Gursarai (Jhansi).

<sup>24</sup> NPP: Swar (Rampur).

<sup>25</sup> NP: Talbehat (Lalitpur).

<sup>26</sup> NP: Shahabad (Rampur).

<sup>27</sup> NNs: Jhansi, Mathura-Vrindavan and Moradabad.

<sup>28</sup> NPPs: Chirgaon (Jhansi), Lalitpur, Mauranipur (Jhansi), and Tundla (Firozabad).

<sup>29</sup> NPs: Eka (Firozabad) and Oel Dhakwa (Lakhimpur Kheri).

#### 4.2.3.2 Meetings of Executive Committee

As per Section 89 of UPMC Act, meetings of Executive Committee are to be held at least once in every month for transaction of business. However, Audit observed that in test-checked NNs, meetings of Executive committee was deficient, ranging between 56 and 83 *per cent*, as shown in **Table 4.5**.

**Table 4.5: Details of meetings of EC, held during 2015-20 in test-checked ULBs**

Name of NN	No. of meetings to be held	Actual no. of meetings held	Shortfalls (percentage)
Jhansi	54	09	45 (83)
Lucknow	54	22	32 (59)
Mathura-Vrindavan	27	12	15 (56)
Moradabad	54	18	36 (67)
<b>Total</b>	<b>189</b>	<b>61</b>	<b>128 (68)</b>

(Source: Information provided by test-checked ULBs)

Thus, due to lack of regular meetings of EC, its role in supervision of municipal administration was not optimal.

The UD Department replied (November 2022) that instructions would be issued to the concerned ULBs in this regard.

#### 4.2.3.3 Conveyance allowance for attending meetings

As per Section 30 A of UPMC Act and Section 37 of UPM Act, Corporators/ Members are entitled to receive such conveyance allowance or facilities for attending the meetings of Council or other committees, as may be provided by rules. Accordingly, the State Government framed (January 2015) Rules<sup>30</sup> for payment of conveyance allowance to the Corporators of NNs (at the rate of ₹ 1500 *per* month) and Members of NPPs/NPs (at the rate of ₹ 1000 *per* month) for attending the meetings of Council, provided that expenses on conveyance allowance were to be borne by ULBs from their own resources.

It was observed that out of test-checked ULBs, in one NN (Lucknow), two NPPs (Bilaspur of Rampur & Mauranipur of Jhansi) and two NPs (Kathera of Jhansi and Shahabad of Rampur), neither the conveyance allowance was paid nor any facilities were provided to Corporators/Members for attending the meetings of Council during the period 2015-20. However, in remaining test-checked 19 NPPs and 23 NPs (except NNs), where conveyance allowance was paid to Members, necessary provisions were not made in budget for this purpose. It indicated that conveyance allowance was paid by these NPPs and NPs from the sources other than their own resources as instances were also found during audit of NPP Rasra and NP Bairiya (Ballia) that the payment<sup>31</sup> was made from SFC funds.

Thus, payment of conveyance allowance by test-checked NPPs and NPs, without provision in budget, was irregular.

<sup>30</sup> Uttar Pradesh Nagar Nigam Corporators Conveyance Allowance Rules 2014 and Uttar Pradesh Nagar Palika/Nagar Panchayat Corporators Conveyance Allowance Rules 2014.

<sup>31</sup> A sum of ₹ 2.13 lakh was paid from the SFC fund for attending the meetings of Councils in NP Bairiya (total eight meetings held during 2018-19) and NPP Rasara (total five meetings held during 2020-21).

The UD Department replied (November 2022) that the payment of salary and allowances may be made from the SFC grants and further stated that instructions are being issued to ULBs for payment of conveyance allowance on the basis of budget provisions. Reply of the UP Department is not acceptable as payment of conveyance allowance was to be done from the own resources of ULBs.

#### 4.2.3.4 Constitution of Committees

Apart from Ward committee, Sections 5, 95 and 97 of UPMC Act provides for constitution of Executive committee, Development committee, Committees for public utility service<sup>32</sup>, Special committee and Joint committee by the Council to manage their affairs. Similarly, Sections 104 and 110 of UPM Act provides for constitution of Special committee, Joint committee *etc.*

Audit observed that in test-checked ULBs, no committees were constituted during the period 2015-20 except the Executive committee, which was constituted only in NNs.

Thus, due to non-existence of these committees, these forums could not be utilised in deciding policy matters with the active participation of elected representatives, stakeholders, technical expertise *etc.*

The UD Department replied (November 2022) that the instructions would be issued to ULBs in this regard.

#### 4.2.3.5 Composition and constitution of Ward Committees

The Constitution provides for composition of Wards Committees in all Municipalities with a population of three lakh or more, with a view to taking municipal governance closer to the people. As per Section 6(A) of UPMC Act and Section 3(B) of UPM Act, Ward Committees are to be constituted for each ward in Municipal Corporations and Municipalities. Besides, Corporators/ Members of Council and registered electors of concerned ward are to be nominated as members of ward committee. The term of these bodies is co-terminus with the council. The Ward committees are to act as a bridge between the municipal government and citizens and required to exercise such powers and perform such functions as may be prescribed through Rules by the State Government.

In compliance with provisions of UPMC Act and UPM Act, the State Government framed (October 2014) Uttar Pradesh Nagar Nigam (Wards Committee) Rules 2014 and Uttar Pradesh Municipality (Ward Committee) Rules 2014 for defining role and responsibilities of Wards Committee in NNs and NPPs & NPs respectively. Accordingly, these committees are to ensure implementation of the development plans<sup>33</sup> of the Municipal Corporation/Municipality, make sure proper cleansing of the roads and other localities of their area, realise taxes and fees as per demands of the Municipal Corporation *etc.*

<sup>32</sup> To be constituted by NNs with the prior approval of the State Government for establishing or acquiring electricity supply or public transport undertaking *etc.*

<sup>33</sup> Related with the construction, re-construction, repairs, maintenance and renovation of roads, streets, lanes, sewers, water connections *etc.*

Audit observed that though there were provisions for constitution of Ward Committees in the Municipalities, however, there were only three NPPs<sup>34</sup> in the State having population of more than three lakh. It was also observed that the Ward Committees were not constituted in any of the test-checked NNs during 2015-20, though, their population was more than three lakh. Similarly, Ward Committees were not constituted in any of test-checked NPPs and NPs during the period 2015-20.

Thus, not constituting Ward Committees defeated the objective of facilitating community participation in local governance. The absence of community participation would adversely impact prioritisation of development work, monitoring of execution of work, utilisation and maintenance of assets created *etc.*

The UD Department replied (November 2022) that the instructions would be issued to ULBs in this regard.

**Recommendation 4 :**

**Various Committee like Advisory Committee, Ward Committee and Development Committee, etc. may be constituted in the Urban Local Bodies as per the Uttar Pradesh Municipal Corporations/ Municipalities Acts and they should be nurtured and encouraged to function effectively.**

#### **4.2.3.6 Approval of Development Plans**

As per provisions of Section 127B of UPM Act and Section 383A of UPMC Act, every year a development plan is to be prepared by Executive officer and Development Committee of Municipalities and Municipal Corporations respectively and are to be laid before the Council for approval. After the approval of Council, the development plan is required to be submitted to the District/Metropolitan Planning Committee (DPC/MPC) for the preparation of a draft development plan for the District/Metropolitan area as a whole.

Audit observed that yearly development plan was not prepared in any of the test-checked ULBs during the period 2015-20. Due to not preparing of required plan, it could not be forwarded to Council and District/Metropolitan Planning Committee for approval and preparation of draft development plan for the District/ Metropolitan area as a whole.

Thus, due to lack of participation of Council in planning activity, elected representatives could not communicate the legitimate aspirations of the citizens into public policies and programmes.

The UD Department replied (November 2022) that the instructions would be issued to ULBs in this regard.

#### **4.2.3.7 Approval of Budget estimates**

As per Section 146 of UPMC Act and Sections 95 & 99 of UPM Act, budget estimates for upcoming financial year, as prepared by the Municipal Commissioner/Executive officer, are to be sanctioned by the Council before

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<sup>34</sup> NPPs Loni of Ghaziabad, Muzaffarnagar and Rampur.

the beginning of the financial year. Further, as per Section 92 of UPM Act, if in the opinion of President, approval of budget estimate by the Council is against the interest of Municipality, the same may be referred to the Director, (LB) for decision in consultation with the State Government.

Audit observed that in test-checked seven NPPs<sup>35</sup> and nine NPs<sup>36</sup>, neither the budget estimates for each financial year were prepared nor submitted to Council for approval during the period 2015-20. In NN Moradabad budget for the year 2015-16 was prepared but not submitted to Council. Similarly, in six test-checked NPs<sup>37</sup>, no budget estimates for any year of period 2015-20 was submitted to the Council for approval, as detailed in *Appendix-VI*.

Further, during 2017-20, President of six<sup>38</sup> Municipalities had forwarded the budget estimates to the Directorate for approval due to lack of majority of votes of council members or not holding meeting of council. However, no action was initiated by the Directorate/State Government in this regard, resulting in either not adopting or delayed adoption of budget estimates of concerned ULBs.

Thus, incurring expenditure without approval of budget by the Council, was against the provisions of UPMC Act and UPM Act and indicative of lack of control of Council in the financial matters of ULBs.

The UD Department replied (November 2022) that the instructions would be issued to ULBs in this regard.

#### 4.2.3.8 Approval of Contracts and Estimates

As per Section 132(4) of UPMC Act, any contract involving expenditure of more than twenty lakh rupees is to be made by Municipal Commissioner after approval of Council. Similarly, as per Sections 96 & 97 of UPM Act, contracts of more than fifty thousand and fifteen thousand rupees in the case of NPPs and NPs respectively, are to be made by the President or Executive officer after sanction of the Council.

Further, as per Section 136 of UPMC Act, the Council has power to approve estimates of more than twenty lakh rupees, however, provisions of UPM Act did not assign any role to Council in approval of estimates. Besides, Section 95 of UPM Act, requires the State Government to make Rules regarding the preparation and sanction of estimates.

Audit observed that contrary to the provisions of UPMC Act and UPM Act, approval of Council was not obtained in any of the test-checked ULBs during 2015-20 for execution of contracts of requisite amount. Similarly, in none of the test-checked NNs, estimates of more than twenty lakh rupees, were

<sup>35</sup> Ballia: for the year 2018-20, Bhadohi: for the year 2017-18, Gursarai (Jhansi): for the year 2015-18, Palia Kalan (Lakhimpur Kheri): for the year 2017-18, Rasra (Ballia): for the year 2019-20, Swar (Rampur): for the year 2015-18, and Thakurdwara (Moradabad): for the year 2017-18.

<sup>36</sup> Bairiya (Ballia): for the year 2018-20, Eka (Firozabad): for the year 2018-20, Itaunja (Lucknow): for the year 2016-17 & 2018-20, Kheri (Lakhimpur Kheri): for the year 2019-20, Kunda (Pratapgarh): for the year 2018-19, Maniyar (Ballia): for the year 2015-17 & 2018-20, Maswasi (Rampur): for the year 2016-19, Pali (Lalitpur): for the year 2019-20, and Shahabad (Rampur): for the year 2017-18 & 2019-20.

<sup>37</sup> Bakshi ka Talab (Lucknow), Chhata (Mathura), Gokul (Mathura), Katra Medaniganj (Pratapgarh), Ranipur (Jhansi), and Umri Kalan (Moradabad).

<sup>38</sup> For the year 2017-18: NPP Sitapur; NP Ghughuli (Mahrajganj) & Palia Kalan (Lakhimpur Kheri), 2018-19: NPP Jaish (Raibareli); NP Bhargain (Kasganj) 2019-20: NP Dibiyapur (Auraiya).

submitted to the Council for approval. It indicated that authority of Council in approval of contracts and estimates was overlooked by the Executive head.

Further, the State Government also did not frame rules for governing the matters related with preparation and sanction of estimates in NPPs and NPs. As a result, role of Council was not defined in approval of estimates in Municipalities.

The UD Department did not offer (November 2022) any comments in this regard.

**Recommendation 5 :**

**Timely meetings of Council and Executive Committee may be ensured for proper functioning of Urban Local Bodies and Council may exercise their powers for implementation of works in a transparent manner.**

**4.2.4 Mayor/President**

The Mayor/President is the first citizen of the city/town and directly elected by electors for a term of five years. The term of Mayor/President is co-terminus with the term of Council, though, they can resign their office any time by tendering resignation to the State Government. The Mayor may be removed from their office through a motion of non-confidence by Council, however, such motion cannot be initiated within two years from the date of assumption of office by the Mayor. Further, President may also be removed by the State Government from his office any time on the grounds prescribed under Section 48 of UPM Act after serving show cause notice.

Further, under the general control and direction of the Mayor/President, the executive power of Municipal Corporation/Municipality is vested in the MC/EO. The Mayor/President is empowered to preside over every meeting of Council, enjoys the power of inspection, may give any direction to the MC/EO with regard to implementation of any resolution of Council and may call for any record of the Municipal Corporation/Municipality from the Executive head.

Audit observed that in many significant affairs of ULBs, Mayor/President has either no role or limited role. A comparison of role and powers of the Mayor/President *vis-a-vis* the Council and the State Government is detailed in *Appendix-VII*.

Audit also observed that being a head of Executive committee, Mayor enjoys more power than the President in functioning of ULBs. Mayor has role in approval of estimates, imposition of taxes, determination of rate of municipal taxes *etc.*, while President has no powers in these areas. This is also reaffirmed by the fact that the State Government replaced (February 2019) Divisional Commissioner with Mayor, as head of a committee, empowered for according administrative and financial sanctions for the works of CFC grants and Infrastructure funds in respect of Municipal Corporations. However, in case of Municipalities, President has no such power and empowered committee for this purpose is headed by District Magistrate.

It was also observed that though, the executive powers of Municipal Corporation/Municipality were vested with the MC/EO, the Mayor/President has no voice in appointment of MC/EO, which in turn limited the autonomy in the functioning of ULBs.

The UD Department accepted (November 2022) the audit observation and stated that in certain areas of financial and administrative matters, President has more powers than the Mayors.

#### 4.2.4.1 Allowances or facilities to Mayor/President

The allowances or facilities given by the Municipal Corporation/Municipality to Mayor/President are to be fixed by the Council with the prior approval of the State Government. Accordingly, the State Government directed (March 2014) Municipalities to make budget provisions for Courtesy Expenses (at the rate of ₹ 15000 *per* month) from their own resources to provide facilities to the President. Similarly, Mayor was entitled to avail vehicle and other facilities from the Municipal Corporation.

Audit observed in test-checked four NNs, facility of vehicle and personal staff was provided to Mayor, though, in test-checked 13 NPPs<sup>39</sup> and 15 NPs<sup>40</sup>, Courtesy Expenses were not paid to Presidents during 2015-20, which hints at poor state of finances of ULBs. Further, in remaining NPPs and NPs, where Courtesy Expenses were paid to Presidents, no budget provisions were made in this regard, resulting in irregular expenditure, as no expenditure was to be incurred out of municipal funds without approval of budget estimates by the Council.

The UD Department replied (November 2022) that the instructions would be issued to ULBs in this regard.

#### 4.2.5 Role of District Planning Committee

Article 243ZD provides for the constitution of a District Planning Committee (DPC) for consolidation of plans prepared by the Panchayats and Municipalities. Section 127A of UPM Act and the Uttar Pradesh District Planning Committee Act, 1999 mandates for constitution of DPC for every district of the State with the elected member of ULBs<sup>41</sup> and Panchayats along with nominated members by the State Government. As per provisions, DPC was to prepare a comprehensive District Development Plan (DDP) with regard to matters of common interest between the Panchayats and the Municipalities including spatial planning; sharing of water and other physical and natural resources; integrated development of infrastructure and environment conservation *etc.* The DDP was to be forwarded to the State Government after approval of DPC for integration into the State plan. The meetings of DPC were to be conducted on quarterly basis.

<sup>39</sup> Amroha, Ballia, Bachhraon (Amroha), Bhadohi, Bilaspur (Rampur), Chirgaon (Jhansi), Gurusarai (Jhansi), Koshikalan (Mathura), Lakhimpur (Lakhimpur Kheri), Mauranipur (Jhansi), Palia kalan (Lakhimpur Kheri), Rampur and Sirsaganj (Firozabad).

<sup>40</sup> Bakshi ka Talab (Lucknow), Chhata (Mathura), Gokul (Mathura), Gyanpur (Bhadohi), Joya (Amroha), Kathera (Jhansi), Kachhwa (Mirzapur), Katra Medniganj (Pratapgarh), Khamaria (Bhadohi), Kheri (Lakhimpur Kheri), Maswasi (Rampur), Oel Dhakwa (Lakhimpur Kheri), Ranipur (Jhansi), Sadatganj (Amroha), and Shahbad (Rampur).

<sup>41</sup> 80 *per cent* of members of DPC were to be elected by, and from amongst, the elected members of ULBs and Panchayats.

Audit observed that the DPC was constituted in the all districts of the State, however, its meetings were not held regularly<sup>42</sup>. Further, consolidated DDP for the district as a whole, was also not prepared in any of the districts in which the test-checked ULBs were located as none of the test-checked ULBs had prepared development plans (as discussed earlier in *paragraph no. 4.2.3.6*). As a result, role of DPC in planning for function delivery remained ineffective.

The UD Department replied (November 2022) that the required action in this regard is awaited from the concerned ULBs.

#### **4.2.6 Role of Metropolitan Planning Committee**

Article 243ZE mandates that there shall be constituted in every Metropolitan area, a Metropolitan Planning Committee (MPC) to prepare a draft development plan for the Metropolitan Region as a whole. Section 57(A) of UPMC Act provided for constitution of MPC, comprising of 21 to 30 members<sup>43</sup>. The Uttar Pradesh Metropolitan Planning Committee Rules, 2011 was enacted (August 2011) by the State Government for regulating procedures and functions of MPC. Likewise DPC, MPC was to prepare a comprehensive Metropolitan Development Plan (MDP) with regard to matters of common interest between the Panchayats and the Municipalities. The MDP was also to be forwarded to the State Government after approval of MPC for integration into the State plan.

Audit observed that the State Government initiated (August 2016) the process of constitution of MPC for six cities<sup>44</sup>, however, MPC could not be constituted in any of the city of State. Consequently, a comprehensive development plan for Metropolitan area could not be prepared and provisions of MPC remained ineffective.

The UD Department replied (November 2022) that the required action in this regard is awaited from the concerned ULBs.

#### **4.2.7 Powers of the State Government over ULBs**

Audit observed that the State Government had overriding powers over ULBs, which was against the spirit of the constitutional amendment. A few provisions are indicated in **Table 4.6** below:

**Table 4.6: Statement showing the overriding powers of State Government over ULBs**

Sl. No.	Subject	Provision
1	Power to frame Rules	The State Government may by notification in the gazette, frame Rules for the implementation of provisions of UPMC Act/UPM Act on variety of subjects such as constitution and governance of ULBs, officers and staff, property and contracts, Corporation/Municipality and other Funds, borrowings, taxation, drains and drainage, water works, public streets, building regulations, regulation of markets and slaughter houses, vital statistics, compensation <i>etc.</i> (Sections 87, 113, 124, 138, 153, 154, 171, 172, 227, 262, 271, 314, 342, 453, 455 & 459 of UPMC Act and Sections 73, 95, 127, 153, 235 & 296 of UPM Act).

<sup>42</sup> In most of the selected districts, meeting of DPC was held annually against the provisions of quarterly basis.

<sup>43</sup> Two-thirds members of MPC were to be elected from the members of the Municipalities and Panchayats of Metropolitan Area and remaining members of MPC was to be nominated by the State Government.

<sup>44</sup> Agra, Kanpur, Lucknow, Meerut, Prayagraj and Varanasi.

2	Power to cancel and suspend a resolution or decision taken by ULBs	The State Government may cancel or suspend a resolution or decision taken by ULBs, if the State Government is of the opinion that it is in contravention of or in excess of the powers conferred by UPMC Act and UPM Act or of any other law or has been passed or made in abuse of any such power or is likely to endanger human life, health, public safety or prejudicial to public interest. Even in case of Municipalities, the Divisional Commissioner and District Magistrate are empowered to prohibit the execution of any resolution or order of NPPs and NPs (Section 537 of UPMC Act and Section 34 of UPM Act).
3	Power to cancel or modify bye-laws	Section 541 of UPMC Act and Section 298 of UPM Act empowers the ULBs to frame bye-laws. However, if the State Government is of the opinion that the bye-laws framed by ULBs, should be modified or repealed either wholly or in part, the same may be done by the State Government through notification in the official gazette, after giving a reasonable time for representation to the concerned ULB (Section 547 of UPMC Act and Section 301A of UPM Act).
4	Powers to make bye-laws and regulations	If the State Government is of the opinion that ULBs has failed to frame any bye-laws/regulations or if the bye-laws framed by the Municipal Corporation are not adequate, the State Government may frame bye-laws by publication in the official gazette or may modify or reject bye laws (Section 549 of UPMC Act and Sections 298, 297 & 301A of UPM Act).
5	Creation of services	The State Government may provide for the creation of one or more services of such officers and servants as it deems fit, common to ULBs and prescribe the method of requirement and conditions of service of persons appointed to any such service (Section 112A of UPMC Act and Section 69B of UPM Act).
6	Power to reject or modify proposals for imposition of taxes	Section 172 of UPMC Act and Section 128 of UPM Act allow ULBs to impose taxes on various subjects but with certain restrictions. For this purpose, on the resolution of the ULB, a proposal is to be submitted to the State Government. However, the State Government may either refuse to sanction the proposals or return them to ULBs for further consideration or sanction them without modification or with such modification not involving an increase of the amount to be imposed, as it deems fit. Besides, in case of Municipalities, these overriding powers may also be exercised by the Divisional Commissioner (Section 201 of UPMC Act and Section 133 of UPM Act).
7	Power to abolish taxes or direct to impose taxes	As per Section 205 of UPMC Act and Section 137 of UPM Act, if the State Government is of opinion that the levy of any tax is contrary to the public interests or that any tax is unfair, it may direct the ULB concerned for the removal of defects or by notification, suspend the levy of the tax, or of any portion thereof, until the defect is removed, or may abolish or reduce the tax. Further, as per Section 206 of UPMC Act and Section 130A of UPM Act, the State Government may by notification in the official gazette, require an ULB to impose any tax mentioned in UPMC Act /UPM Act or direct to increase, modify or vary the rate of any tax already imposed. Upon failure of ULB concerned to do so, the State Government may pass suitable orders for imposing, increasing, modifying or varying the tax.
8	Power to direct for taking action	If the State Government is of opinion that any duty imposed on ULB authority by or under UPMC Act /UPM Act, has not been performed or has been performed in an imperfect, inefficient or unsuitable manner and adequate financial provision has not been made for the performance of any such duty, it may direct concerned ULB for taking necessary action. Further, in cases of not complying with directions within a reasonable time, the State Government may appoint some persons on the expense of Municipal Corporation or direct District Magistrate for performing required duty (Section 533 & 534 of UPMC Act and Section 35 of UPM Act).

9	Power to refuse or modify improvement schemes	The provisions of UPMC Act empower Municipal Corporations to prepare various improvement schemes with certain restrictions for development of their area. However, the State Government may sanction either with or without modification, or may refuse to sanction, or may return for reconsideration, any improvement scheme submitted to it (Section 361 of UPMC Act). Further, in case of establishment of Development Authority in the area of Municipal Corporation, powers of NNs in respect of preparation and implementation of improvement schemes are ceased.
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(Source: UPMC Act and UPM Act)

Apart from above, ULBs were also required to submit copy of resolutions passed by Council to the State Government, Divisional Commissioner and District Magistrate. Further, in case of Municipalities, the Divisional Commissioner was empowered to inspect any work, require any document and statement, record in writing for consideration of Municipality any observations in regard to the proceeding of Council *etc.*

Thus, the State Government and its authorities have many overriding powers over ULBs.

The UD Department replied (November 2022) that overriding powers has been provided to the State to control any menace arising out with decisions of ULBs.

### **4.3 Conclusion**

The State Government had not devolved all the activities/functions and responsibilities to the ULBs even after 27 years of 74<sup>th</sup> Constitutional Amendment Act. The functions/activities *viz.*, Regulation of land use & Construction of buildings and Planning for Economic & Social Development, which would have increased people's participation and accountability of the executive, were yet to be devolved. Elections to constitute councils could not be conducted in time due to delay in delimitation and reservation exercise by the State Government. Meetings of Council and Executive Committee were deficient. Ward Committees and other committees were not constituted. The yearly development plans were not prepared for incorporation in the draft development plan of the district. The functioning of Council was also deficient in approval of budget estimates, contracts and estimates. The State Government has overriding powers over ULBs on many issues which goes against the spirit of the 74<sup>th</sup> Constitutional Amendment Act.

Chapter - V

**Effectiveness of devolved functions of  
Urban Local Bodies**



## Chapter-V: Effectiveness of devolved functions of Urban Local Bodies

### Summary

For assessment of effectiveness of functions stated to have been devolved, two functions viz., Water supply for domestic, industrial and commercial purpose & Public health, sanitation conservancy and solid waste management have been selected for test-check.

The State Government was directly providing grants to parastatals for execution of selected functions, resulting in lack of financial control of ULBs over the function. Role of ULBs in planning for function delivery was also minimal. In none of the test-checked ULBs, yearly development plan was prepared. Besides, solid waste management plan was also not prepared in 48 test-checked ULBs. Moreover, authority of planning and delivery of selected functions was vested with a parastatal, namely *Uttar Pradesh Jal Nigam*, which in turn impacted the autonomy of ULBs.

The State Government has many key parastatal agencies that deliver or facilitate urban infrastructure and services, having prominent role in delivery of many functions. ULBs did not have any authority regarding their selection, allotment and deciding scope of work, funding etc. As a result, role of ULBs in the execution of selected functions was limited only to operation & maintenance and management of manpower. The effectiveness of selected functions was also unsatisfactory as test-checked ULBs were unable to provide selected functions as per the Service Level benchmarks of the Central Public Health and Environment Engineering Organisation.

### 5.1 Share of expenditure

The share of ULBs in expenditure of selected functions during 2015-20<sup>1</sup>, against the total expenditure of these functions in the State, is given in **Table 5.1** below:

**Table 5.1: Showing share of ULBs in expenditure of selected functions during 2015-20**

(₹ in crore)

Year	Urban water supply			Urban Sanitation and Sewerage services		
	Total Exp.	ULBs share	Percentage of ULBs share	Total Exp.	ULBs share	Percentage of ULBs share
2015-16	991.53	374.89	37.81	1,024.09	466.62	45.56
2016-17	1,140.01	350.59	30.75	894.02	489.45	54.75
2017-18	819.70	397.29	48.47	1,684.55	643.11	38.18
2018-19	1,079.28	448.89	41.59	2,117.83	817.58	38.60
2019-20	532.39	398.45	74.84	1,337.59	736.66	55.07
<b>Total</b>	<b>4,562.91</b>	<b>1,970.11</b>	<b>43.18</b>	<b>7,058.08</b>	<b>3,153.42</b>	<b>44.68</b>

(Source: Finance Account and *Karya Vivran* of UD Department)

It is evident from above that ULBs share in total expenditure of water supply and Sanitation & Sewerage services during the period 2015-20 were only 43 and 45 *per cent* respectively. It indicated that major part of expenditure on

<sup>1</sup> UD Department is in the process of compiling data for the year 2020-21 and for the year 2021-22, it is yet to be started.

these functions were routed through parastatals such as UP *Jal Nigam*, Construction & Design Services etc., which again confirmed that despite the selected functions stated to have been devolved, were only partially devolved to ULBs.

The Urban Development (UD) Department stated (November 2022) that the concerned parastatals have been nominated as executive agencies. Reply is not accepted as funds were directly transferred to these agencies by the Department.

## **5.2 Planning for function delivery**

As per guidelines (October 2015) of 14<sup>th</sup> Finance Commission (14<sup>th</sup> FC), Municipal Corporations and Municipalities were required to prepare proper plans in accordance with the relevant rules and regulations applicable in the State, for incurring expenditure on basic services<sup>2</sup> (including water supply, sanitation; sewage and solid waste management) out of funds of 14<sup>th</sup> FC grants. In this regard, Section 127B of UPM Act and Section 383A of UPMC Act, through which ULBs are governed, prescribed for preparation of yearly development plans.

Audit observed that in none of the test-checked ULBs, yearly development plans were prepared during 2015-20 as discussed in *paragraph no 4.2.3.6*. In absence of plans, expenditure incurred by the ULBs of State from 14<sup>th</sup> FC grants amounting to ₹ 8,544.57 crore during 2015-20 was in violation of guidelines.

Thus, due to execution of works without planning, Council and its members did not participate in decision making process to fulfil the legitimate aspirations of the citizens. On the other hand, due to lack of planning, ULBs were also unable to face the challenges of rapid urbanisation with the poor state of basic services as discussed in *paragraph 5.4*.

Besides, status of compliance with the other provisions of planning for function delivery of selected functions is as under:

➤ As per provisions of Solid Waste Management Rules 2016 (SWM Rules), each State was to prepare a solid waste management policy before April 2017. Further, ULBs were also required to prepare a solid waste management plan in conformity with the State policy, so that scientific disposal of solid waste through segregation, collection, treatment and disposal in environmentally sound manner could be ensured. The solid waste management plan was to be prepared by the ULBs within a period of six months from the date of notification of State policy.

Audit observed that State Government prepared (June 2018) solid waste management policy with a delay of 14 months and with a further delay of more than ten months, directed (May 2019) ULBs to implement the provisions of SWM Rules. However, in none of the test-checked ULBs (except NN Mathura-Vrindavan and Jhansi), solid waste management plan was prepared as required under provisions of SWM Rules.

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<sup>2</sup> This included services as water supply, sanitation including septic management; sewage and solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths, street lighting, burial and cremation grounds and other any basic services within functions assigned to them under relevant legislations.

➤ Moreover, as per the provisions of SWM Rules, it was an obligatory duty of ULBs to arrange for door to door collection of segregated solid waste from all households and transportation of collected waste to processing facilities. ULBs were also required to setup material recovery facilities or secondary storage facilities for sorting of recyclable material from the waste under SWM Rules. However, Audit observed that, though these activities fell under ambit of ULBs, the State Mission Director (*Swachh Bharat Mission*) decided (August 2019) for establishment of Material Recovery Facility (MRF) in each ULB of the State on a standard drawing & design, without obtaining any demand or plan or assessment of requirement from ULBs. Besides, population of ULBs and their capacity of per day generation of MSW were not taken into account while sanctioning the MRF. Accordingly, a sum of ₹ 16.83 crore<sup>3</sup> was released (August 2019) for civil work of MRF in all 50 test-checked ULBs, however, no funds were released for procurement of equipment required for functioning of MRF as of November 2021. As a result, despite completion of civil work of MRF in 22 test-checked ULBs, it could not be made functional as of November 2021.

➤ Similarly, an amount of ₹ 30.05 crore was released by the State Mission Director (*Swachh Bharat Mission*) during 2019-20 for procurement of mini tippers and equipment required for door to door collection of solid waste in 43 out of 50 test-checked ULBs. These sanctions were issued by the Director (*Swachh Bharat Mission*) after conducting a gap analysis on its own<sup>4</sup> in respect of existing infrastructure of concerned ULBs.

Audit further observed that as per the norms of the Central Public Health & Environment Engineering Organisation (CPHEEO), one mini tipper was required for the coverage of 1500 households for the purpose of door-to-door collection and transportation of generated MSW. However, these norms were not followed in procurement of mini tippers. As a result in 14 ULBs<sup>5</sup>, procured mini tippers were in excess of requirement.

Hence, ULBs did not participate in planning process of selected functions. As a result, optimal utilisation of resources could not be ensured.

The UD Department replied (November 2022) that the required action on yearly development plans is awaited from the ULBs, however, it did not comment on the other issues.

### 5.2.1 Role of ULBs in planning of Centrally and State sponsored schemes

An analysis of guidelines of various Centrally and State sponsored schemes meant for providing selected functions revealed that ULBs had either no role or limited role in planning process of these schemes, as detailed in **Table 5.2** below:

<sup>3</sup> @ ₹ 33.67 lakh per MRF per ULB.

<sup>4</sup> Assessment of requirement of vehicles was done with the help of Regional Center for Urban and Environment Studies, Lucknow and no demands or plan or assessment of requirement were submitted by the concerned ULBs for the same.

<sup>5</sup> NPPs: Ballia, Belha Pratapgarh (Pratapgarh), Bilaspur (Rampur), Chirgaon (Jhansi), Lalitpur, Mauranipur (Jhansi), Palia kalan (Lakhimpur Kheri), Thakurdwara (Moradabad) & Rampur and NPs: Kathera (Jhansi) Khamaria (Bhadohi), Maswasi (Rampur), Ranipur (Jhansi), and Shahabad (Rampur).

Table 5.2: Showing role of ULBs in planning process of different schemes

Name of scheme	Details of scheme	Details of plans to be prepared	Process of planning	Role of ULBs
<b>Atal Mission for Rejuvenation and Urban Transformation (AMRUT)</b>	The Centrally sponsored scheme was launched (June 2015) by the GoI with the aim of providing basic civic amenities like water supply, sewerage, urban transport, parks <i>etc.</i> to improve the quality of life for all, especially the poor and the disadvantaged. The duration of the scheme was 2015-20. Under the scheme 60 cities of the State were covered.	As per provisions, a Service Level Improvement Plan (SLIP) was to be prepared by each selected ULB after identifying gaps to cover all households with water supply and sewerage (including septage). At the State level, a State Annual Action Plan (SAAP) was to be prepared by aggregating the SLIPs of all Mission cities and was to be submitted to Ministry of Housing and Urban Affairs (MoHUA), GoI for approval.	An external entity namely Project Development and Management Consultants (PDMCs) were to be appointed for preparation of the SLIP, SAAP, DPR <i>etc.</i>	The State Government nominated Chief Town & Country Planner to prepare GIS based Master Plan for Mission cities and also appointed PDMCs for providing technical assistance & management of projects under the scheme. It was also observed that the State Government had nominated (July 2015) Regional Centre for Urban Environmental Studies, Lucknow (a parastatal of MoHUA) for preparation of SLIP and SAAP and authorized (December 2015) UP <i>Jal Nigam</i> (UPJN) for preparation of DPRs and implementation of projects related with selected functions. Thus, there was no role of ULBs in planning and execution of projects related with selected functions under AMRUT.
<b>Swachh Bharat Mission (Urban)</b>	The Scheme was launched (October 2014) by GoI with a view to; eliminate open defecation, eradicate manual scavenging, provide modern and scientific municipal solid waste management <i>etc.</i>	Under the scheme comprehensive sanitation planning, which includes preparation of City Sanitation Plan (CSP), State Sanitation Concept and State Sanitation Strategy, was required.	ULBs were made responsible for the preparation of CSP through hiring of consultants.	Audit observed though the responsibility of preparation of CSP was assigned to ULBs, however, only eight ULBs <sup>6</sup> , out of 50 test-checked ULBs, had prepared the same (as of November 2021).
<b>Pt. Deen Dayal Upadhyaya Adarsh Nagar Panchayat Yojna</b>	With a view to provide basic civic amenities like water supply, solid waste management, septage management <i>etc.</i> to inhabitants of NPs and small NPPs, the State sponsored scheme was launched on 21	Under the scheme, for each selected NP, an Action Plan and Detailed Project Report of works for providing basic amenities along with a Master Plan, were to be prepared.	The required Plans and DPRs were to be prepared by an experienced Architect/ Town Planner, for onward submission and approval of the State Government. The appointment of Architect/Town Planner was to be done by a committee headed by the District	The planning process indicated that there was no role of NPs in preparation and approval of plans.

<sup>6</sup> NNs:Jhansi,Mathura-Vrindavan and Moradabad, NPPs:Amroha, Bhadohi, Lakhimpur (Lakhimpur Kheri) & Thakurdwara (Moradabad) and NP Talbehata (Lalitpur).

	March 2018.		Magistrate.	
<b>Smart City Mission</b>	The GoI launched the programme <sup>7</sup> in the year 2015 with an objective to promote cities that can provide core infrastructure facilities (such as adequate water supply, sanitation, including solid waste management, efficient urban mobility and public transport, affordable housing, energy efficient street lighting <i>etc.</i> ) and give a decent quality of life to its citizens.	Under the programme, cities were required to prepare Smart City Proposal (SCP) containing the vision, plan for mobilisation of resources and intended outcomes in terms of infrastructure up-gradation and smart applications. The SCP was to be prepared by using principles of strategic planning process and funds of all Government departments, parastatals, private agencies and the citizens were to be dovetailed during the process of preparing the SCP.  At the State and National levels, a High-Powered Steering Committee and an Apex Committee, headed by the Chief Secretary, GoUP and the Secretary MoHUA respectively, were to be constituted for approval of SCP. Besides, SCP was to be forwarded to these Committees after approval of Council of concerned ULB.	As per provisions of guidelines, the task of preparation of SCP was entrusted to consulting firms and a panel of consulting firms was decided by the MoHUA for this purpose. Further, a Special Purpose Vehicle (SPV), incorporated under the Companies Act, 2013, was to be constituted for each selected city to plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Smart City development projects. The SPV was to be headed by a full time CEO and have nominees of Central Government, State Government and ULB on its Board.	The State Government constituted (July 2015) a taskforce in the chairmanship of Municipal Commissioner and District Magistrate for preparation of SCP in respect of cities of NNs and NPPs respectively. Besides, the State Government decided (April 2016) to constitute SPVs under the chairmanship of Divisional Commissioner and District Magistrate for the cities of NNs and NPPs respectively and nominated MC/Chief Development Officer as a CEO of these SPVs.  Audit observed that the 10 cities/NNs of State were selected under the programme as of March 2020 and their SCPs were prepared by the consulting firms with active participation of Regional Centre for Urban and Environmental Studies (nominated as resource center) and stake holders (Citizens, heads of various Government departments <i>etc.</i> ) under the direction of MC. Thus, planning process indicated that there was no active role of ULBs in preparation of SCP. It was also affirmed by the fact that out of three test-checked NNs (selected under Smart City Mission), SCP was presented in the Council of NN Jhansi only for obtaining required approval and that was too through by-circulation method.

(Source: Director, Local Bodies and Test-Checked ULBs)

It is evident from above that either the ULBs lack autonomy in planning for function delivery under Centrally and State sponsored schemes or they did not play required role in planning process of these schemes.

The UD Department did not provide (November 2022) specific reply to audit observations.

<sup>7</sup> 10 cities (Agra, Aligarh, Bareilly, Jhansi, Kanpur, Lucknow, Moradabad, Prayagraj, Saharanpur and Varanasi) of the State were selected between March 2017 and January 2018 under the programme.

### 5.2.2 Role of parastatals in planning for function delivery

With the implementation of 74<sup>th</sup> Constitutional Amendment Act, ULBs were vested with the constitutional right for planning of the function delivery, in respect of functions stated to have been devolved to them. However, due to involvement of parastatals in planning process of function delivery, there was no role of ULBs in planning. The role of parastatals in planning of function delivery of selected two functions is detailed in **Table 5.3** below:

**Table 5.3: Role of parastatals in planning of selected functions**

Name of function	Role of parastatals in planning for function delivery
<p><b>Water supply for domestic, industrial and commercial purpose</b></p>	<p>In terms of UPMC Act and UPM Act, it is an obligatory duty of the ULBs to provide quality potable water of required quantity, to all residents under their jurisdiction for meeting its requirement of drinking and other domestic uses, industry, recreation and various public uses. However, the State Government established (June 1975) a Corporation, namely Uttar Pradesh <i>Jal Nigam</i> (UPJN), for the planning, preparation, execution, promotion and financing the schemes for the supply of water in the jurisdiction of ULBs under the provisions of the Uttar Pradesh Water Supply and Sewerage Act, 1975.</p> <p>The said Act also provided for establishment of <i>Jal Sansthan</i>s in the area of ULBs for improving the water supply services and to fulfil obligations of ULBs in this respect. In this regard two <i>Jal Sansthan</i>s, established for serving the people of both urban and rural area of Chitrakoot and Jhansi region of the State, involved in delivery of water supply services in the areas of ULBs of these regions.</p> <p>Further, the State Urban Development Agency (SUDA), established (November 1990) as nodal agency under Urban Employment and Poverty Alleviation Department, to draw up plans and formulate schemes for upliftment of urban poor in the State, was also entrusted for planning and delivery of water supply services in slum areas of ULBs.</p> <p>Thus, planning for delivery of water supply services rested mainly with UPJN and there was no role of ULBs in planning, financing and execution of projects of water supply except providing required land for projects to executive agency. UPJN was involved in even planning for providing water connection in ULBs of AMRUT cities.</p>
<p><b>Public health, sanitation conservancy and solid waste management</b></p>	<p>As per the provisions of the Uttar Pradesh Water Supply and Sewerage Act, 1975, powers related to the preparation, execution, promotion and financing the schemes for sewerage and sewage disposal were also vested with the UPJN. It was also entrusted for planning activity of providing sewer connections in ULBs of AMRUT cities.</p> <p>Apart from above, for planning and execution of projects related to establishment of processing plant and land fill sites of Solid Waste Management Projects, Construction &amp; Design Service (a wing of UPJN) was nominated as executive agency by the State Government. ULBs role was limited to only management of manpower, operation &amp; maintenance of vehicles <i>etc.</i> under solid waste management and sanitation activities.</p>

(Source: Director, Local Bodies)

Thus, UPJN was an apex body for planning for delivery of selected functions and was entrusted to provide all necessary services of selected functions to ULBs. ULBs did not have role in planning of the selected functions.

The UD Department accepted (November 2022) the audit observations.

### 5.3 Execution of functions

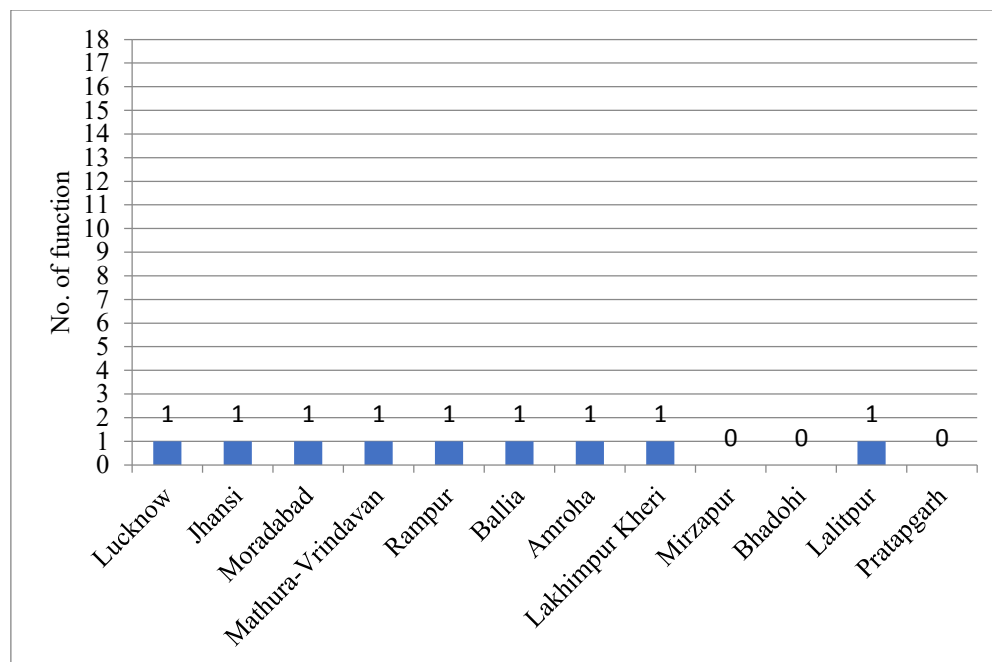
In addition to ULBs, the UD Department has many key parastatal agencies that deliver or facilitate urban infrastructure and services such as UPJN, Uttar Pradesh State Ganga River Conservation Authority, Energy Efficiency Services Limited, SUDA, various SPVs *etc.* The other parastatals such as Development Authorities (24), *Awas Evam Vikas Parishad* (130 units) & Regulated Area Authorities (72) and UP State Industrial Development Authority, under the departments of Housing & Urban Planning and Industries & Commerce respectively also deliver urban services. The details of parastatals and their functions are detailed in *Appendix-VIII*.

#### 5.3.1 Functions under control of ULBs

For establishment of effective institutions of local self-government, control of ULBs over delivery of devolved functions is essential. The ULBs should have authority in execution of projects related to 18 specific functions of 12<sup>th</sup> schedule of the Constitution.

However, Audit observed that despite the functions stated to have been devolved to ULBs, Government departments/parastatals were handling many functions. An illustrative example of functions under control of test-checked city based ULBs are detailed in *Appendix-III* and shown in **Chart 5.1** below.

**Chart 5.1: Functions under control of ULBs**



Thus, no role of ULBs in delivery of many devolved functions, undermined the efficacy of devolution.

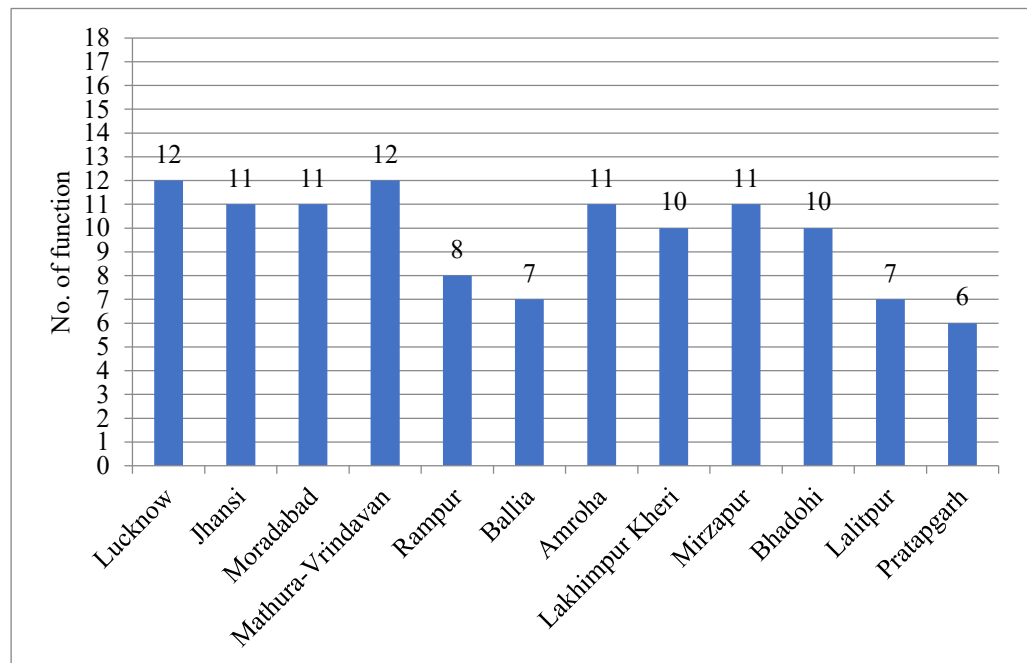
The UD Department replied (November 2022) that the required action in this regard has been taken from time to time, considering the ability and financial status of ULBs to handle the functions.

### 5.3.2 Functions under control of multiple agencies

In an ideal situation, ULBs, being an institution of urban local government, should have complete control over execution of all functions in the city area. All the agencies/parastatals working in the jurisdiction of a city, should report to ULBs and work under its direction. Therefore, the permission for implementation of projects related to 18 functions should be taken from the ULBs by the State Government departments/parastatal bodies.

However, contrary to above, parastatals had prominent role in delivery of many functions. Even, ULBs did not have any authority regarding their selection, allotment and deciding scope of work, funding *etc.* An illustrative example of functions under control of multiple agencies in test-checked city based ULBs are detailed in *Appendix-III* and shown in **Chart 5.2** below.

**Chart 5.2: Functions under control of multiple agencies**



Thus, lack of control of ULBs over delivery of many functions was not in consonance with the extent of provisions of 74<sup>th</sup> Constitutional Amendment Act. Besides, presence of multiple agencies may also create coordination related problems.

The UD Department replied (November 2022) that the required action in this regard has been taken from time to time, considering the ability and financial status of ULBs to handle the functions.

### 5.3.3 Overriding powers of the Government authorities

Audit observed that the Government authorities had many overriding powers in respect of execution of functions of ULBs as detailed below:

- Under the provisions of MSW Rules, District Magistrate/Divisional Commissioner was made responsible to review the compliance of these Rules by ULBs on quarterly basis.
- As per the State Government orders (October 2012), drainage works valuing up to ₹ 50 lakh, ₹ 25 lakh and ₹ 5 lakh was to be executed by the NN,

NPP and NP respectively on its own, however, works of over and above cost of these values were to be executed by the Construction & Design Services of UPJN. Audit noticed cases where ULBs divided drainage projects of higher values and executed the same themselves.

- Under the State sponsored schemes, released funds for ULBs were to be drawn from treasury only after signing of bill by the District Magistrate. Besides, works under state sponsored schemes were to be executed after approval of the District Magistrate.
- Under *Swachh Bharat Mission*, works were to be executed after approval of a committee headed by the Divisional Commissioner and District Magistrate in respect of NNs and NPPs & NPs respectively.
- The District Magistrate was also authorised to check the quality of works carried out by ULBs under the CFC & SFC grants, Infrastructure Development Fund etc.

Thus, overriding powers of Government authorities in respect of execution of works by ULBs, restricted the autonomy of ULBs.

The UD Department stated (November 2022) that the required directions would be issued in this regard.

#### 5.3.4 Role of ULBs in execution of selected functions

With the implementation of 74<sup>th</sup> Constitutional Amendment Act, ULBs were vested with the constitutional right for planning, designing, implementation and operation & maintenance of Water supply and Public health; sanitation; conservancy & solid waste management projects to provide basic amenities for public uses. The role of ULBs in execution of projects related with selected functions has been discussed in succeeding paragraphs:

##### *Water Supply services*

As discussed earlier in *paragraph no 5.2.2*, the State Government established UPJN, for the planning, preparation, execution, promotion and financing the schemes related with the water supply under the jurisdiction of ULBs and also nominated UPJN as executive agency for implementation of projects related to water supply.

The State Government also established (June 1975) five *Jal Sansthans* for big cities of the State *viz.*, Agra, Kanpur, Lucknow, Prayagraj and Varanasi under jurisdiction of respective NNs and two *Jal Sansthans* for Chitrakoot<sup>8</sup> and Jhansi region as an independent body for improving the water supply services and to fulfil obligations of ULBs in this respect. However, *Jal Sansthans* of five big cities were dissolved (February 2010) and converted into *Jalkal vibhag* under administrative control of respective NNs. Remaining *Jal Sansthans* of Jhansi and Chitrakoot region, headed by the concerned Divisional Commissioner, continued to work independently and were not merged into ULBs. *Jal Sansthan* of Jhansi was providing water supply service in nine<sup>9</sup> out of 50 test-checked ULBs.

<sup>8</sup> Carved out from Jhansi Jal Sansthan during April 1999 for providing water supply services to the districts of Banda, Chitrakoot, Hamirpur and Mahoba.

<sup>9</sup> NN Jhansi, NPPs: Chirgown, Gursarai & Mauranipur (Jhansi) & Lalitpur and NPs: Kathera & Ranipur (Jhansi), Pali & Talbehat (Lalitpur).

It was observed that execution of projects related with water supply was assigned to UPJN and role of ULBs was limited to operation and maintenance of water supply projects. Further, UPJN was also assigned to provide water connections to city based ULBs covered under AMRUT scheme whereas in remaining ULBs, water connections were provided by the ULBs. In Jhansi and Chitrakoot region, water connections were provided by Jal Sansthan instead of ULBs.

Thus, it is evident from above that there was no role of ULBs in execution of projects related with water supply and their role was limited to O&M of projects.

### ***Public health, sanitation, conservancy & solid waste management***

As discussed earlier in *paragraph no 5.2.2*, the State Government established UPJN for preparation, execution, promotion and financing the schemes for sewerage and sewage disposal. Further, UPJN was also entrusted for providing sewer connections in ULBs covered under AMRUT scheme.

It was also observed that there were 104 Sewer Treatment Plants (STPs) having capacity of 3298.84 MLD in the State, out of which, 71 STPs were of UD Department. Prior to June 2019, the O&M of STPs of UD Department was done by the UPJN and O&M of sewerage network of these STPs was under control of the concerned ULBs. However, audit observed that due to inability of ULBs and UPJN in proper maintenance of sewerage network and STPs respectively, O&M of both STPs and sewerage network were outsourced (June 2019) to private firms by the State Government. Responsibility of payment to private firms for their services was also given to the Director (LB) from the SFC grants of ULBs on the basis of evaluation of performance of private firms by the concerned ULBs.

Besides, for planning and execution of projects related to establishment of processing plant and land fill sites of Solid Waste Management Projects, Construction & Design Services (a wing of UPJN) was nominated as executive agency by the State Government. Audit observed that out of test-checked ULBs, processing plant facility of MSW was available in only three NNs (Lucknow, Mathura and Moradabad). The O&M of processing plant and land fill sites along with door to door collection and transportation of MSW in these test-checked NNs, was also outsourced to private player by Construction & Design Services (C&DS) through a tripartite agreement<sup>10</sup>. Role of ULBs was limited to monitoring of work and payment of tipping fee to private player from the amount of user charges collected by private players. Besides, ULBs role in these test-checked NNs also involved management of manpower for street sweeping & desilting of drains and operation & maintenance of vehicles & equipment under solid waste management and sanitation activities. In remaining test-checked ULBs, activities related with street sweeping & desilting of drains along with door to door collection and transportation of MSW to dumping sites were being performed by concerned ULBs.

Further, as per the State Government order (September 2017), a Clean Environment Promotion Committee (CEPC) was to be constituted in each

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<sup>10</sup> Having C&DS, ULB and Private player as parties of agreement.

ward of ULBs to ensure complete sanitation in the ward area and to make aware & mobilise residents for this purpose. Further, meetings of CEPC were to be held every month to draw strategies for proposed sanitation works. Audit observed that in only 21 test-checked ULBs<sup>11</sup> CEPC was constituted, though, meetings of CEPC in these ULBs were not held on regular basis. It indicated laxity of ULBs in ensuring sanitation.

Thus, there was limited role of ULBs in execution of projects related with sewerage and SWM, though, they were engaged with sanitation, door to door collection and transportation of MSW to dumping sites *etc.*

Apart from above, it was also observed that under Smart City Mission, projects related with selected functions (as detailed in **Appendix-IX**) were implemented in three test-checked ULBs (NNs: Jhansi, Lucknow and Moradabad) by the concerned SPVs. It indicated that there was overlapping of activities between NNs and SPVs in implementation of selected functions.

The UD Department replied (November 2022) that for better execution of projects, parastatals have been roped in for performing the functions.

#### 5.4 Status of effectiveness of selected functions

The Central Public Health and Environment Engineering Organisation (CPHEEO) under the MoHUA, GoI, had suggested (February 2009) Service Level Benchmarks (SLB) for four service sectors *viz.* Water supply, Sewerage disposal, Solid Waste Management & Storm Water Drainage *etc.* These benchmarks were accepted (February 2016) by the State Government and ULBs were required to provide related services according to the SLB. The status of compliance<sup>12</sup> of SLB by test-checked ULBs has been discussed in succeeding paragraphs:

##### **Water Supply Services**

Out of 707 ULBs in the State as on March 2020, piped drinking water supply facility was available in only 642 ULBs, resulting in unavailability of piped drinking water supply services in 65 ULBs. Besides, out of test-checked ULBs, piped drinking water supply service was not available in three NPs<sup>13</sup>. Requirements of drinking water were met through hand pumps, bore well, *etc.*

Further, Audit observed that none of the test-checked ULBs provided water supply services according to the norms of SLB. The status of achievement of SLB in the year 2018-19 for the test-checked ULBs, has been detailed in **Appendix-X** and summarized in **Table 5.4** below:

<sup>11</sup> NPPs: Amroha, Bachhraon (Amroha), Belha Pratapgarh (Pratapgarh), Bhadohi, Bilari (Moradabad), Kosikalan (Mathura), Lakhimpur (Lakhimpur kheri), Lalitpur, Mirzapur, Palia Kalan (Lakhimpur Kheri), and Sirsaganj (Firozabad) & NPs: Chhata (Mathura), Gokul (Mathura), Gyanpur (Bhadohi), Joya (Amroha), Kachhwa (Mirzapur), Khamaria (Bhadohi), Kheri (Lakhimpur Kheri), Naugawan Sadat (Amroha), Talbehata (Lalitpur) and Oel Dhakwa (Lakhimpur Kheri).

<sup>12</sup> As status of achievement of SLB against targets were not available for the year 2019-20 at the time of audit, status of achievement in the year 2018-19 has been commented upon.

<sup>13</sup> Bakshi ka Talab (Lucknow), Bairiya (Ballia) and Pakbara (Moradabad).

**Table 5.4: Showing achievement of SLB on water supply services by test-checked ULBs during the year 2018-19**

Sl. No.	Indicator	Benchmark	No. of ULBs achieved the benchmark	Details of ULBs, where benchmark were achieved
1	Coverage of water supply connections	100 per cent	01	NP: Gyanpur (Bhadohi)
2	Per capita supply of water	135 liters	10	Two NNs (Lucknow & Moradabad), Four NPPs <sup>14</sup> and Four NPs <sup>15</sup>
3	Extent of non-revenue water	20 per cent	21	NN Mathura-Vrindavan, 12 NPPs <sup>16</sup> and eight NPs <sup>17</sup>
4	Extent of metering of water connection	100 per cent	None (In only five test-checked ULBs <sup>18</sup> meters were installed but were not functional.)	--
5	Continuity of water supplied	24 hours	None	--
6	Quality of water supplied	100 per cent	26	Three NNs except Jhansi, 14 NPPs <sup>19</sup> and Nine NPs <sup>20</sup>
7	Cost recovery in water supply services	100 per cent	None	--
8	Efficiency in collection of water supply related charges	90 per cent	09	NN Mathura-Vrindavan & four NPPs <sup>21</sup> and NPs <sup>22</sup> each
9	Efficiency in redressal of customer complaints	80 per cent	32	All NNs, 18 NPPs <sup>23</sup> and 10 NPs <sup>24</sup>

(Source: Director, LB)

Thus, none of the test-checked ULBs were providing water supply services according to SLB, which indicated that water supply services in test-checked ULBs were inadequate.

### **Public health, sanitation, conservancy & solid waste management**

Out of 707 ULBs in the State as on March 2020, sewerage services was available in only 63 ULBs and that too only partially. Besides, out of test-

<sup>14</sup> Bilari (Moradabad), Belha Pratapgarh (Pratapgarh), Lakhimpur (Lakhimpur Kheri) and Mirzapur.

<sup>15</sup> Fariha (Firozabad), Joya (Amroha), Talbehat (Lalitpur) and Umri Kalan (Moradabad).

<sup>16</sup> Amroha, Ballia, Bachhraon (Amroha), Belha Pratapgarh (Pratapgarh), Bhadohi, Bilari (Moradabad), Gursarai (Jhansi), Lalitpur, Lakhimpur (Lakhimpur Kheri), Mauranipur (Jhansi), Mirzapur and Swar (Rampur).

<sup>17</sup> Chhata (Mathura), Gyanpur (Bhadohi), Katra Medniganj (Pratapgarh), Kheri (Lakhimpur Kheri), Oel Dhakwa (Lakhimpur Kheri), Ranipur (Jhansi), Talbehat (Lalitpur) and Umri Kalan (Moradabad).

<sup>18</sup> NN Jhansi, NPPs: Lakhimpur (Lakhimpur Kheri) and Mauranipur (Jhansi) and NPs: Ranipur (Jhansi) and Talbehat (Lalitpur).

<sup>19</sup> Bachhraon (Amroha), Belha Pratapgarh (Pratapgarh), Bhadohi, Bilaspur (Rampur), Bilari (Moradabad), Lalitpur, Lakhimpur (Lakhimpur Kheri), Mauranipur (Jhansi) Mirzapur, Sirsaganj (Firozabad), Rasra (Ballia), Swar (Rampur), Thakurdwara (Moradabad) and Tundla (Firozabad).

<sup>20</sup> Gyanpur (Bhadohi), Fariha (Firozabad), Kachhwa (Mirzapur), Katra Medniganj (Pratapgarh), Maswasi (Rampur), Ranipur (Jhansi), Shahabad (Rampur), Talbehat (Lalitpur) and Umri Kalan (Moradabad).

<sup>21</sup> Ballia, Belha Pratapgarh (Pratapgarh), Bilari (Moradabad) and Lakhimpur (Lakhimpur Kheri).

<sup>22</sup> Chhata (Mathura), Fariha (Firozabad), Gyanpur (Bhadohi) and Joya (Amroha).

<sup>23</sup> Except Chirgaon (Jhansi), Kosikalan (Mathura) and Palia Kalan (Lakhimpur Kheri).

<sup>24</sup> Chhata (Mathura), Gyanpur (Bhadohi), Fariha (Firozabad), Katra Medniganj (Pratapgarh), Maswasi (Rampur), Naugawan Sadat (Amroha), Oel Dhakwa (Lakhimpur Kheri), Ranipur (Jhansi), Talbehat (Lalitpur) and Umri Kalan (Moradabad).

checked ULBs, sewerage facility was available with only four ULBs (NNs: Lucknow, Mathura-Vrindavan and Moradabad and NPP Rampur).

Under solid waste management facility, processing plant was established in only 32 ULBs, out of which, only 15 processing plants were functional as on January 2021. Similarly, out of 50 test-checked ULBs, processing plant facility was available with only three ULBs (NNs Lucknow, Mathura-Vrindavan and Moradabad). Though, the remaining test-checked ULBs were providing sanitation and door to door collection of MSW & transportation of collected waste to dump sites, however, in absence of processing facility, scientific disposal of solid waste was not being done in environmentally sound manner, resulting in non-compliance of MSW Rules 2016.

Further, Audit observed that none of the test-checked ULBs provided MSW services according to the norms of SLB. The status of achievement of SLB in test-checked ULBs during the year 2018-19, has been detailed in *Appendix-XI* and summarised in **Table 5.5**:

**Table 5.5: Showing achievement of SLB on SWM services by test-checked ULBs during the year 2018-19**

Sl. No.	Indicator	Benchmark	No. of ULBs, achieved the benchmark	Details of ULBs, where benchmark were achieved
1	Household level coverage of solid waste management services	100 per cent	13	NN: Moradabad and six NPPs <sup>25</sup> & NPs <sup>26</sup> each
2	Efficiency of collection of municipal solid waste	100 per cent	26	NN: Moradabad, 13NPPs <sup>27</sup> and 12NPs <sup>28</sup>
3	Extent of segregation of municipal solid waste	100 per cent	None	--
4	Extent of municipal solid waste recovered	80 per cent	02	NN: Moradabad and NP: Pakbara (Moradabad).
5	Extent of scientific disposal of municipal solid waste	100 per cent	03	NN: Mathura-Vrindavan, NPP: Rampur and NP: Maswasi (Rampur).
6	Efficiency in redressal of customer complaints	80 per cent	38	All NNs and 17 NPPs <sup>29</sup> & NPs <sup>30</sup> each.
7	Extent of cost recovery in SWM services	100 per cent	None	--
8	Efficiency in collection of SWM charges	90 per cent	01	NN: Lucknow

(Source: Director, LB)

<sup>25</sup> Bachhraon (Amroha), Bilari (Moradabad), Bilaspur (Rampur), Rampur, Swar (Rampur) and Thakurdwara (Moradabad).

<sup>26</sup> Chhata (Mathura), Fariha (Firozabad), Kheri (Lakhimpur Kheri), Pakbara (Moradabad), Ranipur (Jhansi) and Talbehat (Lalitpur).

<sup>27</sup> Amroha, Bachhraon (Amroha), Bilaspur (Rampur), Bilari (Moradabad), Gursarai (Jhansi), Lakhimpur (Lakhimpur Kheri), Mauranipur (Jhansi), Mirzapur, Rasra (Ballia), Sirsaganj (Firozabad), Swar (Rampur), Thakurdwara (Moradabad) and Tundla (Firozabad).

<sup>28</sup> Bakshi Ka Talab (Lucknow), Chhata (Mathura), Fariha (Firozabad), Gyanpur (Bhadohi), Joya (Amroha), Katra Medniganj (Pratapgarh), Kachhwa (Bhadohi), Maswasi (Rampur), Pakbara (Moradabad), Ranipur (Jhansi), Shahabad (Rampur) and Talbehat (Lalitpur).

<sup>29</sup> Amroha, Bachhraon (Amroha), Ballia, Belha Pratapgarh (Partapgarh), Bhadohi, Bilari (Moradabad), Bilaspur (Rampur), Gursarai (Jhansi), Lakhimpur (Lakhimpur Kheri), Lalitpur, Mauranipur (Jhansi), Mirzapur, Rasra (Ballia), Swar (Rampur), Sirsaganj (Firozabad), Thakurdwara (Moradabad) and Tundla (Firozabad).

<sup>30</sup> Bakshi Ka Talab (Lucknow), Chhata (Mathura), Eka (Firozabad), Fariha (Firozabad), Gyanpur (Bhadohi), Joya (Amroha), Katra Medniganj (Pratapgarh), Kheri (Lakhimpur Kheri), Maniyar (Ballia), Maswasi (Rampur), Naugawan Sadat (Amroha), Oel Dhakwa (Lakhimpur Kheri), Pakbara (Moradabad), Ranipur (Jhansi), Shahabad (Rampur), Talbehat (Lalitpur) and Umri Kalan (Moradabad).

Audit further observed due to partially availability of sewerage services in four test-checked ULBs, none of these ULBs had provided sewerage services according to SLB as coverage of sewage network, collection efficiency of sewage network, adequacy of sewage treatment capacity and, quality of sewage treatment were not up to mark.

Thus, non-compliance of SLB, indicated that services provided by ULBs was not satisfactory.

The UD Department stated (November 2022) that the required directions would be issued to ULBs for ensuring further action in this regard.

**Recommendation 6:**

**Service Level Benchmarks for improving service delivery system under Water Supply, Sanitation & Sewerage services and Solid Waste Management should be strictly adhered to.**

**5.5 Conclusion**

Funds for execution of projects related with selected functions under Centrally and State sponsored schemes were routed through parastatals. The role of ULBs in planning and execution for delivery of selected functions under Centrally and State sponsored schemes was minimal. The role of ULBs in execution of selected functions was only limited to operation and maintenance. Many parastatals were performing the functions of ULBs. The State Government and its functionaries had overriding powers over ULBs in execution of devolved functions. Delivery of selected functions fell short of service level benchmarks.

Chapter - VI

**Human Resources of Urban Local Bodies**



## Chapter-VI: Human Resources of Urban Local Bodies

### Summary

Human resources of ULBs are categorised in three groups *viz.*; Centralised Services, Non-centralised Services and Sanitation Services. The powers regarding sanction of posts, to decide emoluments *etc.* for staff of ULBs were vested with the State Government and ULBs had no role in recruitment of staff under various services. The State Government did not frame any service rules for the staff of Non-centralised Services and Sanitation Services. In addition, retirement benefit rules were also not framed by the State Government for the Staff of Sanitation Services.

There was shortfall in human resources to the extent of 34.33 *per cent*, 29.95 *per cent* and 43.06 *per cent* under Centralised Services, Non-Centralised Services and Sanitation Services respectively as on March 2020. In test-checked ULBs, shortfall in manpower for water supply services and sanitation services were 34 *per cent* and 43 *per cent* respectively. This led to non-compliance of service level benchmarks of these services.

### 6.1 Human Resources of ULBs

Availability of adequate and qualified manpower is paramount to ensure discharge of any function. The devolved functions can be carried out effectively by ULBs only when they are supported with sufficient manpower and have control over recruitment of human resources. Further, adequate devolution of functionaries could in turn improve the collection of own revenue, utilisation of devolved funds and carrying out the functions to the extent of which they were devolved.

Human resources of ULBs are categorised in three groups *viz.*; Centralised Services, Non-centralised Services and Sanitation Services. The provisions related to establishment and governance of each group is detailed as under:

#### ***Centralised Services***

Section 112A of UPMC Act and Section 69B of UPM Act, empowered the State Government for creation of one or more Centralised services (CS) of such officers and servants, common to the NNs or to the NNs, NPPs, NPs and *Jal Sansthans* of the State and to prescribe for the method of recruitment, conditions of service of persons appointed to any such service *etc.* Similarly, the Uttar Pradesh Water Supply and Sewerage Act, 1975 also provided for establishment of CS for *Jal Sansthans*.

In compliance of provisions of UPMC Act and UPM Act, the State Government vide the Uttar Pradesh Municipality Centralised Services Rules, 1966 created 23 services<sup>1</sup> common to ULBs. As per provisions, the powers

<sup>1</sup> Mainly UP Municipality; Administrative (Senior and Subordinate) Services, Revenue (Senior and Subordinate) Services, Medical & Health (Male & Female) Services for Allopathic; Homeopathic; Ayurvedic & Unani, Public Health Services, Veterinary Services, Engineering (Senior and Subordinate) Services for Civil; Mechanical & Traffic, Arboriculture (Senior and Subordinate) Services, Audit and Accounts Services *etc.*

regarding sanction of posts, recruitment, transfer, posting, disciplinary action & to decide eligibility for recruitment, service conditions and emoluments *etc.* in respect of CS were vested with the State Government, though, powers in respect of recruitment, transfer, posting, disciplinary action *etc.* of some cadres were delegated to the Director (LB).

Besides, the State Government framed UP Municipality (Centralised Services) Retirement Benefit Rules 1981 for governing the matters related with pension, gratuity *etc.* for CS and the Director (Local Bodies) was nominated as competent authority for sanctioning the retirement benefits for staff of CS.

Further, as per provisions of the Uttar Pradesh Municipality Centralised Services Rules, 1966, the Divisional Commissioner was also authorised for transfer of staff of CS from one ULB to another situated within the division. However, there was no role of District Magistrate in transfer-posting of staff of CS and the State Government also restricted (December 2017) the District Magistrates to provide charge of vacant post of EO to any other EO or Sub District Magistrate on their own. Despite the fact, Audit observed instances<sup>2</sup> of providing charge of vacant posts of EO by the District Magistrate without approval of the State Government which indicated unnecessary interference of district authorities in the matters of ULBs.

It is evident from above that ULBs did not have any control over the staff of CS. However, ULBs may request with the State Government for transfer of any staff of CS, if any special resolution in this regard was passed by the Council.

### ***Non-centralised Services***

Section 106 of UPMC Act and Sections 71 & 74 of UPM Act provided for creation of Non-centralised services (NCS) for ULBs, consisting of permanent staff under Group C & D cadres required for the discharge of duties of ULBs. While the powers related to sanction of posts, decide emoluments *etc.* of NCS vested with the State Government, the authority of appointment, disciplinary action, to decide service conditions and eligibility *etc.* of NCS were conferred to Mayor/President.

However, Audit observed that no service rules were framed for staff of NCS as on November 2021. Though, the State Government had framed (October 1984) UP Municipality (Non-centralised Services) Retirement Benefit Rules 1984 for governing the matters related with pension, gratuity *etc.* of staff of NCS but nominated Divisional Commissioner as competent authority for sanctioning the retirement benefits for staff of NCS.

It was also observed that the State Government authorised (March 2015) UP Subordinate Services Selection Commission for selection of candidates for Group C cadres of both CS and NCS. Besides, the State Government also put an end to (September 2010) recruitment of Group D cadre of Staff.

Thus, ULBs lack autonomy in management of affairs related with NCS. Further, in absence of service rules, process of promotion, transfer, disciplinary action *etc.* was also not specified for staff of NCS.

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<sup>2</sup> In district Jhansi.

### Sanitation services

Section 106 of UPMC Act and Section 75 of UPM Act authorised Municipal Commissioner/Executive Officer to appoint permanent servants (*Safai Karmachari*, etc.) for conservancy purposes. While the powers related to sanction of posts, emoluments *etc.* of Sanitation services (SS) vested with the State Government, the authority of appointment, disciplinary action, to decide service conditions and eligibility *etc.* were conferred to MC/EO.

However, Audit observed that alike NCS, no service rules were framed for staff of SS and in addition to it, retirement benefit rules were also not framed for SS. Moreover, the State Government banned (June 2002) the recruitment of staff under SS and further directed (December 2010) ULBs to perform sanitation services through outsourcing of manpower from service providers. Further, the State Government allowed (July 2016) ULBs for recruitment of forty thousand *Safai Karmachari* under 630 ULBs of the State on contractual basis and for this purpose, constituted a committee headed by the MC and Sub Divisional Magistrate in respect of Municipal Corporations and Municipalities respectively. Moreover, list of candidates short listed by the above committees was also to be approved by the State Government. It indicated that powers of EO in respect of recruitment of staff of SS were also bypassed by the State Government.

It was also observed that the process of recruitment of *Safai Karmachari* on contractual basis could not be completed and ULBs managed sanitation services through outsourcing of manpower from service providers.

Thus, seizure of powers of ULBs regarding recruitment of staff under SS, impacted the autonomy of ULBs.

The Urban Development (UD) Department stated (November 2022) that the required directions would be issued to ULBs for ensuring further action in this regard.

The issues relating to shortfall in management of human resources are discussed in succeeding paragraphs:

## 6.2 Shortage of human resources

The details of sanctioned posts, person in position and vacant posts across all services of ULBs in the State during 2015-20<sup>3</sup> are detailed in **Table 6.1** below:

**Table 6.1: Showing details of sanctioned posts *vis-a-vis* person in position in ULBs**

Year	Sanctioned Posts			Person in position			Vacant posts ( <i>per cent</i> )		
	CS	NCS	SS	CS	NCS	SS	CS	NCS	SS
2015-16	3276	28969	100957	1660	23362	62898	1616(49.33)	5607(19.36)	38059(37.70)
2016-17	3285	28624	99120	1869	22902	62086	1416(43.11)	5722(19.99)	37034(37.36)
2017-18	3377	28289	101445	2121	22076	60608	1256(37.19)	6213(21.96)	40837(40.26)
2018-19	3544	27948	101702	2376	21135	60038	1168(32.96)	6813(24.38)	41664(40.97)
2019-20	3644	27900	101585	2393	19544	57840	1251(34.33)	8356(29.95)	43745(43.06)

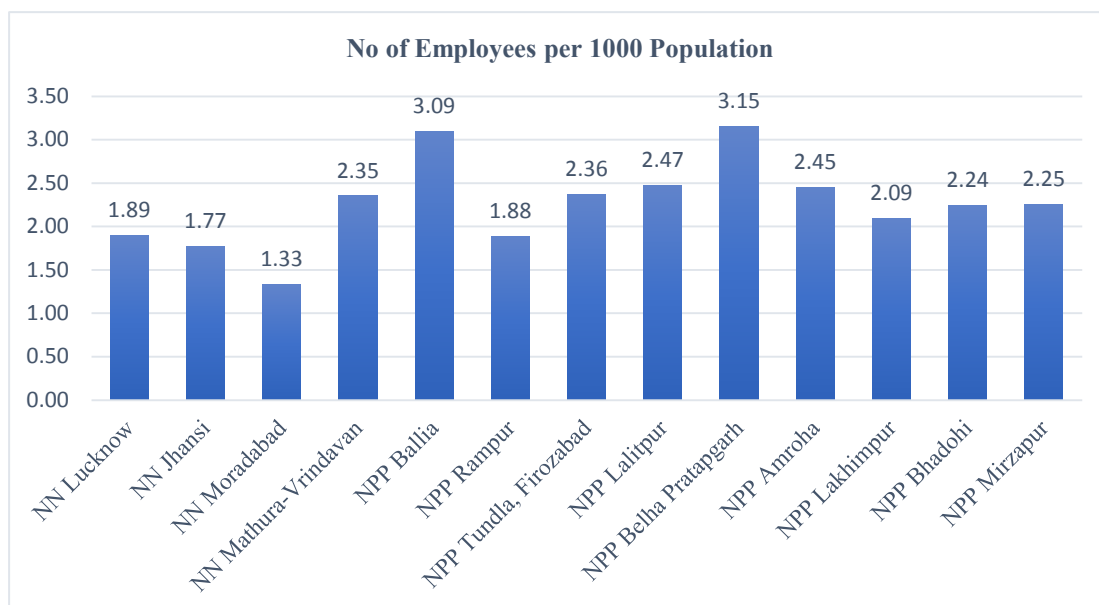
(Source: *Karya Vivran* of UD Department)

<sup>3</sup> UD Department is in the process of compiling data for the year 2020-21 and for the year 2021-22, it is yet to be started.

It can be seen from the above table that there was shortfall in human resources to the extent of 34.33 per cent, 29.95 per cent and 43.06 per cent under CS, NCS and SS respectively as on March 2020.

Besides, illustrative example of availability of employees per thousand of population in test-checked city based ULBs and position of sanctioned and vacant posts of test-checked NNs and NPPs are depicted in **Chart 6.1** and **Table 6.2** below:

**Chart 6.1 Showing number of employees per 1000 population in test-checked city based ULBs as on March 2020**



**Table 6.2: Showing status of Human Resources in test-checked NNs and NPPs as on March 2020**

Sl. No.	Name of ULB	Sanctioned posts	Vacant post	Vacant posts (per cent)	Contractual staff	No. of employees per thousand population
<b>Nagar Nigams</b>						
1	Lucknow	6105	1915	31.37	1144	1.89
2	Jhansi	767	349	45.50	556	1.77
3	Moradabad	1307	389	29.76	268	1.33
4	Mathura-Vrindavan	1588	666	41.94	145	2.35
<b>Total</b>		9767	3319	33.98	2113	1.82
<b>Nagar Palika Parishads</b>						
5	Mauranipur ( Jhansi)	130	58	44.62	59	2.25
6	Gurusarai ( Jhansi)	40	15	37.50	34	2.20
7	Chirgaon ( Jhansi)	64	30	46.88	9	2.57
8	Ballia	268	18	6.72	73	3.09
9	Rasara (Ballia)	58	18	31.03	47	2.67
10	Rampur	741	305	41.16	163	1.88
11	Bilaspur ( Rampur)	65	28	43.08	60	2.21
12	Swar (Rampur)	61	40	65.57	32	1.65
13	Thakurdwara (Moradabad)	68	4	5.88	55	2.70
14	Bilari (Moradabad)	63	24	38.10	44	2.21
15	Tundla ( Firozabad)	91	35	38.46	63	2.36
16	Sirsaganj ( Firozabad)	84	14	16.67	22	2.86
17	Lalitpur	278	150	53.96	215	2.47

18	Belha Pratapgarh (Pratapgarh)	262	88	33.59	68	3.15
19	Koshikalan ( Mathura)	194	66	34.02	33	3.02
20	Amroha	406	39	9.61	128	2.45
21	Bachhraun (Amroha)	24	0	0.00	27	1.64
22	Lakhimpur (Lakhimpurkheri)	354	147	41.53	110	2.09
23	Paliakalan (Lakhimpurkheri)	53	14	26.42	20	1.43
24	Bhadohi	156	38	24.36	94	2.24
25	Mirzapur	800	324	40.50	52	2.25
<b>Total</b>		4260	1455	34.15	1408	2.31

(Source: Information provided by test-checked ULBs)

It is evident from above that the *percentage* of vacant posts in test-checked NPPs were higher than the test-checked NNs, however, due to hiring of contractual staff in excess of vacant posts in 14 test-checked NPPs<sup>4</sup>, availability of human resources *per* 1000 population was better than NNs. Further, in test-checked NPs, vacancy against sanctioned posts was 33 *per cent* and against the 135 vacant posts, 393 contractual staff was deployed (more than 100 *per cent*) as detailed in **Appendix-XII**.

It was also observed that in none of the test-checked ULBs, functionaries were transferred to ULBs with devolution of functions, which further constrained the manpower position in ULBs.

The UD Department stated (November 2022) that the required directions would be issued to ULBs for ensuring further action in this regard.

Likewise above, availability of manpower for performing selected functions and activities in test-checked ULBs was also deficient, as discussed in succeeding paragraphs:

### 6.2.1 Availability of technical staff

Proper and timely execution of all development works and proper maintenance of all urban infrastructure depends upon the availability of technical staff. However, Audit observed that under the Engineering services (Civil), overall 10 and 48 *per cent* posts were vacant in test-checked NNs and NPPs respectively, as detailed in **Appendix-XIII**. Despite it, there was excess<sup>5</sup> deployment of staff against the sanctioned posts in NN Lucknow, which indicated that deployment of staff was uneven. Further, in test-checked NPs, no posts of Engineering services were sanctioned by the State Government.

Due to unavailability of staff of Engineering services at the level of NPPs and NPs, the State Government authorised (September 2014) Executive Engineer of NNs and UP *Jal Nigam* (posted at district/division level) to approve estimates, projects *etc.* (involving expenditure of upto five crore rupees) of such NPPs/NPs. Further, in case of expenditure of more than five crore rupees, these powers were conferred to the Chief Engineer of NNs and UP *Jal Nigam*.

<sup>4</sup> Mauranipur (Jhansi), Gurusarai (Jhansi), Ballia, Rasara (Ballia), Bilaspur (Rampur), Thakurdwara (Moradabad), Bilari (Moradabad), Tundla (Firozabad), Sirsaganj (Firozabad), Lalitpur, Amroha, Bachhraun(Amroha), Paliakalan (Lakhimpur kheri) and Bhadohi.

<sup>5</sup> Against the one sanction post of Chief Engineer (CE), five posts of Executive Engineer (EE), eight posts of Assistant Engineer (AE) and 18 posts of Junior Engineer (JE), two CE; three EE, nine AE and 23 JE were posted.

However, Audit observed that contrary to orders, NPPs and NPs got approved their estimates from Executive Engineer of Public Works Department.

It indicated that due to unavailability of technical staff, NPPs and NPs were dependent on Government departments to perform their duties and it also caused delays in execution of development works.

The UD Department stated (November 2022) that the required directions would be issued to ULBs for ensuring further action in this regard.

### 6.2.2 Deficiency of staff in Revenue services

For timely and proper assessment of all buildings and lands to property tax without any leakages and to ensure collection of taxes and non-taxes as per demands, availability of staff of revenue services is imperative. However, Audit observed that in test-checked ULBs, overall 45 *per cent* posts of Revenue services were vacant, as detailed in *Appendix-XIV* and summarised in **Table 6.3** below:

**Table 6.3: Showing status of manpower in test-checked ULBs under Revenue Services as on March 2020**

Name of post	NNs		NPPs		NPs	
	SS	PIP	SS	PIP	SS	PIP
Chief Tax/Tax Assessment Officer	4	4	0	0	0	0
Tax/Revenue Assistant Superintendent	21	32	10	4	0	0
Tax Assessment Officer	8	7	4	1	0	0
Tax/Revenue Inspector	107	66	25	19	0	0
Tax collector	99	59	46	30	20	13
<i>Nayab Mohrir</i>	90	13	89	37	0	1
<b>Total</b>	<b>329</b>	<b>181</b>	<b>174</b>	<b>91</b>	<b>20</b>	<b>14</b>

(Source: Information provided by test-checked ULBs)

Audit further observed that in NN Lucknow, excess staff was deployed under the Chief Tax/Tax Assessment Officer, Tax/Revenue Assistant Superintendent and Tax Assessment Officer cadres, which needs to be rationalised for fair distribution of staff.

Thus, shortfall and uneven distribution in manpower of Revenue services impacted the efficacy of ULBs in levy and realisation of own tax and non-tax revenue, as detailed in *paragraph no. 7.2*.

The UD Department stated (November 2022) that the required directions would be issued to ULBs for ensuring further action in this regard.

### 6.2.3 Insufficient staff for sanitation activities

To keep the city/town clean and to ensure proper implementation of sanitation activities including solid waste management, availability of sufficient sanitation staff is essential. However, Audit observed that in test-checked ULBs, overall 43 *per cent* posts related with sanitation activities were vacant, as detailed in *Appendix-XV* and summarised in **Table 6.4** below:

**Table 6.4: Showing status of manpower in test-checked ULBs under Sanitation activities as on March 2020**

Name of post	NNs		NPPs		NPs	
	SS	PIP	SS	PIP	SS	PIP
Sanitation Inspector <sup>6</sup>	65	63	26	17	0	0
Safai Nayak/Hawaldar	177	93	120	97	8	12
Safai karmachari	10009	5690	4979	2815	992	529
Zonal Sanitary Officer	8	6	0	0	0	0
<b>Total</b>	<b>10259</b>	<b>5852</b>	<b>5125</b>	<b>2929</b>	<b>1000</b>	<b>541</b>

(Source: test-checked ULBs)

Thus, insufficiency of manpower of sanitation activities led to not achieving of Service Level Benchmark (SLB) of Solid Waste Management (SWM), as discussed in *paragraph no 5.4*.

Further, as per provisions of UP Health Manual 28 *Safai karmchari* per ten thousand populations was required to ensure sanitation. However, Audit observed that strength of *Safai karmachari* was not sanctioned/ revised on the basis of above norms. As a result, sanctioned post of *Safai karmchari* in test-checked ULBs was far less than the required numbers. The details of required *Safai karmachari* (considering population as per 2011 Census), their sanctioned post and person in position *vis-a-vis* manpower engaged through outsourcing is given in *Appendix-XVI* and summarised in **Table 6.5** below:

**Table 6.5: Showing details of safai Karmachari in test-checked ULBs as on March 2020**

Type of ULBs	Required Safai Karmachari as per norms	SS	PIP	No. of Safai Karmachari engaged through outsourcing
NNs	13,191	10,009	5,690	8,890
NPPs	5,100	4,979	2,815	3,209
NPs	1,441	992	529	1,122
<b>Total</b>	<b>19,732</b>	<b>15,980</b>	<b>9,034</b>	<b>13,221</b>

(Source: test-checked ULBs)

It is evident from above that due to not adhering to norms of UP Health manual, outsourcing of *safai karmacharis* were made on arbitrary basis as total staff engaged in sanitation work was 13 *per cent* and 39 *per cent* more than the norms and SS respectively, resulting in excess hiring of *safai karmacharis*.

The UD Department stated (November 2022) that the required directions would be issued to ULBs for ensuring further action in this regard.

#### 6.2.4 Availability of manpower for water supply services

For proper operation and maintenance of water supply services, availability of sufficient manpower is required. However, out of 50 test-checked ULBs, in 38 ULBs (providing service on their own) overall 34 *per cent* posts were vacant, as detailed in *Appendix-XVII* and summarised in **Table 6.6** below:

<sup>6</sup> Created under Public Health Services of CS.

**Table 6.6: Showing status of manpower in test-checked ULBs for water supply services**

Name of post	NNs		NPPs		NPs	
	SS	PIP	SS	PIP	SS	PIP
Engineer (Water)	25	12	6	3	0	0
Junior Engineer (Water)	38	17	10	5	0	0
Pump Attendant	49	40	85	38	10	10
Pump Cleaner	30	27	7	5	0	0
Pump Operator	638	399	74	75	8	19
Fitter Jalkal	58	22	14	4	1	5
Pump Mechanic	1	0	0	0	0	0
Jalkal Beldar	47	46	14	11	0	0
Water Supervisor	0	0	1	1	0	0
<b>Total</b>	<b>886</b>	<b>563</b>	<b>211</b>	<b>142</b>	<b>19</b>	<b>34</b>

(Source: test-checked ULBs)

Thus, deficiency in manpower (except in NPs) attributed towards inadequacy of water supply services (as discussed in *paragraph no. 5.4*) to some extent.

The UD Department stated (November 2022) that the required directions would be issued to ULBs for ensuring further action in this regard.

### 6.3 Assessment of human resources

The assessment of manpower should be based on the functions undertaken by ULBs 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 ULBs themselves considering various criteria such as the extent of geographical area to be covered, the extent and type of population, the number of properties existing *etc.* Function-wise staff assessment, if carried out, would bring in more transparency in terms of specifying the roles and responsibilities for each position, requirement of skills and qualification for each role *etc.* This would also prevent any overlap of functions between two persons/posts.

As per provisions of Section 106 of UPMC Act and Section 71 of UPM Act, the Council was authorised to assess the requirement of manpower for performing their duties. Audit observed that in only five test-checked ULBs<sup>7</sup>, out of 50 test-checked ULBs, assessment of requirement of manpower was done by the Councils during the period 2015-20 and subsequently, requests were made with the State Government for sanctioning the required posts under NCS as per their needs. However, no action was initiated by the State Government on the proposals of Councils (as of November 2021).

Though, the powers to sanction posts across all three services of ULBs are vested with the State Government, however, no basis for sanction of posts was available with the Government. The State Government did not standardise any norms for creation of posts despite a proposal submitted (June 2016) by the Directorate in this regard. Further, the State Government also constituted (March 2018) a high powered committee to submit proposals in respect of norms for creation of minimum post in ULBs. However, no action was initiated by the State Government on the recommendations of the committee.

<sup>7</sup> NPPs: Bachhraon (Amroha), Lalitpur, Sirsaganj & Tundla (Firozabad) and NP Pakbara (Moradabad).

In absence of any norms, posts sanctioned in ULBs were not enough to fulfil their obligations.

Thus, sanction of posts without any norms and without seeking the actual requirement from ULBs affected the discharge of duties of ULBs.

In reply, the UD Department stated (November 2022) that the recommendations of high-powered committee are under consideration. However, the reply was silent regarding reasons for delay in implementation on the recommendations of the aforesaid committee.

#### 6.4 Powers over staff

As discussed earlier, the powers to appoint & promote officials, initiate disciplinary action, impose penalties *etc.*, in respect of the officials of CS, have not been delegated to ULBs. Further, powers of President and EO in respect of recruitment of staff of NCS and SS were also restricted by the State Government.

#### **Recommendation 7:**

**The State Government may consider to delegate adequate powers over manpower resources to Urban Local Bodies in matters such as assessment and recruitment of required staff. Vacancies against sanctioned strength may be filled in Urban Local Bodies to enhance their efficiency and for better services to citizen.**

#### 6.5 Conclusion

The State Government did not devolve adequate manpower to ULBs. The ULBs did not have any powers over the staff of Centralised services. The ULBs also lack autonomy in management of affairs related with the staff of Non-centralised services. The powers of ULBs in respect of recruitment of staff under Sanitation services was also restricted by the State Government. ULBs also lack sufficient and technical manpower for carrying out their functions effectively.



Chapter - VII

**Financial Resources of Urban Local Bodies**



### Summary

The 74<sup>th</sup> Constitutional Amendment Act does not make specific provisions about the type of taxes that ULBs should have and it was up to the State Governments to determine the revenue base of ULBs. The Own revenue of ULBs was only 14 to 18 *per cent* of total revenue during the period 2015-20, as a result they were largely dependent on Central and State grants to fulfil their requirements.

Fiscal transfers from the Central and State Governments in the form of Central and State Finance Commission Grants, constituted about 69 *per cent* of the revenue of ULBs during the period 2015-20. There was shortfall in release of CFC grants amounting to ₹ 1,704.65 crore (basic grant ₹ 53.60 crore and performance grant ₹ 1651.05 crore) during 2015-20 by the Central Government, however, reasons for the same were not available in the records. There was not only delay in the constitution of State Finance Commission but also in acceptance of its recommendations by the State Government. The release of assigned revenue by the State Government, on account of additional stamp duty, was also short by ₹ 2,573.44 crore during the period 2015-20. Besides, the State Government also transferred an amount of ₹ 854.55 crore to Dedicated Urban Transport Fund from the share of ULBs, realised on account of additional stamp duty during the period 2014-20. Moreover, the State Government did not provide any compensation to ULBs due to subsumption of Entry tax on goods under the Goods and Services Tax.

Due to poor state of finances, as own revenue of ULBs covered only 18 *per cent* of their total expenditure, ULBs failed to adhere to committed liabilities on account of loans obtained from revolving fund. Infuctuous expenditure was also incurred by the ULBs through loans obtained from revolving fund in violation of guidelines. Despite having low own revenue base, possible sources of own revenue such as Conservancy tax, tax on vehicles (other than mechanically propelled), tax on dogs, tax on trades and calling, betterment tax, Service charge from railways, theatre tax *etc.* was not tapped by the test-checked ULBs.

The property tax on land and buildings was the mainstay of ULBs own tax revenue and contributed about 49 *per cent* in the own revenue of ULBs. However, out of test-checked ULBs, three ULBs did not impose house tax and 23 ULBs did not impose water tax as of March 2020. Besides, there was accumulated arrears of ₹ 2,318.72 crore on account of house tax in test-checked ULBs as of March 2020. Further, process of assessment of properties, revision in rates, billing and raising demands *etc.* were also deficient in test-checked ULBs. Required bye-laws were also not framed in test-checked ULBs for imposition and realisation of property tax and system of self-assessment of properties by the tax payers was also not implemented in test-checked NPPs & NPs. Service charge on properties of Government of India (GoI) was also not imposed in all test-checked ULBs.

ULBs were able to recover only 53 to 64 *per cent* of O&M expenditure on water supply through water charges during 2017-20. Besides, four test-checked ULBs did not impose water charges up to March 2020 and none of the test-checked ULBs had revised rate of water charges as stipulated by the State Government for recovery of expenses of O&M. There were also deficiencies in imposing trade license fee as 29 test-checked ULBs did not undertake any effort to levy license fee.

In test-checked ULBs budget estimates for each financial year involved during 2015-20 was either not prepared or prepared with delays. In none of the test-checked ULBs, budget estimates were prepared by scientifically estimating the cost of each municipal service and source of funds required for efficient delivery, resulting in unrealistic budget estimation. In none of the test-checked NNs, details of proposed works for ensuing financial year was prepared in format B-1 as envisaged under UP Municipal Corporation Accounts Rules (UPMCAR). None of the test-checked ULBs had adopted formats of UP Municipal Accounts Manual 2018 for preparation of budget estimates and financial accounts during the year 2019-20.

The ULBs were able to generate own resources only to the extent of 29 *per cent* of the revenue expenditure during the period 2015-20 and extent of utilization of available funds was 90 *per cent* during the period 2015-20. Many restrictions were also imposed on the financial and administrative powers of ULBs by the State Government.

## **7.1 Source of Revenue of Urban Local Bodies**

Sustainable financial resourcing is a prerequisite to ensure discharge of any function and to meet the challenges of urban governance and development. The devolved functions can be carried out effectively by ULBs only when they are adequately empowered in terms of financial resources to fulfil the obligation/responsibilities associated with these functions.

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. Predictable fiscal transfers to ULBs need to be ensured through a robust State Finance Commission (SFC) mechanism and compliance with State and Central Finance Commission (CFC) recommendations. Access to own sources of revenue would include both the power to levy and collect from specific revenue streams.

While the Constitution specified the taxes to be divided between the Centre and State Governments, it does not specify the revenue base for ULBs. Even 74<sup>th</sup> Constitutional Amendment Act does not make specific recommendations about the type of taxes that ULBs should have. The provisions of 74<sup>th</sup> Constitutional Amendment Act simply requires States to enact laws to authorise a Municipality to levy, collect and appropriate taxes, duties, tolls and fees; to assign them such taxes, duties, tolls and fees levied and collected by the State Government; and for providing grants-in-aid to them from the consolidated fund of the state. Hence, the power for determining the revenue base of ULBs rests with the State Government.

The revenue resources of ULBs consists of Own tax revenue<sup>1</sup>, Own non-tax revenue<sup>2</sup>, Assigned (shared) Revenue<sup>3</sup>, Assistance under Centrally/ State sponsored schemes and Grants from SFC & CFC. The details of revenue of ULBs in the State during the period 2015-20<sup>4</sup> are indicated in **Table 7.1** below:

**Table 7.1: Details of revenues of ULBs during the period 2015-20**

(₹ in crore)

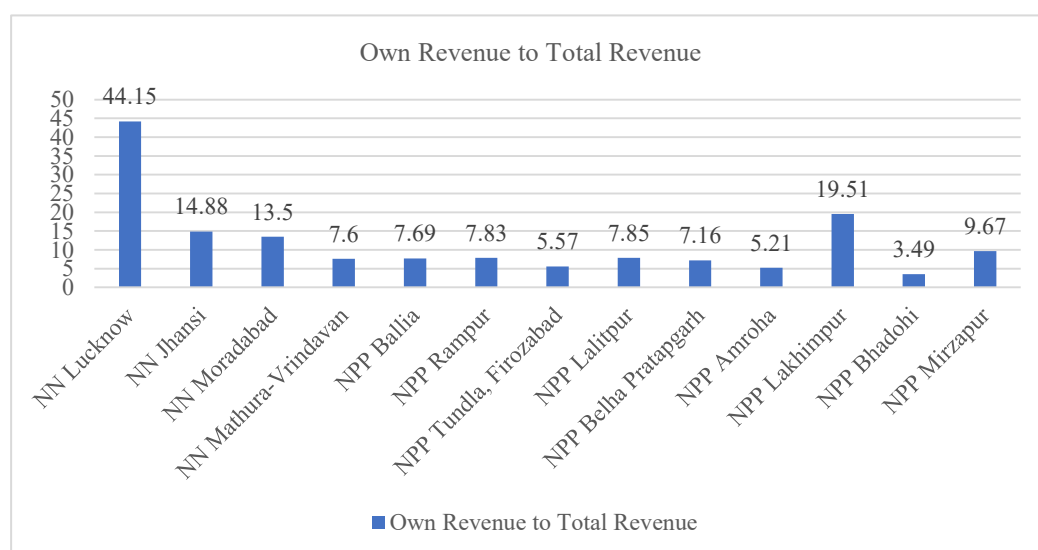
Year	SFC Grants	CFC Grants	Own Revenue	Assigned Revenue	Other Receipts from Governments (including assistance under Centrally/ State sponsored schemes, etc.)	Total Revenue	Percent -age of own revenue to total revenue	Percent -age of Govt. Grants to total revenue
2015-16	5,470.91	1,031.79	1,469.59	408.76	1,101.55	9,482.60	15.49	68.57
2016-17	5,532.23	1,177.09	1,672.46	401.60	1,395.17	10,178.55	16.43	65.91
2017-18	5,849.70	2,558.32	2,022.18	489.68	1,418.61	12,338.49	16.38	68.14
2018-19	6,135.91	1,855.69	2,185.73	190.05	1,746.65	12,114.03	18.04	65.96
2019-20	7,162.49	2,471.49	1,880.88	8.75	1,471.19	12,994.80	14.47	74.14
<b>Total</b>	<b>30,151.24</b>	<b>9,094.38</b>	<b>9,230.84</b>	<b>1,498.84</b>	<b>7,133.17</b>	<b>57,108.47</b>	<b>16.16</b>	<b>68.72</b>

(Source: *Karya Vivran* of UD Department)

It is evident from above that Own revenue of ULBs ranged between 14.47 to 18.04 *per cent* of total revenue during the period 2015-20. Therefore, ULBs have a minimal revenue base and are largely dependent on Central and State grants, which constrained the ability of ULBs to invest adequately in capital expenditure like creating infrastructure and thereby improving the quality of life in the cities.

The *percentage* of own revenue to total revenue in test-checked city based ULBs is shown in the **Chart 7.1** below:

**Chart 7.1: Percentage of own revenue to total revenue in test-checked city based ULBs**



<sup>1</sup> Property tax, Vacant land tax, Tax on animals, Taxes on carriages and carts *etc.*

<sup>2</sup> User charges, License fees, Lease amounts *etc.*

<sup>3</sup> A tax collected by the State Govt. on behalf of ULBs such as Surcharge on stamp duty *etc.*

<sup>4</sup> UD Department is in the process of compiling data for the year 2020-21 and for the year 2021-22, it is yet to be started.

It is evident from above that in test-checked NNs, share of Own revenue in total revenue ranged between eight and 44 *per cent*, while in NPPs it was between three and 20 *per cent* only. The constraints in realisation of Own revenue in test-checked ULBs has been discussed in *paragraph no. 7.2*.

The Urban Development (UD) Department replied (November 2022) that the efforts are being made for increasing the own revenue of ULBs.

**Recommendation 8:**

**To promote financial autonomy of the ULBs, concrete steps with milestones may be undertaken.**

### **7.1.1 Fiscal transfers to Urban Local Bodies**

Funds are devolved to ULBs through transfer by the Central and State Government in the form of grants. As can be seen from the **Table 7.1** above, the fiscal transfers from Government formed the major portion of the revenue (averaging 69 *per cent*) of ULBs in the State during the period 2015-20. Audit observed SFC grants, preliminary meant for payment of salaries and pension liabilities of staff of ULBs, constituted 77 *per cent* of the total grants during the period 2015-20. Further, 67 *per cent* of SFC grants were spent to meet out human resources expenditure during the period 2015-20 leaving less amount for development work.

There were, however, certain shortcomings under fiscal transfers as discussed below:

#### **7.1.1.1 State Finance Commission grants**

Article 243Y (read with Article 243 I) of the Constitution makes it mandatory for the State Government to constitute a State Finance Commission (SFC) within one year of the commencement of the 74<sup>th</sup> Constitutional Amendment Act and thereafter on expiry of every five years. The mandate of the SFC is to review the financial position of the local bodies (ULBs and Panchayats) and to make recommendations for improving the revenue base of local bodies, which may include assignment of taxes, sharing of net proceeds of tax and non-tax revenue of the State and grants-in-aid from the Consolidated fund of the State.

The State Government through amendments in UPM Act (Section 127C) and UPMC Act (Section 138A) provided for constitution and working of SFC. Every recommendation of the SFC together with an Action Taken Report<sup>5</sup> (ATR) was to be laid before both the Houses of the State Legislature.

Audit observed that all the SFCs constituted so far in the State, had recommended about sharing of net proceeds of tax and non-tax revenue of the State with local bodies and no recommendations were made about taxes to be assigned to local bodies or grants-in-aid to be given to them from the Consolidated fund of the State, though the Terms of reference of constitution of respective SFCs desired to do so. As a result, SFCs recommendations lacked holistic approach in augmenting the financial position of ULBs.

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<sup>5</sup> An explanatory memorandum of action taken on recommendations by the State Government.

The UD Department replied (November 2022) that the required action has been taken on the recommendations of the SFCs.

### ***Delay in constitution and implementation of recommendations of SFC***

Timely constitution of SFC and acceptance of its recommendations have a bearing on the assured transfer of funds to ULBs. As per the constitutional provisions, implementation of the recommendations of the 6<sup>th</sup> SFC was due in the State from the year 2019-20. However, as on date, recommendations of the 5<sup>th</sup> SFC were implemented in the State from the year 2020-21 with a delay of six years. Besides, recommendations of 5<sup>th</sup> SFC were also implemented after expiry of its award period. This was on account of delay in constitution and implementation of SFC recommendations as detailed in **Table 7.2** below:

**Table 7.2: Showing delay in constitution and implementation of recommendations of SFCs**

SFC	To be constituted as per constitution	To be constituted with reference to previous SFCs	Actually constituted	Delay in months	Due date for submission of report	Date of submission of report	Delay in months	Date of acceptance	Award Period
1 <sup>st</sup>	By 31 May 1994	Not applicable	October 1994	05	April 1995	December 1996	20	20.01.1998	1997-2001
2 <sup>nd</sup>	1999-2000	October 1999	February 2000	04	Not available	June 2002	Not available	30.04.2004	2001-2006
3 <sup>rd</sup>	2004-05	February 2005	December 2004	No delay	December 2005	August 2008	32	09.02.2010	2006-2011
4 <sup>th</sup>	2009-10	December 2009	December 2011 <sup>6</sup>	24	December 2014	December 2014	No delay	23.03.2015	2011-2016
5 <sup>th</sup>	2014-15	December 2016	October 2015	No delay	September 2016	October 2018	25	03.04.2020	2016-2021

(Source: SFC reports)

It is evident from above that there was not only delay in constitution and submission of report of SFCs, but the State Government also took 13 to 22 months to decide on recommendations of SFCs (except fourth SFC). The delays were against the recommendation of 13<sup>th</sup> CFC, which emphasised implementation of recommendations of SFCs without any delay and also required prompt submission of ATR before the legislature. The delay in constitution and implementation of recommendations resulted in devolution of funds to the ULBs on the basis of recommendations of the earlier SFCs.

The UD Department did not offer (November 2022) any comments in this regard.

### ***Response of State Government to SFC recommendations***

The SFC recommendations are not binding on the State Government. The decision to refuse or to accept the recommendations of the SFC in original or with modifications lies with the State Government. Audit observed that the State Government largely accepted the recommendations of respective SFCs with or without modifications but did not frame any time line for implementation of accepted recommendations. As a result, accepted recommendations were either implemented with delays (from 30 to 34 months in

<sup>6</sup> Term of Reference was issued on 23 April 2012 for functioning of 4<sup>th</sup> SFC with a delay of more than five months.

respect of 4<sup>th</sup> SFC) or action was yet to be initiated on many recommendations. A summary of SFCs recommendations *vis-a-vis* its acceptance and status of implementation of accepted recommendations by the State Government are detailed in **Table 7.3** below:

**Table 7.3: Details of recommendations of SFCs, its acceptance and status of implementation**

SFC	Total no. of recommendations	No. of recommendations accepted by the State Govt. in original	No. of recommendations accepted by the State Govt. with modifications	Total no. of accepted recommendations	Percentage of accepted recommendations	No. of recommendations either not implemented or yet to be implemented <sup>7</sup>	Percentage of yet to be implemented recommendations, against the accepted recommendation
1 <sup>st</sup>	61	46	03	49	80.33	17	34.69
2 <sup>nd</sup>	107	67	06	73	68.22	29	39.73
3 <sup>rd</sup>	388	198	09	207	53.35	77	37.20
4 <sup>th</sup>	49	22	06	28	57.14	07	25.00
5 <sup>th</sup>	27	15	08	23	85.18	08	34.78
<b>Total</b>	<b>632</b>	<b>348</b>	<b>32</b>	<b>380</b>	<b>60.13</b>	<b>138</b>	<b>36.32</b>

(Source: SFC reports)

It is evident from above that though the State Government accepted 60 *per cent* recommendations of respective SFCs, however, implementation of 36 *per cent* of accepted recommendations was not ensured. Further, as against the accepted recommendations of the 4<sup>th</sup> SFC, action in major recommendations, related with institutional measures that would strengthen ULBs in the long term, was yet to be initiated, as detailed in **Table 7.4**.below:

**Table 7.4: Details of accepted recommendations of 4<sup>th</sup> SFC, which were not implemented or yet to be implemented**

Details of recommendations	Status of Implementation
The SFC recommended for devolving a mechanism and to decide modalities for carrying out works such as Solid Waste Management <i>etc.</i> through outsourcing or with the participation of private players on PPP mode.	The State Government authorised UP Board for Development of Municipal Financial Resources, to initiate action in this regard, though no progress was made.
The SFC recommended for filling of post of Municipal Commissioner in a certain <i>percentage</i> through promotion of staff from Administration cadre of Centralised Services.	The State Government agreed to earmark 20 <i>per cent</i> post of Municipal Commissioner for promotional avenue, however, no progress was made in this regard.
The SFC recommended to provide facility of billing (related with taxes, fee etc.) through electronic medium and realisation of dues through online mode in all ULBs.	The State Government agreed with the recommendation, though all ULBs of the State did not develop required facility.
The SFC recommended to provide urban public transport facility in all cities of the State having population of more than one lakh.	Partially implemented
The SFC recommended to disseminate financial and administrative information of ULBs in the public domain through their own or departmental websites.	Partially implemented

(Source: SFC reports)

<sup>7</sup> Data extracted from the reports of respective SFC and information of updated position in this regard was not provided by the UD Department.

Thus, not implementing of accepted recommendations, impacted the furtherance of municipal governance and improvement in civic facilities.

Apart from above, SFCs recommendations relating to devolution of funds to ULBs, were also not accepted by the State Government in original. The SFC-wise important recommendations and their modifications with reference to devolution of funds are given in **Table 7.5** below:

**Table 7.5: SFC-wise important recommendations and their modifications**

SFC	Recommendations	Modifications
1 <sup>st</sup>	Devolution of seven <i>per cent</i> of State revenue to ULBs.	Recommendation was accepted in original.
2 <sup>nd</sup>	The concept of divisible pool was introduced by the SFC which included Tax revenue of the State and recommended that 7.50 <i>per cent</i> of divisible pool may be devolved to ULBs. Further, 50 <i>per cent</i> proceeds of Entertainment Tax were also to be devolved to ULBs.	Devolution of only 7.50 <i>per cent</i> of divisible pool was accepted and sharing of proceeds of Entertainment Tax was not accepted.
3 <sup>rd</sup>	Devolution of nine <i>per cent</i> of State net proceeds of Tax and Non-tax revenue to ULBs by including both category of revenue under divisible pool.	Devolution of only 7.50 <i>per cent</i> of divisible pool (containing only net proceeds of Tax revenue) was accepted.
4 <sup>th</sup>	Devolution of nine <i>per cent</i> of State net proceeds of Tax and Non-tax revenue to ULBs and net proceeds of Non-tax revenue should also be included in divisible pool.	Devolution of only 7.50 <i>per cent</i> of divisible pool (containing only net proceeds of Tax revenue) was accepted.
5 <sup>th</sup>	Devolution of 8.25 <i>per cent</i> of State net proceeds of Tax revenue to ULBs.	Devolution of only 7.50 <i>per cent</i> of net proceeds of Tax revenue was accepted.

(Source: SFC reports)

Thus, acceptance of recommendations of SFC with modifications, resulted in shortfall in grants to ULBs.

In reply, the UD Department stated (November 2022) that the recommendations of SFC are not binding on the Government. The fact, however, remains that many of the accepted recommendations of SFC was not implemented by the State Government.

#### ***Deviations in decisions as indicated in Action taken report***

Audit observed certain deviations in decisions, intimated to State Legislature through ATR on recommendations of 4<sup>th</sup> SFC, while implementing the accepted recommendations by the State Government as detailed in **Table 7.6** below:

**Table 7.6: Details of deviations in decisions as indicated in ATR**

Recommendations of 4 <sup>th</sup> SFC	Decision of the State Govt., as intimated to State Legislature through ATR	Actual status of implementation of decision
The State Government may distribute devolved grants amongst the NNs, NPPs and NPs in the ratio of 42:38:20.	Out of total devolved grants to ULBs, share of NNs, NPPs and NPs would be in the ratio of 35:40:25.	Out of total devolved grants to ULBs, share of NNs, NPPs and NPs were fixed in the ratio of 40:40:20.

To promote financial discipline amongst the ULBs, 10 <i>per cent</i> of devolved grants may be withheld and the same may be distributed to those ULBs, who got audited their financial accounts in time.	The State Government accepted the recommendation.	Only 5 <i>per cent</i> of devolved grants were retained to ensure financial discipline amongst ULBs.
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(Source: Director, Local Bodies)

It is evident from above that a reduction of five *per cent* in both the shares of NPs in devolved grants and on account of withheld amount for financial discipline, was done by the State Government without intimating the State Legislature through revised ATR. As a result, NPs did not get their due share of SFC grants and financial discipline was also compromised.

The UD Department accepted (November 2022) the audit observations and asserted that the changes have been made through revised ATR. On being requested to provide copy of revised ATR, Director (LB) stated (December 2022) that no such revised ATR was submitted in this regard.

### **Release of grants under SFC**

The details of the budget allocation of grants as per orders of the State Government and grants actually released to the ULBs during the period from 2015-16 to 2019-20 are given in **Table 7.7** below:

**Table 7.7: Budget allocation and release of SFC grants during the period 2015-20**

Particulars	(₹ in crore)					
	2015-16	2016-17	2017-18	2018-19	2019-20	Total
<b>Budget allocation of grants decided by the State Government</b>	6105.97	6412.50	6946.87	7312.50	8700.00	35477.84
<b>Grants actually released to ULBs</b>	6105.97	6412.50	6939.92	7312.50	8700.00	35470.89

(Source: Information furnished by Director, LB)

Audit further observed that as per the recommendations of the 4<sup>th</sup> SFC, out of devolved grants to ULBs, only 0.10 *per cent* was to be earmarked<sup>8</sup> for the purpose of training of manpower and balance funds were to be released to ULBs after withholding 10 *per cent* of grants on account of financial discipline. The withheld amount was to be subsequently released to eligible ULBs. However, the Director (LB) transferred only ₹ 30,031.54 crore (85 *per cent*) (including financial discipline amount) to ULBs during the period 2015-20, after deducting ₹ 5,410.83 crore on account of various liabilities<sup>9</sup> of ULBs, inspite of the fact that only ₹ 28.52 crore was to be deducted for training of manpower from the grants devolved to ULBs. Hence, deduction of ₹ 5,410.83 crore was made by the Director (LB), out of released grants (₹ 35,470.89 crore) by the State Government, was against the recommendation of SFC which allowed deduction of only 0.10 *per cent* and indicative of centralisation of financial powers in favour of State.

In reply, the UD Department stated (November 2022) that the allocation of funds to ULBs are made on the instance of Finance Department. However, it

<sup>8</sup> Which was to be utilised by the Training Institute established at Directorate level.

<sup>9</sup> Electricity charges for street lighting and water supply, Pension liabilities of Centralised staff, O&M of STP etc.

did not reply regarding deduction from SFC grants.

**Recommendations:**

**9. The State Government may avoid delays in constituting the State Finance Commission and ensure prompt implementation of their recommendations.**

**10. The State Government should avoid deviations while implementing the accepted recommendations of State Finance Commission.**

**11. Transfer of funds to the Urban Local Bodies, as recommended by State Finance Commission, may be done as per the commitment of the State Government and in a timely manner so that Urban Local Bodies have adequate financial resources to carry out their developmental activities.**

### 7.1.1.2 Central Finance Commission grants

Article 280(3)(C) of the Constitution mandates the Central Finance Commission (CFC) to recommend measures to augment the consolidated Fund of a State to supplement the resource of Municipalities based on the recommendations of the respective SFCs. The 13<sup>th</sup> Finance Commission (13<sup>th</sup> FC) and 14<sup>th</sup> Finance Commission (14<sup>th</sup> FC) recommended basic and performance grants for ULBs as a percentage of divisible pool account. As per Guidelines of 14<sup>th</sup> FC, Basic grant was to be provided to ULBs for supporting and strengthening the delivery of basic services, which includes water supply, sanitation including septic management, sewage and solid waste management, storm water drainage, maintenance of community assets, maintenance of roads and footpaths, street-lighting, burial and cremation grounds *etc.* Performance Grant was meant for promoting accountability and responsibility amongst the ULBs and was to be provided to those ULBs, who have maintained audited accounts, improved realisation of own revenue and published achievements against service level benchmark for basic services. Though the award period of 14<sup>th</sup> FC was 2015-20, it had recommended for release of Performance Grant for the period 2016-20 only.

Based on the recommendations of 14<sup>th</sup> FC, the details of allocation and release of CFC grants by the GoI during the period 2015-20 are given in **Table 7.8** below:

**Table 7.8: Details of allocation and release of CFC grants during the period 2015-20**

(₹ in crore)

Year	Allocation		Releases		Short release	
	Basic Grant	Performance Grant	Basic Grant	Performance Grant	Basic Grant	Performance Grant
2015-16	983.60	-	983.60	-	0.00	0.00
2016-17	1,361.97	401.97	1,351.24	398.80	10.73	3.17
2017-18	1,573.63	454.88	1,537.33	-	36.30	454.88
2018-19	1,820.41	516.58	1,817.62	-	2.79	516.58
2019-20	2,459.76	676.42	2,455.98	-	3.78	676.42
<b>Total</b>	<b>8,199.37</b>	<b>2,049.85</b>	<b>8,145.77</b>	<b>398.80</b>	53.60	1,651.05

(Source: information provided by Director, LB)

It is evident from above that there was short release of funds by GoI amounting to ₹ 53.60 crore and ₹ 1,651.05 crore on account of Basic and Performance grants respectively during the period 2015-20.

Audit observed that though the GoI had released performance grant for 124 ULBs of the State for the year 2016-17, however, Ministry of Housing and Urban Affairs (MoHUA) brought out (July 2017) a new scheme for determining the eligibility of ULBs for Performance Grant during the period 2017-20. Under the new Performance grant scheme, mandatory conditions of Performance grant were linked with the weightage points, *i.e.*, 10 points for published audited accounts on ULBs website, 40 points for increase in own revenue resources and 50 points for publishing of service level benchmarks. Further, ULBs getting a score of 60 and above were eligible for Performance grant. However, for the Performance Grant of the year 2017-18, the qualifying score was lowered up to 40 points by the MoHUA. Besides, ULBs were made responsible to self-evaluate and submit its claim of Performance grant to the State Government in the prescribed format. Moreover, the State Governments were expected to send their consolidated report and claim of the Performance grant after evaluation and due verification of performance of the ULBs, to the MoHUA by uploading the data in SMARTNET, a web portal of MoHUA.

It was observed in audit that, based on the evaluation criteria of new Performance grant scheme, 118, 48 and 76 ULBs of the State (18, 7 and 12 *per cent* of duly constituted ULBs) were declared eligible for Performance grant of the year 2017-18, 2018-19 and 2019-20 respectively by the UD Department. The claim of these eligible ULBs was uploaded by the UD Department on designated web portal after vetting the same. In respect of claims of some of the ULBs, the 14<sup>th</sup> FC Support Cell of the National Institute of Urban Affairs (an institute of MoHUA) pointed out (between November 2017 and October 2019) deficiencies such as not working of website of ULBs, audited financial statements not uploaded on the website of ULBs, data not uploaded on SMARTNET and uploaded documents not legible. As per communications available in the records of Director (Local Bodies) and reply provided by him (December 2023), the deficiencies pointed out by the 14<sup>th</sup> FC Support Cell were addressed. No Performance grant was however released by the GoI for the eligible ULBs of the State for the year 2017-18, 2018-19 and 2019-20. It was also observed that reasons for not releasing the Performance grant by the GoI, were not available on records.

Out of the 50 test-checked ULBs, 16 ULBs<sup>10</sup> (eight *per cent*) were declared eligible for Performance grant by the UD Department. Scrutiny of documents submitted in support of their claim for Performance grant and other records of 16 ULBs by Audit revealed instances of deficiencies in claim of Performance Grant as detailed below:

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<sup>10</sup> 2017-18 - NNs: Jhansi and Lucknow; NPPs: Amroha, Bachhraon, Bhadohi, Bilari, Lalitpur, and Palia Kalan; NPs: Bakshi Ka Talab and Talbehat.  
2018-19 - NN: Lucknow; NPP: Lakhimpur.  
2019-20 - NN: Mathura-Vrindavan; NPPs: Chirgaon, Gursarai and Mauranipur; NP: Umari Kalan.

- Test-checked NP, Bakshi Ka Talab appeared in list of eligible ULBs for the year 2017-18 with 70 weightage points, however, it neither published audited account of the year 2015-16 on their website nor provided water supply services to the citizens. In spite of that, a total of 40 weightage points were claimed by the ULB for publishing of audited annual accounts and Service Level Benchmarks for water supply services, which in turn helped ULB to become eligible for the Performance grant.
- Test-checked NPPs, Bilari and Lalitpur appeared in list of eligible ULBs for the year 2017-18 with 55 weightage points, however, claim of 10 weightage points each for publishing of audited accounts and providing 24X7 water supply to all Public/Community toilets by both NPPs were not based on any documentary evidence in this regard. Moreover, in NPP Bilari, claim of 20 weightage points on account of Ratio of capital expenditure to Total expenditure during the year 2016-17 was based on budget estimates instead of annual account.
- Test-checked NP, Talbehat appeared in list of eligible ULBs for the year 2017-18 with 65 weightage points, however, claim of 10 weightage points each for publishing of audited accounts and for providing 24X7 water supply to all Public/Community toilets were not based on any documentary evidence in this regard. Besides, claim of 15 weightage points with 20 *per cent* of Non-revenue water was also against the criteria of the scheme, as only 10 weightage points was admissible for Non-revenue water ranging between 20 to 30 *per cent*. Similarly, the ULB claimed 10 weightage points for scientific processing of solid waste without having facility in this regard.
- Test-checked NPPs Bhadohi and Palia Kalan appeared in the list of eligible ULBs for the year 2017-18 with 45 and 60 points respectively, however, claim of 10 weightage points by the NPP Palia Kalan was without publishing of audited accounts. Besides, claim of 10 weightage points by both NPPs for providing 24X7 water supply to all Public/Community toilets was not based on any documentary evidence in this regard. Moreover, claim of five weightage point by both NPPs for scientific disposal of solid waste was fictitious as they did not have any facility in this regard. Further, claim of 20 weightage points by both NPPs on account of Ratio of capital expenditure to Total expenditure during the year 2016-17 was also dubious as the figures of actual expenditure of NPP Palia Kalan for the year 2016-17 did not mention any expenditure on new works and NPP Bhadohi did not submit figures of actual expenditure for the year 2016-17 with the claim.
- Test-checked NPPs, Chirgown, Gursarai and Mauranipur appeared in the list of eligible ULBs for the Performance grant of the year 2019-20 with weightage points 60, 60 and 65 respectively, however, weightage points five, five and 10 were claimed by these ULBs respectively on account of scientific disposal of solid waste without having any facility in this regard.

The above instances of discrepancies indicated that the process for claim of Performance grant by the ULBs and verification of claim by the UD Department was not transparent, and there was claim of required weightage points by ineligible ULBs.

Audit further observed that the GoI released entire allocated grants amounting to ₹ 4,695.00 crore of the year 2020-21 for the ULBs (including urban agglomerations/cities) of the State in compliance with the recommendations of the 15<sup>th</sup> CFC, out of which grants amounting to ₹ 3,061.50 crore was linked with the performance-based indicators. However, against the allocation of total grants of ₹ 3,550.00 crore for the year 2021-22, out of which ₹ 2,562.00 crore was related with performance-based indicators, only ₹ 3,392.25 crore was released by GoI. The short release of CFC grants amounting to ₹ 157.75 crore for the year 2021-22, was related with performance-based indicator of improvement in ambient air quality of Million Plus Cities of the State.

The UD Department did not offer (November 2022) any comments in this regard. The audit observation was further issued (December 2023) to the UD Department, however, their reply was not received.

### ***Delay in transfer of CFC grants***

As per guidelines of 14<sup>th</sup> FC, States were required to transfer CFC grants to ULBs within fifteen days of receipt from the GoI. However, audit observed that the State Government did not transfer CFC grants to ULBs within prescribed period as per details given in **Table 7.9** below:

**Table 7.9: Showing delay in release of CFC grants during 2015-20**

Year	Type of grant/ no. of instalment	Date of receipt from GoI	Date of transfer by the State Govt.	Delay in days (over 15 days)
2015-16	Basic Grant-I	18/08/2015	04/09/2015	03
	Basic Grant-II	28/04/2016	09/05/2016	No delay
2016-17	Basic Grant-I	15/12/2016	23/12/2016	No delay
	Basic Grant-II	31/03/2017	13/04/2017	No delay
	Basic Grant-III	18/05/2017	07/06/2017	06
	Performance Grant	15/03/2017	28/03/2017	No delay
2017-18	Basic Grant-I	06/10/2017	18/10/2017	No delay
	Basic Grant-II	23/02/2018	08/03/2018	No delay
	Basic Grant-III	23/02/2018	13/03/2018	04
2018-19	Basic Grant-I	28/09/2018	09/10/2018	No delay
	Basic Grant-II	21/01/2019	31/01/2019	No delay
2019-20	Basic Grant-I	04/07/2019	19/07/2019	No delay
	Basic Grant-II	31/12/2019	08/01/2020	No delay

(Source: Information provided by Director, LB)

It can be seen from the above that on three occasions during the period 2015-20, transfer of grants was delayed. Further, due to delay in transfer of grants, an amount of ₹ 99.48 lakh was paid as interest to ULBs, resulting in loss to State exchequer. Besides, the State Government transferred grants to ULBs during the period 2020-22 in stipulated time.

The UD Department accepted (November 2022) the audit observations and stated that funds are now being transferred to ULBs in stipulated time period.

**Unauthorised transfer of grants**

As per guidelines of 14<sup>th</sup> FC, States were required to transfer grants to those ULBs, out of released CFC grants, where an elected body was in place. However, Audit observed that during 2015-18, an amount of ₹ 8.09 crore was transferred to NPP Bharwari and 18 other NPs, where Council was not constituted (*Appendix-XVIII*), resulting in unauthorised transfer of grants to ULBs. The UD Department did not offer (November 2022) any comments in this regard.

**Recommendation 12:**

**The State Government should monitor the release of grants to Urban Local Bodies so that allocated grants are released fully and in time.**

**7.1.1.3 Assigned Revenue****Additional Stamp Duty**

As per Section 128 of UPM Act and Section 191 of UPMC Act, Municipal Corporations and Municipalities are authorised to impose two *per cent* additional Stamp duty on any deed of transfer of immovable property situated within the limits of their area. Similarly, Section 39 of the Uttar Pradesh Urban Planning and Development Act; 1973 and Section 62 of UP *Awas Evam Vikas Parishad Adhinyam*; 1965, also mandates Development Authorities and *Awas Evam Vikas Parishad* for imposition of additional Stamp duty. Since the Stamp and Registration Department of the State Government deals with the registration of documents of immovable properties, therefore, these entities have no role in realisation of imposed duty.

Accordingly, the State Government decided (September 2013) to distribute amount of realised duty among the Development Authorities, *Awas Evam Vikas Parishad* and ULBs through budget route in a certain percentage<sup>11</sup> after deducting incidental and collection expenses. Further, 25 *per cent* of net proceeds of duty were also to be credited to the Dedicated Urban Transport Fund.

However, Audit observed that the State Government did not release due share of additional stamp duty to ULBs and there was a shortfall of 72 *per cent* in release of duty, against the earmarked funds for ULBs during the period 2015-22, as indicated in **Table 7.10** below:

**Table 7.10: Showing short release of additional stamp duty to ULBs****(₹ in crore)**

Year	Amount realised on account of additional stamp duty	Amount earmarked for ULBs	Amount released to ULBs	Shortfalls in release of additional stamp duty
2015-16	1,110.61	777.00	434.00	343.00
2016-17	1,056.35	739.00	501.00	238.00
2017-18	1,233.65	864.00	501.00	363.00

<sup>11</sup> If Development Authority and *Awas Evam Vikas Parishad* both exist or any of these exist in the area of Municipality, then 37.5 *per cent* of proceeds of Additional Stamp duty were to be transferred to ULBs. In case of non-existence of bodies other than ULBs, 75 percent of proceeds of Additional Stamp duty were to be transferred to ULBs.

2018-19	1,103.75	773.00	175.00	598.00
2019-20	1,473.48	1,031.44	0.00 <sup>12</sup>	1,031.44
2020-21	1,527.73	765.18	0.00 <sup>13</sup>	765.18
2021-22	1,911.90	950.75	50.00 <sup>14</sup>	900.75
<b>Total</b>	<b>9,417.47</b>	<b>5,900.37</b>	<b>1,661.00</b>	<b>4,239.37</b>

(Source: Information provided by Director, LB)

Audit further observed that:

➤ As per the orders (May 2015) of the State Government, ULBs were required to collect details of their due share in the realised additional stamp duty from the Stamp and Registration Department and to submit the same to the Director Local Bodies for release of required amount. However, Audit observed that test-checked ULBs (except NPP Thakurdwara of Moradabad) did not collect required information from the Stamp and Registration Department about their due share on account of additional stamp duty. Therefore, Audit could not ascertain that the amount received by the ULBs during 2015-19 was justified.

➤ Out of test-checked ULBs, NPs; Bairiya (Ballia), Bakshi Ka Talab (Lucknow), Eka (Firozabad), Gokul (Mathura), Itaunja (Lucknow), Maniyar (Ballia) and Pakbara (Moradabad) did not impose additional stamp duty, resulting in loss of revenue to them.

The UD Department did not offer (November 2022) any comments in this regard.

### **Recommendation 13:**

**The State Government should release due share of Urban Local Bodies on account of additional stamp duty according to the provisions of relevant Acts in this regard.**

### ***UP Dedicated Urban Transport Fund***

The State Government established (January 2014) the Uttar Pradesh Dedicated Urban Transport Fund (UPDUTF) for financing the activities related to urban transportation. As per provisions, receipts of UPDUTF were to be utilised for filling the resource gap of urban transportation projects approved under Central/State Government schemes, for providing financial aid to Special Purpose Vehicles (SPVs) and institutions involved in urban transportation projects *etc.* Under the chairmanship of Chief Secretary, UP Government, a Committee was constituted for management of UPDUTF. Further, 25 per cent of net proceeds of additional Stamp duty, imposed @ two per cent on any deed of transfer of immovable property situated within the limits of Municipalities/City, were to be transferred to UPDUTF through budget route by the State Government after realising the same.

<sup>12</sup> A sum of ₹ 175.00 crore was transferred to UP Power Corporation Ltd. by the Directorate from the earmarked funds for ULBs.

<sup>13</sup> A sum of ₹ 375.00 crore was transferred to UP Power Corporation Ltd. by the Directorate from the earmarked funds for ULBs.

<sup>14</sup> A sum of ₹ 500.00 crore was transferred to UP Power Corporation Ltd. by the Directorate from the earmarked funds for ULBs.

However, Audit observed that one of the objective behind the establishment of UPDUTF was to provide financial aid to SPVs incurring losses on account of operation of 1140 city buses, purchased under *Jawaharlal Nehru* National Urban Renewal Mission (JNNURM) during 2009-10. For operation and maintenance (O&M) of these city buses, prior to establishment of DUTF, the State Government decided (April 2009) to establish six SPVs for providing public conveniences through this fleet of buses in seven<sup>15</sup> major cities of the State. Accordingly, SPVs were incorporated during 2009-10 and an Urban Transport Directorate was also established (April 2009) for exercising administrative Control over these SPVs.

The position of releases and utilisation of funds under UPDUTF for financing the urban transport facility during 2014-22 are detailed in **Table 7.11** below:

**Table 7.11: Showing details of UPDUTF during the period 2014-22**

(₹ in crore)		
Year	Amount transferred by the State Govt. under UPDUTF	Expenditure
2014-15	225.00	00.00
2015-16	479.55	00.00
2016-17	00.00	52.75
2017-18	00.00	49.90
2018-19	00.00	338.90
2019-20	150.00	152.62
2020-21	150.00	65.03
2021-22	150.00	182.11
<b>Total</b>	<b>1,154.55</b>	<b>841.31</b>

(Source: Information provided by Urban Transport Directorate)

Audit observed that 25 per cent of net proceeds of additional stamp duty of all ULBs were transferred to UPDUTF which was established to provide financial aid to SPVs of big cities only.

### ***Abolition of UP Vyapar Vikas Nidhi***

The State Government levied Entry tax in the year 2007 on the movement of goods for sale or consumption into local area of the State from any other State. The proceedings of Entry tax was to be appropriated to a Fund, namely *Uttar Pradesh Vyapar Vikas Nidhi* (UPVVN) for the development or facilitating the trade, commerce and industry in the State. For this purpose, grants from UPVVN were to be provided to ULBs for infrastructural development.

Accordingly, the State Government introduced many programmes such as *Nagariy Peyjal Yojna*, *Nagariy Sewerage Yojna*, *Nagariy Jal Nikasi Yojna*, *Nagariy Sarak Sudhar Yojna*, *Aadarsh Nagar Yojna* etc. to provide grants to ULBs from the proceeding of UPVVN. The details of grants provided to ULBs from the UPVVN during the period 2015-17 are given in **Table 7.12** below:

<sup>15</sup> Agra, Kanpur, Mathura, Meerut, Lucknow, Prayagraj and Varanasi.

**Table 7.12: Showing details of grants provided to ULBs during 2015-17 from UPVVN**

(₹ in crore)			
Year	Budget Provision	Releases	Expenditure
2015-16	662.97	662.85	641.54
2016-17	625.00	592.67	585.69
<b>Total</b>	<b>1,287.97</b>	<b>1,255.52</b>	<b>1,227.23</b>

(Source: UD Department)

However, Audit observed that the Entry tax was subsumed under Goods and Service Tax (GST) starting from 01 July 2017. As a result, grants from UPVVN to ULBs for infrastructural development were discontinued from the year 2017-18, and the State Government did not provide any compensation to ULBs on the account of losses incurred to them due to subsumption of Entry tax. Thus, ULBs were deprived from a major source of revenue due to implementation of GST.

In reply, the UD Department stated (November 2022) that under the recommendations of SFC, certain percentage of net receipt of own revenue (including GST) of state is transferred to ULBs and GST also involves proceeds of Entry Tax. Reply is not acceptable as only 7.50 per cent of net proceeds of tax revenue was returned back to ULBs under the system of SFC, though prior to the implementation of GST all corpus of Entry tax was earmarked for ULBs. Considering loss of ULBs due to implementation of GST, the Maharashtra Government had enacted Goods and Services Tax (Compensation to the Local Authorities) Act, 2017 to compensate ULBs on account of subsumed taxes under GST. GoUP has not enacted any such Act to compensate ULBs on account of subsumed taxes under GST.

## **7.2 Own revenue of urban local bodies**

ULBs do not have a large independent tax domain. The property tax on land and buildings is the mainstays of ULBs own tax revenue and imposition of Property tax was mandatory for each tier of ULBs. As per UPMC Act and UPM Act, ULBs can collect tax revenue from tax on helicopters and planes (when they land or take off within the area of Corporations), tax on trades and calling, tax on vacant land, betterment tax, advertisement tax, theatre tax, *etc.* Similarly, ULBs can collect non-tax revenue from water charges, rent from commercial establishments, user charges, trade licences on 39 items, parking fee *etc.*

As per Section 199 of UPMC Act and Section 131 of UPM Act, powers to impose any of the taxes provided in these Acts, are vested with ULBs. Municipal Corporation/ Municipality can impose any tax on passing of a resolution by the council, after that a proposal along with draft Rules *etc.* are framed after obtaining approval of the State Government for this purpose. Powers pertaining to framing Rules with regard to rates of taxes and revision thereof, procedure of collection, method of assessment, exemptions, concessions *etc.*, were vested with the State Government. Similarly, though the provisions of UPMC Act and UPM Act, empowers ULBs to collect non-tax revenue, however, authority for framing Rules with regard to rates of fee

and charges rests with the State Government. The ULBs, thus, lacked complete autonomy in generating own revenue.

The share of own tax and non-tax revenue to total expenditure of ULBs for the period 2015-20<sup>16</sup> is given in **Table 7.13** below:

**Table 7.13: Showing details of own revenue and expenditure of ULBs**

(₹ in crore)

Year	Own tax revenue	Own non tax revenue	Total own revenue	Expenditure	Percentage of tax/non tax revenue to total own revenue		Percentage of own revenue to total expenditure	
					Tax	Non-tax	Tax	Non-tax
2015-16	857.04	612.55	1,469.59	9511.00	58.32	41.68	9.01	6.44
2016-17	921.39	751.07	1,672.46	9593.30	55.09	44.91	9.6	7.83
2017-18	975.07	1,047.11	2,022.18	10388.19	48.22	51.78	9.38	10.08
2018-19	1,313.80	871.93	2,185.73	11448.46	60.11	39.89	11.48	7.62
2019-20	1,150.58	730.30	1,880.88	11038.89	61.17	38.83	10.42	6.62
<b>Total</b>	<b>5,217.88</b>	<b>4,012.96</b>	<b>9,230.84</b>	<b>51,979.84</b>	<b>56.53</b>	<b>43.47</b>	<b>10.04</b>	<b>7.72</b>

(Source: Karya Vivran of UD Department)

It is evident from above that own tax and non-tax revenue contributed 57 per cent and 43 per cent in own revenue of ULBs during 2015-20 and covered only 18 per cent of total expenditure, which again indicated that ULBs were largely dependent on Government grants to invest adequately in capital expenditure.

An illustrative list of composition of own revenue and imposition thereof in city based test-checked ULBs is given in **Table 7.14** below:

**Table 7.14: Showing composition of own revenue and status of imposition thereof in City based test-checked ULBs**

Name of ULB	Property /House Tax	Water Tax	Sewerage Tax	Sanitation/conservancy tax	Vacant Land Tax	Transfer of Properties	Tax on vehicles (other than mechanically propelled)	Advertisement Tax	Tax on Dogs	Betterment tax	Theatre Tax	Tax on Trades/Professions	Parking Fee	Rent from Buildings	Water charges	License Fees	Building Permission	Additional Stamp Duty	Service charges from central government properties	Service charge from railway
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
NN Lucknow	Y	Y	Y	N	Y	Y	N	Y	N	N	N	N	Y	Y	Y	Y	N	Y	Y	Y
NN Jhansi	Y	Y	N	N	Y	N	N	Y	N	N	N	N	Y	Y	Y	Y	N	Y	Y	N
NN Moradabad	Y	Y	Y	N	Y	Y	N	Y	N	N	Y	N	Y	Y	Y	Y	N	Y	Y	N
NN Mathura-Vrindavan	Y	Y	Y	N	Y	Y	N	Y	N	N	N	N	Y	Y	Y	Y	N	Y	Y	N
NPP Rampur	Y	Y	N	N	Y	Y	N	Y	N	N	N	Y	N	Y	Y	Y	N	Y	N	N
NPP Ballia	Y	Y	N	N	Y	Y	N	Y	N	N	N	N	N	Y	Y	Y	N	Y	Y	N
NPP Tundla (Firozabad)	Y	N	N	N	N	Y	N	Y	N	N	Y	N	Y	Y	Y	Y	N	Y	N	N

<sup>16</sup> UD Department is in the process of compiling data for the year 2020-21 and for the year 2021-22, it is yet to be started.

NPP Lalitpur	Y	N	N	N	Y	Y	Y	Y	N	N	Y	N	Y	Y	N <sup>17</sup>	Y	N	Y	N	N
NPP Belha Pratapgarh (Pratapgarh)	Y	Y	N	N	N	Y	N	Y	N	N	N	N	Y	Y	Y	Y	N	Y	N	N
NPP Amroha	Y	Y	N	N	Y	Y	N	Y	N	N	Y	N	N	Y	Y	Y	N	Y	Y	N
NPP Lakhimpur (Lakhimpur Kheri)	Y	Y	N	N	Y	Y	N	Y	N	N	N	N	N	Y	Y	Y	N	Y	N	N
NPP Bhadohi	Y	Y	N	N	Y	Y	N	Y	N	N	N	N	N	N	Y	Y	N	Y	Y	N
NPP Mirzapur	Y	Y	N	N	Y	Y	N	N	N	N	N	N	N	Y	Y	Y	N	Y	N	N

(Source: Information provided by test-checked ULBs)

It can be seen from above that possible source of own revenue such as Conservancy tax, tax on vehicles (other than mechanically propelled), tax on dogs, tax on trades and calling, betterment tax, Service charge from railways, theatre tax *etc.* was not optimized by the ULBs.

Further, Audit also observed that out of test-checked ULBs, in two NNs, 13 NPPs and 17 NPs, a total 92 resolutions (as detailed in *Appendix-XIX*), related with matters of tax and non-tax revenue, were passed by the Councils during 2015-20, however, execution of these resolutions was not ensured by the ULBs.

Further, despite having low own tax revenue base, tax on helicopters and planes was also not imposed by any of the eligible NNs in the State. It was also observed that authority to impose betterment tax (a tax on increased value of land due to development works of ULBs), was assigned<sup>18</sup> to Development Authorities and *Awas evam Vikas Parishad*, which restrained ULBs to augment their revenue base.

The UD Department replied (November 2022) that the instructions have been issued from time to time for increasing the own revenue of ULBs.

The constraints/deficiencies in realisation of own revenue is discussed below:

### 7.2.1 Property tax

The ULBs are empowered to levy property tax every year on all buildings or vacant lands or both situated within their jurisdiction under Sections 172 & 173 of UPMC Act and Sections 128, 129 & 129A of UPM Act. It comprises of house tax<sup>19</sup>, water tax<sup>20</sup>, drainage/sewerage tax<sup>21</sup> and conservancy tax<sup>22</sup>, and to be collected on Annual Rental Value (ARV)<sup>23</sup> of the buildings or land or both. As per the provisions of UPMC Act, property tax is not to be less than 22 *per cent* and more than 32 *per cent* of ARV of buildings or land or both. The State Government framed (April 2000) Uttar Pradesh Municipal Corporation (Property tax) Rules with regard to rate and procedures for assessment of

<sup>17</sup> In NPP, Lalitpur water charges were collected by Jal Sansthan as they provided water services.

<sup>18</sup> Vide UP Urban Planning and Development Act 1973 and *UP Awas evam Vikas Parishad Adhiniyam* 1965.

<sup>19</sup> As per provisions of UPMC Act, it is a general tax and required to be not less than 10 *per cent* and more than 15 *per cent* of the ARV of the building or land or both in NNs.

<sup>20</sup> As per provisions of UPMC Act, a tax for water supply services, required to be not less than 7.50 *per cent* and more than 12.5 *per cent* of the ARV of the building or land or both in NNs.

<sup>21</sup> As per provisions of UPMC Act, a tax for providing sewerage facility, required to be not less than 2.50 *per cent* and more than 5 *per cent* of the ARV of the building or land or both in NNs.

<sup>22</sup> As per provisions of UPMC Act, a tax for collection, removal and disposal of excrementious and polluted matter from privies, urinals and cesspools, required to be not more than 2 *per cent* of the ARV of the building or land or both in NNs.

<sup>23</sup> To be calculated by multiplying covered or carpet area of land or building or both with the minimum monthly rate of rent per square foot.

properties and collection of property tax for NNs. However, in case of Municipalities, provisions of UPM Act are silent about the rate of property tax and it is to be decided by Municipalities through bye-laws.

The details of revenue receipt from property tax *vis-a-vis* own revenue of ULBs in the State during the period 2015-20<sup>24</sup> is given in **Table 7.15** below:

**Table 7.15: Details of property tax *vis-a-vis* own revenue during 2015-20**

(₹ in crore)

Year	Own Revenue	House tax collected <sup>25</sup>	Water tax (including sewer tax)	Total Property tax	Percentage of property tax to own revenue
2015-16	1469.59	529.72	230.01	759.73	51.70
2016-17	1672.46	567.19	243.56	810.75	48.48
2017-18	2022.18	640.93	215.80	856.73	42.37
2018-19	2185.73	771.40	333.97	1105.37	50.57
2019-20	1880.88	760.89	234.62	995.51	52.93
<b>Total</b>	<b>9230.84</b>	<b>3270.13</b>	<b>1257.96</b>	<b>4528.09</b>	<b>49.05</b>

(Source: *Karya Vivran* of UD Department)

It is evident from above that share of property tax ranged between 42 and 53 *per cent* in total own revenue of ULBs and was major source of revenue of ULBs. Despite the fact, 44 ULBs<sup>26</sup> did not impose house tax (as of December 2022) and none of the ULBs imposed conservancy tax in the State as of March 2020 although having statutory provisions in UPMC Act and UPM Act.

The UD Department replied (November 2022) that the instructions have been issued from time to time for increasing the own revenue of ULBs.

### 7.2.1.1 Efficiency in collection of property tax

Audit observed that, out of test-checked ULBs, NPP Swar (Rampur) and two NPs<sup>27</sup> did not impose house tax as of March 2020. Besides, realisation of house tax was also short against the demands in test-checked ULBs. Against the demands of ₹ 3,370.50 crore during the period 2015-20, only ₹ 1,051.79 crore was realised and accumulated arrears was ₹ 2,318.72 crore (69 *per cent*) at the end of March 2020 in 43, out of 47 test-checked ULBs, where house tax was imposed as detailed in *Appendix-XX*. In remaining four test-checked ULBs<sup>28</sup> required records were not maintained in this regard.

Audit also observed that:

➤ Out of test-checked four NNs, 21 NPPs and 25 NPs, water supply facility was available in all NNs & NPPs and in 22 NPs<sup>29</sup>. However, out of

<sup>24</sup> UD Department is in the process of compiling data for the year 2020-21 and for the year 2021-22, it is yet to be started.

<sup>25</sup> Figures of House Tax demanded during the period 2015-20 by all the ULBs of the State was not made available to Audit.

<sup>26</sup> NPPs: Bisauli and Ramnagar and NPs: Agwanpur, Amethi, Badlapur, Bahua, Bairiya, Bankati, Bariyarpur, Basgown, Belhara, Chitbadagown, Chiraiyakot, Dhakia, Dhauratanda, Eka, Gauriganj, Gosaiganj of Lucknow, Gosaiganj of Ayodhya, Harra, Islamnagar, Kishanpur, Kasba Sangrampur unwal, Khiwai, Khodamakanpur, Koraon, Lalganj, Madhuban, Mahul, Mauaima, Nandgown, Nasirabad, Pakbara, Paraspur, Radhakund, Raniganj, Raya, Rudayan, Shahjahapur, Sasni, Sirsa, Shahabad, Sonauli, and Vazirganj.

<sup>27</sup> Pakbara (Moradabad) and Shahabad (Rampur).

<sup>28</sup> NPPs: Ballia & Bilaspur (Rampur) and NPs: Fariha (Firozabad) & Maniyar (Ballia).

<sup>29</sup> Except NPs: Bairiya (Ballia), Bakshi ka Talab (Lucknow) and Pakbara (Moradabad).

these ULBs, seven NPPs<sup>30</sup> and 16 NPs<sup>31</sup> did not impose water tax, though compulsory under provisions of UPM Act.

➤ Out of test-checked four NNs and 21 NPPs, sewerage facility was partially available with four ULBs (NNs: Lucknow, Mathura-Vrindavan and Moradabad and NPP Rampur), leaving other test-checked ULBs (including NN Jhansi) without this facility. However, out of ULBs having sewerage facility, sewer tax was not imposed in NPP Rampur. Besides, ULBs were empowered vide State Government order of January 1997 for levy and realisation of property tax on residents of colonies developed by the *Awam Evam Vikas Parishad*, Development Authorities etc. after handover to them or after seven years of their development. Contrary to it, sewer tax was not imposed in NPP Rampur, despite having *Awam Evam Vikas Parishad* colony with sewerage facility, which was handed over to them in the year 1987.

➤ Online billing and payment system was not introduced in any of the test-checked NPPs & NPs and in NN Mathura-Vrindavan, which in turn impacted the efficiency of collection of property tax.

➤ The State Government directed (July 2019) for reassessment of property tax on the basis of mapping of properties through Geographic Information System (GIS), however, none of test-checked ULBs, except NPP Bilari (Moradabad), initiated process of GIS mapping of properties on their own. As a result, reassessment of all properties situated under jurisdiction of test-checked ULBs, except test-checked NNs (as discussed in **paragraph no. 7.6.**), could not be ensured.

➤ In test-checked NPPs and NPs, bills and demand of notice were also not served<sup>32</sup> to households for realisation of property tax, resulting in short realisation of property tax.

➤ Deficiency of staff of various cadres of Revenue services also affected the ability of ULBs in realisation of property tax as detailed in **paragraph no. 6.2.2.**

Thus, ULBs lacked efficiency in imposition and realisation of property tax.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs in this regard.

### **7.2.1.2 Formulation of Rules and Bye-laws/Regulations**

As per Section 153 of UPM Act, the State Government has been empowered to make Rules for regulation and governance of procedure of assessment & collection of taxes.

<sup>30</sup> Bachhraon (Amroha), Bilari (Moradabad), Palia Kalan (Lakhimpur Kheri), Rasara (Ballia), Swar (Rampur), Thakurdwara (Moradabad) and Tundla (Firozabad).

<sup>31</sup> Chhata (Mathura), Gokul (Mathura), Gyanpur (Bhadohi), Itaunja (Lucknow), Joya (Amroha), Kachhwa (Mirzapur), Katra Medniganj (Pratapgarh), Khamariya (Bhadohi), Kheri (Lakhimpur Kheri), Kunda (Pratapgarh), Maniyar (Ballia), Naugawan Sadat (Amroha), Pali (Lalitpur), Shahabad (Rampur), Talbehat (Lalitpur) and Umri Kalan (Moradabad).

<sup>32</sup> Recoveries were made by tax collectors through circulation of Demand and Collection registers.

Audit observed that the State Government framed (November 2019) draft Rules, namely the Uttar Pradesh Municipality (Tax on annual value of buildings or land or both) Rules, 2019, for regulating the matters related with house tax in NPPs and NPs. However, notification of final Rules was still awaited (November 2022). As a result, process of assessment of properties and collection of house tax was not regulated in Municipalities.

It was also observed that as the provisions of UPM Act did not suggest any limit/range for the applicable rate of house tax, there was no uniform rate of house tax in NPPs and NPs and it ranged between five and 25 per cent of ARV of buildings in the test-checked Municipalities, while in test-checked NNs it was only 10 to 11 per cent of ARV as regulated by the provisions of UPMC Act and Rules.

Audit further observed that in test-checked six NPPs<sup>33</sup> and 10 NPs<sup>34</sup>, out of 20 NPPs and 23 NPs where house tax was imposed, no bye-laws were framed under the provisions of UPM Act for imposition of tax. Similarly, in two NNs<sup>35</sup>, three NPPs<sup>36</sup> and in NP Fariha (Firozabad), out of four NNs, 14 NPPs and six NPs where water tax was imposed, no bye-laws were framed for the same.

Thus, imposition of house and water tax without framing the bye-laws and deciding the rate of tax through it, was against the spirit of UPM Act.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs in this regard.

### 7.2.1.3 Implementation of self-assessment system

The State Government issued (April 2000 and March 2011) instructions and made amendments in UPMC Act and UPM Act for levy and collection of property tax on the basis of self-assessment of properties by the tax payers during the year 2000 and 2011 respectively, under which the owner or occupier of property was empowered to determine the property tax on their own in accordance with the provisions of UPMC Act / UPM Act and required to deposit the tax so assessed by him in the notified bank together with a statement of self-assessment.

Audit observed that, out of four test-checked NNs, NN Lucknow and Moradabad implemented self-assessment system in the year 2002-03, while NN Jhansi and Mathura with delays in the year 2015-16 and 2018-19 respectively. Further, 14 NPPs<sup>37</sup> and 21 NPs<sup>38</sup> (out of test-checked 20 NPPs

<sup>33</sup> Chirgaon (Jhansi), Gursarai (Jhansi), Rasara (Ballia), Sirsaganj (Firozabad), Thakurdwara (Moradabad) and Tundla (Firozabad).

<sup>34</sup> Fariha (Firozabad), Itaunja (Lucknow), Kathera (Jhansi), Katra Medniganj (Pratapgarh), Kunda (Pratapgarh), Maniyar (Ballia), Pali (Lalitpur), Ranipur (Jhansi), Talbehat (Lalitpur) and Umri Kalan (Moradabad).

<sup>35</sup> Mathura-Vrindavan and Moradabad.

<sup>36</sup> Ballia, Bilaspur (Rampur) and Sirsaganj (Firozabad).

<sup>37</sup> Bachhraon (Amroha), Ballia, Bhadohi, Bilaspur (Rampur), Chirgaon (Jhansi), Gursarai (Jhansi), Kosikalan (Mathura), Mirzapur, Pali Kalan (Mathura), Rampur, Rasara (Ballia), Sirsaganj (Firozabad) Thakurdwara (Moradabad) and Tundla (Firozabad).

<sup>38</sup> Bairiya (Ballia), Bakshi ka Talab (Lucknow), Chhata (Mathura), Gokul (Mathura), Gyanpur (Bhadohi), Itaunja (Lucknow), Joya (Amroha), Kachhwa (Mirzapur), Kathera (Jhansi), Khamariya (Bhadohi), Kheri (Lakhimpur Kheri), Katra Medniganj (Pratapgarh), Kunda (Pratapgarh), Maniyar (Ballia), Maswasi (Rampur), Naugawan Sadat (Amroha), Oel Dhakwa (Lakhimpur Kheri), Pali (Lalitpur), Ranipur (Jhansi), Talbehat (Lalitpur) and Umri Kalan (Moradabad).

and 23 NPs where house tax was imposed) did not implement self-assessment system as of March 2021. In remaining NPPs and NPs (except NPP Belha Pratapgarh), implementation of self-assessment tax system was also delayed by two to nine years.

Thus, not implementing of self-assessment system also impacted the efficiency of NPPs and NPs in collection of house tax.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs in this regard.

#### **7.2.1.4 Preparation of Assessment List**

Sections 207 to 211 of UPMC Act and Sections 141 to 145 of UPM Act provides for fixation of monthly rent rate, preparation of property tax assessment list<sup>39</sup> and its revision at regular interval by ULBs. Further, as per provisions of the Uttar Pradesh Municipal Corporation (Property tax) Rules, 2013, once in every four years, an assessment list is to be prepared in respect of all the buildings or land or both situated within the area of NNs after calculating the tax. For NPPs and NPs, assessment list is to be prepared/ revised once in every five years.

Audit observed that:

- In NN Jhansi assessment list was prepared in the year 2018-19 after a gap of 16 years after assessment of all properties in their area, while in NN Mathura-Vrindavan assessment list was prepared last time in the year 2008. In remaining test-checked NNs, assessment list was not prepared on periodical basis and their year of last assessment of all properties & preparation of assessment list was not on records.
- Similarly, in none of the test-checked NPPs and NPs assessment list was prepared/ revised in every five years, after assessment of all properties situated within their area.
- During the period 2015-20, assessment of all properties within the area of municipality was done in only five NPPs<sup>40</sup> & seven NPs<sup>41</sup>, out of test-checked 20 NPPs and 23 NPs where house tax was imposed. However, only three NPPs<sup>42</sup> and three NPs<sup>43</sup>, out of these five NPPs and seven NPs, had prepared assessment list on the basis of assessments. Besides, in NPP Thakurdwara, though assessment list was prepared, but no survey was conducted for preparation of the same.

Thus, due to not preparing of assessment list on periodical basis as envisaged under UPMC Act and UPM Act, assessment of all properties in the area of Municipal Corporation and Municipality followed by a survey could not be ensured. It indicated that all properties situated within the area of test-checked

<sup>39</sup> The assessment list was to contain description of property, name of owner/tenant, carpet and covered area, minimum monthly rate of rent per square foot, year of construction of building *etc.*

<sup>40</sup> Chirgoan (Jhansi):2018-19, Lalitpur: 2017-18, Mauranipur (Jhansi):2016-17, Thakurdwara (Moradabad):2017-18 and Tundla (Firozabad):2015-16.

<sup>41</sup> Bakshi ka Talab (Lucknow):2016-17, Eka (Firozabad):2019-20, Katra Medniganj (Pratapgarh):2016-17, Pali (Lalitpur):2017-18, Ranipur (Jhansi):2016-17, Talbehat (Lalitpur):2018-19 and Umri Kalan (Moradabad):2017-18.

<sup>42</sup> Lalitpur, Thakurdwara (Moradabad) and Tundla (Firozabad).

<sup>43</sup> Eka (Firozabad), Katra Medniganj (Pratapgarh) and Talbehat (Lalitpur).

ULBs were not covered under tax net.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs for assessment of properties as per Rules.

#### 7.2.1.5 Fixation of minimum monthly rate of rent

As per Section 174 of UPMC Act & Section 140 of UPM Act and the provisions of the Uttar Pradesh Municipal Corporation (Property tax) Rules 2013, MC/EO has to work out, once in every two years, the minimum monthly rate of rent<sup>44</sup> for the purpose of calculation of tax. The minimum monthly rate of rent is to be calculated on the basis of circle rate fixed by the District Magistrate for the purposes of the Indian Stamp Act, 1899 and the current minimum rate of rent in the area of such building or land. Audit observed that:

- In none of the test-checked NNs, MC worked out minimum monthly rate of rent in every two years period as last revision in area wise rates was done in NN Jhansi, Lucknow, Mathura-Vrindavan and Moradabad during 2014-15, 2010-11, 2017-18 and 2016-17 respectively. Besides, rates of rent of these NNs except NN Mathura-Vrindavan, were also not based on circle rate. Rate of rent in remaining NNs were decided on feedback of zonal officers.
- Similarly, in none of the test-checked NPPs and NPs, EO worked out minimum monthly rate of rent in every two years period. During 2015-20, it was only worked out in NPP Bilari (Moradabad) in the year 2017-18 and again not revised after that.

Thus, not calculating of minimum monthly rate of rent as envisaged in UPMC Act and UPM Act, resulted in imposition of property tax on arbitrary basis. This situation was also against the State Government order (May 2017) vide which instructions were issued for revision in rates of property tax in every two years period for regular increase in revenue resources of ULBs.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs for fixation of monthly rate of rent according to the Rules.

#### 7.2.1.6 Numbering of properties

As per Section 114(ii) of UPMC Act and Section 217 of UPM Act, ULBs are liable for numbering of properties situated in their jurisdiction, which may further assist them in imposition of property tax.

Audit observed that out of test-checked ULBs, numbering of properties was done in only NN Lucknow and NPP Bilari (Moradabad).

Thus, due to not numbering of properties, many of them could have been remained outside of property tax net in other test-checked ULBs.

The UD Department replied (November 2022) that the efforts are being made for numbering of properties on the basis of a unique code.

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<sup>44</sup> Rate per unit area.

**Recommendations:**

- 14. Monitoring of the realisation of revenue due to the Urban Local Bodies should be strengthened so that accumulation of arrear is avoided and receivable amounts are realised fully and in time.**
- 15. The Property Tax survey should be conducted at regular intervals in order to ascertain the number of taxable property and assessment of properties should be ensured at prescribed intervals with the revised monthly rate of rent from time to time.**
- 16. The State Government should ensure adoption of best practices in property tax collection and use of information and communication technology for better results.**

**7.2.1.7 Levy of Service charge**

As per instructions (December 2009) of Ministry of Housing and Urban Affairs (MoHUA)-GoI, all Central Government departments including the Indian Railways are required to pay service charge<sup>45</sup> in place of property tax for the properties of GoI, according to the services rendered by ULBs. The State Government also issued (February 2010) instructions for levy of service charge in respect of properties of GoI.

Audit observed that, out of test-checked ULBs, service charge on properties of GoI was imposed in all NNs and only in six NPPs<sup>46</sup>, though recovery of ₹ 15.02 crore was in arrears against the levied service charge in these ULBs at the end of March 2020. However, out of these ULBs, only NN Lucknow imposed service charge on properties of Indian Railways.

Thus, not imposing of service charge on properties of GoI further contracted revenue receipts of ULBs.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs in this regard.

**7.2.2 Advertisement tax**

Sections 172 and 192 of UPMC Act and Section 128 of UPM Act, empowers ULBs for levy of tax on advertisement through hoardings/sign boards/glow signs *etc.* erected/displayed over any land or building or wall situated within their jurisdiction. Advertisement tax is to be levied at such rates and in such manner and subject to such exemptions as may be provided by UPMC Act / UPM Act or Rules made thereunder. However, due to enactment of 101<sup>st</sup> Constitutional Amendment Act, 2016<sup>47</sup> for implementation of GST, the power of levy of advertisement tax was taken away from ULBs as Advertisement tax was subsumed by GST.

However, Audit observed that despite the withdrawal of power of ULBs, the State Government did not incorporate necessary provisions in UPMC Act and UPM Act in this regard. As a result, ULBs of the State illegally realised

<sup>45</sup> It was to be imposed @ 75 per cent, @ 50 per cent and @ 33.33 per cent of property tax in case of full, partial and Nil services rendered by ULBs respectively.

<sup>46</sup> Amroha, Ballia, Bhadohi, Lakhimpur Kheri, Mauranipur (Jhansi) and Mirzapur.

<sup>47</sup> Effective since 12 December 2016.

₹ 26.82 crore, ₹ 26.41 crore and ₹ 19.42 crore during 2017-18, 2018-19 and 2019-20 respectively on account of advertisement tax. Further, the State Government also did not grant any compensation to ULBs on account of abolition of advertisement tax.

Besides, out of test-checked ULBs, advertisement tax was imposed in all NNs and only in eight NPPs<sup>48</sup> & two NPs<sup>49</sup> and these ULBs continued to realise<sup>50</sup> the tax even after the year 2016-17. Further, out of these ULBs, four NPPs<sup>51</sup> did not frame bye-laws as required under provisions of UPM Act. Moreover, NN Lucknow and Moradabad, converted the nature of tax into fee in the month of January 2021 and March 2020 respectively to overcome from the impact of GST, though there was no provision in UPMC Act for imposition of fee on advertisements.

The UD Department did not offer any comments in this regard.

### 7.2.3 Water charges

Sections 219, 227 and 271 of UPMC Act and 235 of UPM Act, authorise the State Government to make Rules with regard to matters related to water supply including rates of water tax and charges. This restricted the autonomy of ULBs.

Further, with a view to meet out increasing expenditure on water supply, the State Government fixed (February 1997) rates of water charges for domestic water connections. The stipulated rates of water charges were ₹ 75, ₹ 50 and ₹ 30 *per connection per month* for NNs, NPPs and NPs respectively. These rates were to be made applicable through amendments in bye-laws/regulations or by publication of notification. Besides, yearly increase of 7.50 *per cent* in rates of water charges was also to be made to compensate the rise in cost of O&M on water supply starting from January 1999. However, from April 2007, the State Government restricted the increase in rates to only five *per cent* in three years and after three periodical revisions, rates were further not to be changed in next ten years. Accordingly, applicable revised rates<sup>52</sup> of water charges were ₹ 146, ₹ 96 and ₹ 57 *per connection per month* for NNs, NPPs and NPs respectively from the year 2013-14.

Further, the State Government also directed (April 2013) to introduce “Volumetric Multilabel Tariff Plan” (charges according to the consumption of water) and “Volumetric Telescopic Block Tariff” (charges in increasing order with consumption of water) for seven major cities<sup>53</sup> including Mathura and Lucknow to compensate O&M expenditure on water supply.

<sup>48</sup> Amroha, Ballia, Belha Pratapgarh (Pratapgarh), Kosikalan (Mathura), Lakhimpur (Lakhimpur Kheri), Lalitpur, Mauranipur (Jhansi) and Tundla (Ferozabad).

<sup>49</sup> Bakshi ka Talab (Lucknow) and Talbehat (Lalitpur).

<sup>50</sup> 2017-18: ₹ 7.86 crore, 2018-19: ₹ 6.63 crore and 2019-20: ₹ 2.44 crore.

<sup>51</sup> Amroha, Ballia, Kosikalan (Mathura) and Lakhimpur (Lakhimpur Kheri).

<sup>52</sup> Calculated by audit on the basis of instructions issued by the State Government from time to time in this regard.

<sup>53</sup> Agra, Kanpur, Lucknow, Mathura, Meerut, Prayagraj and Varanasi.

The details of revenue receipt from water charges *vis-a-vis* O&M expenditure on water supply by ULBs in the State during the period 2015-20<sup>54</sup> are indicated in **Table 7.16** below: .

**Table 7.16: Showing details of water charges *vis-a-vis* O&M expenditure during 2015-20**

(₹ in crore)

Year	Receipt from water charges	O&M expenditure on water supply	Percentage of water charges to O&M expenditure
2015-16	57.88	NA	NA
2016-17	50.61	NA	NA
2017-18	89.78	167.94	53.46
2018-19	123.00	199.84	61.55
2019-20	94.58	146.79	64.43

(Source: *karya Vivran* of UD Department)

It is evident from above that realised water charges were only 53 to 64 *per cent* of O&M expenditure on water supply during 2017-20. The constraints in realisation of water charges are discussed as under:

- Out of test-checked ULBs, three NPPs<sup>55</sup> and NP Eka (Firozabad) did not impose water charges upto March 2020, despite having water supply service.
- Out of test-checked four NNs, 21 NPPs and 24 NPs, rates of water charges were fixed by publication of bye-laws or notification in official gazette in respect of only two NNs<sup>56</sup>, six NPPs<sup>57</sup> and four NPs<sup>58</sup> either by the ULBs or Jal Sansthans<sup>59</sup>. As a result, no provisions were made by ULBs for imposing the water charges and its periodical revisions as per the directions of the State Government.
- None of the test-checked ULBs (except where water supply was under *Jal Sansthan*) revised rates of water charges according to the instructions of the State Government, as a result rates of water charges were far below than the stipulated rates fixed by the Government. In test-checked NNs, NPPs and NPs, rates of water charges ranged between ₹ 30 & ₹ 122.50, ₹ 10 & ₹ 52.50 and ₹ 15 & ₹ 50 *per* connection per month respectively, though required rates of water charges for NN, NPP and NP were to be ₹ 146, ₹ 96 and ₹ 57 per connection per month from the year 2013-14. However, rates of water charges under NNs, NPPs and NPs of *Jal Sansthan* were at par with the Government orders. As a result, ULBs were unable to recover O&M cost of water supply.
- Out of test-checked ULBs, rates of water charges of non-domestic connections were fixed only in three NNs<sup>60</sup>, eight NPPs<sup>61</sup> and six NPs<sup>62</sup>, out of

<sup>54</sup> UD Department is in the process of compiling data for the year 2020-21 and for the year 2021-22, it is yet to be started.

<sup>55</sup> Belha Pratapgarh (Pratapgarh), Bilaspur (Rampur) and Kosikalan (Mathura).

<sup>56</sup> Jhansi and Lucknow.

<sup>57</sup> Ballia, Chirgaon (Jhansi), Gursarai (Jhansi), Lalitpur, Mauranipur (Jhansi) and Rasara (Ballia).

<sup>58</sup> Kathera & Ranipur (Jhansi) and Pali & Talbehat (Lalitpur).

<sup>59</sup> Responsible for water supply services in NN: Jhansi, NPPs: Chirgaon, Gursarai & Mauranipur of Jhansi and Lalitpur and NPs: Kathera & Ranipur of Jhansi and Pali & Talbehat of Lalitpur.

<sup>60</sup> Jhansi, Lucknow and Mathura-Vrindavan.

<sup>61</sup> Amroha, Bilari (Moradabad), Chirgaon (Jhansi), Gursarai (Jhansi), Lalitpur, Mauranipur (Jhansi), Mirzapur and Palia Kalan (Lakhimpur Kheri).

<sup>62</sup> Gyanpur (Bhadohi), Kathera (Jhansi), Khamaria (Bhadohi), Kunda (Pratapgarh), Pali (Lalitpur), Ranipur (Jhansi) and Talbehat (Lalitpur).

which nine ULBs<sup>63</sup> were under the jurisdiction of *Jal Sansthan*. In remaining test-checked ULBs, water charges for non-domestic connections were same as domestic connections.

➤ In test-checked ULBs, as per information provided by ULBs and Jal Sansthan Jhansi, either the water meters were not installed or installed water meters were not functional for purpose of billing of water charges.

➤ NN Lucknow and Mathura did not introduce Volumetric Multilabel Tariff Plan and Volumetric Telescopic Block Tariff to recover the O & M cost of water supply.

Moreover, arrears on account of water charges in respect of 24 ULBs<sup>64</sup> (where records were maintained in this regard) was ₹ 102.13 crore at the end of March 2020, which further constrained revenue resources of ULBs.

Thus, due to not imposing of water charges according to stipulated rates of the State Government and not recovering of levied charges, ULBs were unable to meet out O&M expenditure of water supply.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs in this regard.

#### 7.2.4 Trade license

Section 452 of UPMC Act and Section 241 of UPM Act empowers ULBs for charging and collecting license fees for conducting business activities in Municipal Corporation/ Municipality area. Further, the State Government also directed (December 1997) ULBs to impose license fee on 39 business activities and accordingly fixed activity wise rate of license fee. Besides, the State Government also directed (February 1999) ULBs to frame bye-laws to impose license fee and asserted that there will be no role of Council in deciding rates of trade licenses. The imposition of license fee at the rates stipulated by the State Government was made mandatory from 31 March 1999.

Audit observed that, out of test-checked ULBs, nine NPPs<sup>65</sup> and 20 NPs<sup>66</sup> did not undertake any effort to levy license fee as per provisions of UPMC Act/ UPM Act & the State Government orders. Further, in remaining ULBs, where license fee was imposed, only NN Mathura-Vrindavan and three NPPs<sup>67</sup> & NPs<sup>68</sup> each had brought all 39 business activities under ambit of trade license. Besides, rates of imposed license fee were also not in accordance with the Government orders in two NNs<sup>69</sup> and three NPPs<sup>70</sup> & NPs<sup>71</sup> each.

<sup>63</sup> NN: Jhansi; NPPs: Chirgaon, Gursarai & Mauranipur of Jhansi and Lalitpur & NPs: Kathera & Ranipur of Jhansi and Pali & Talbehat of Lalitpur.

<sup>64</sup> NNs: Lucknow, Mathura-Vrindavan and Moradabad; NPPs: Bachhraon (Amroha), Bilari (Moradabad), Lakhimpur (Lakhimpur Kheri), Mirzapur, Palia Kalan (Lakhimpur Kheri), Rasara (Ballia), Sirsaganj (Firozabad), Thakurdwara (Moradabad) and Tundla (Firozabad) & NPs: Chhata (Mathura), Gyanpur (Bhadohi), Gokul (Mathura), Fariha (Firozabad), Joya (Amroha), Kachhwa (Mirzapur), Khamariya (Bhadohi), Kheri (Lakhimpur Kheri), Kunda (Pratapgarh) Naugawan Sadat (Amroha), Oel Dhakwa (Lakhimpur Kheri) & Umri Kalan (Moradabad).

<sup>65</sup> Ballia, Bachhraon (Amroha), Bilaspur (Rampur), Chirgaon (Jhansi), Gursarai (Jhansi), Kosikalan (Mathura), Palia Kalan (Lakhimpur Kheri), Rasara (Ballia) and Sirsaganj (Firozabad).

<sup>66</sup> Expect NPs: Eka (Firozabad), Gyanpur (Bhadohi). Maswasi (Rampur), Talbehat (Lalitpur) and Oel Dhakwa (Lakhimpur Kheri).

<sup>67</sup> Bhadohi, Thakurdwara (Moradabad), and Tundla (Firozabad).

<sup>68</sup> Eka (Firozabad), Gyanpur (Bhadohi) and Oeldhakwa (Lakhimpur Kheri).

<sup>69</sup> Lucknow and Moradabad.

Audit further observed that in three NPPs<sup>72</sup> and two NPs<sup>73</sup>, though the bye-laws were framed for license fee, no efforts were made for levy and realisation of fee. Further, records related to levy and realisation of license fee, were also not maintained in nine ULBs<sup>74</sup>. As a result, amount of levy and realisation of license fee could not be ascertained in audit.

Thus, not imposing of license fee indicated that business establishments continued to function without valid licenses in the area of ULBs, resulting in loss of revenue to them.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs in this regard.

### **7.2.5 Auction of Parking lots**

Sections 114 & 541 of UPMC Act and Sections 7 & 293 of UPM Act, provides for construction and maintenance of parking lots by ULBs and to impose fee/user charges in lieu of providing this facility. The State Government also ordered (November 2001) to impose fee for using the parking facility established by ULBs under the provisions of bye-laws. ULBs were also authorised (June 1996) to auction the parking lots for smooth recovery of fee/user charges.

Audit observed that 14 NPPs<sup>75</sup> and 22 NPs<sup>76</sup> did not provide parking facility for vehicles during the period 2015-20. In the remaining ULBs, where parking facility was provided, an amount of ₹ 3.08 crore was not recovered against the contracted value of ₹ 11.14 crore on account of auction of parking lots during the period 2015-20.

Thus, not providing of parking facility by ULBs, caused inconveniences to citizens and also deprived them from revenue receipts.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs in this regard.

### **7.2.6 Rent from commercial establishments**

As per the State Government orders (September 1977 and June 1978), ULBs were to rent out their residential and commercial buildings to tenants on market rates through auction for a period of maximum 15 years. For this purpose a registered agreement was to be executed, in which provisions for rent and an increase of 12.5 *per cent* therein in every five years period was to be made. Further, after expiry of 15 years, rent was to be increased by 50 *per cent* with renewal of agreement.

<sup>70</sup> Amroha, Lalitpur and Tundla (Firozabad).

<sup>71</sup> NPs: Eka (Firozabad), Gyanpur (Bhadohi) and Oel Dhakwa (Lakhimpurkheri).

<sup>72</sup> Mirzapur, Mauranipur (Jhansi) and Rampur.

<sup>73</sup> Eka (Firozabad) and Maswasi (Rampur).

<sup>74</sup> NNs: Lucknow, Jhansi & Mathura-Vrindavan, NPPs: Amroha, Bhadohi, Lakhimpur (Lakhimpur Kheri) & Swar (Rampur) and NPs: Gyanpur (Bhadohi) and Oel Dhakwa (Lakhimpur Kheri).

<sup>75</sup> Amroha, Belha Pratapgarh (Pratapgarh), Bachhraon (Amroha), Bhadohi, Ballia, Bilari (Moradabad), Kosikalan (Mathura), Lakhimpur (Lakhimpur kheri), Lalitpur, Mirzapur, Palia Kalan (Lakhimpur Kheri), Sirsaganj (Moradabad), Swar (Rampur) and Thakurdwara (Moradabad).

<sup>76</sup> Except NPs:Kathera (Jhansi), Maswasi (Rampur) and Oel Dhakwa (Lakhimpur Kheri).

Audit observed that, out of test-checked ULBs, all NNs, 18 NPPs<sup>77</sup> and 13 NPs<sup>78</sup> had a total of 10,164 commercial establishment/shops as of March 2020, out of which only 9,696 properties were rented out. However, none of these ULBs executed registered agreement with the tenants. Besides, provisions were also not made in these ULBs (except NN Mathura-Vrindavan) for periodical increase in rent (12.5 per cent in every five years) and renewal of agreement after 15 years with increase in rent by 50 per cent as stipulated in Government order. However, in 10 ULBs<sup>79</sup> rents were increased by five to 15 per cent in every five or three years period, which were also not consistent with the Government orders.

It was also observed that in NN Jhansi no records were maintained in respect of agreement, realisation of rent *etc.* regarding 1,189 shops. Further, in NPP Ballia, out of 567 properties rented out, rents of only 145 shops/commercial establishments were being realised. Scrutiny of records also revealed that rent amounting to ₹ 8.83 crore was in arrears at the end of March 2020 in ULBs (except NN Jhansi), where properties were rented out.

Thus, due to not observing of Government orders, rent of properties was less than prevailing market rates, which led to loss of revenue to ULBs.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs in this regard.

### 7.2.7 Rent from Electricity Department

With a view to augment revenue resources of ULBs, the State Government directed (February 1997) ULBs to recover rent from Electricity Department for electricity transformers and substations, established within jurisdiction of ULBs. However, the State Government revised (February 2016) its earlier order and instructed to impose rent only on substations.

Audit observed that in only four out of 50 test-checked ULBs<sup>80</sup>, bye-laws was framed for recovery of rent from Electricity Department. Out of these ULBs, only three ULBs<sup>81</sup> raised demands in this regard, though no recovery was made against demands and an amount of ₹ 6.89 crore was outstanding as of March 2020. It indicated that a potential source of revenue could not be utilised by the ULBs.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs in this regard.

#### **Recommendation 17:**

**Efforts should be made for increasing the realisation of the own non-tax revenue and raising demands in time by Urban Local Bodies.**

<sup>77</sup> Except Bachhraon (Amroha), Bhadohi and Rasara (Ballia).

<sup>78</sup> Chhata (Mathura), Gyanpur (Bhadohi), Fariha (Firozabad), Itaunja (Lucknow), Joya (Amroha), Kathera (Jhansi), Kheri (Lakhimpur Kheri), Kunda (Pratapgarh), Maswasi (Rampur), Oel Dhakwa (Lakhimpur Kheri), Ranipur (Jhansi) Shahabad (Rampur) and Talbehat (Lalitpur).

<sup>79</sup> NPPs: Bilaspur (Rampur), Gursarai & Mauranipur (Jhansi) and NPs: Fariha (Firozabad), Joya (Amroha), Kathera (Jhansi), Kheri (Lakhimpur Kheri), Kunda (Pratapgarh), Maswasi (Rampur) and Ranipur (Jhansi).

<sup>80</sup> NN: Jhansi and NPPs: Belha Pratapgarh (Pratapgarh), Mauranipur (Jhansi) and Rasara (Ballia).

<sup>81</sup> NPPs: Belha Pratapgarh (Pratapgarh), Mauranipur (Jhansi) and Rasara (Ballia).

### 7.3 Borrowings

As per Section 154 of UPMC Act and Section 114 of UPM Act, power to borrow money on behalf of ULBs is vested in the Council with prior sanction of the State Government. The State Government established a revolving fund during the year 2000-01 to provide interest free loan to ULBs for carrying out very important and contingent nature of work related to infrastructure development, water supply, roads, street lighting, sanitation, construction of buildings *etc.*, though execution of maintenance work was not allowed under this fund. The recovery of loan was to be made in 10 equal yearly instalments from the SFC grants of the concerned ULB. For obtaining loan from the revolving fund, ULBs were required to get approval of Council through passage of resolution in this regard and MC/EO was to certify that there will be no adverse impact on payment of salary and pensions of staffs due to recovery of loan from the SFC grants.

The details of budget provisions, releases and recovery thereof during the period 2015-20<sup>82</sup> are given in **Table 7.17** below:

**Table 7.17: Details of loans disbursed and recovery thereof during the period 2015-20**

(₹ in crore)				
Year	Budget provision	Financial sanction issued	No. of ULBs benefited	Amount of recovery
2015-16	250.00	248.48	151	0.00
2016-17	250.00	219.75	160	0.00
2017-18	237.00	187.74	70	1.48
2018-19	237.00	228.38	107	5.34
2019-20	150.00	148.97	60	0.52
<b>Total</b>	<b>1,124.00</b>	<b>1,033.32</b>	<b>548</b>	<b>7.34</b>

(Source: Information provided by Director, LB and Karya Vivran of UD Department)

It is evident from above that recovery of loans did not commensurate with the disbursed amount of loans during the year 2015-20 and it was minimal (0.71 *per cent*) against the amount of loans sanctioned during 2015-20. Besides, budget provision was also decreased significantly (40 *per cent*) in the year 2019-20, which may be on part of non-recovery of loans.

The UD Department accepted (November 2022) the audit observation and stated that the only recovery of loans distributed upto 2005-06, are being made from the year 2018-19.

#### 7.3.1 Sanction of loans to ULBs in violation of guidelines

Audit observed instances where loans were sanctioned to ULBs in violation of guidelines, details are as under:

- In NPP Rampur, a loan amounting to ₹ 50 lakh was sanctioned (June 2016) for maintenance work of *Nehru Nagar Palika Kanya Inter College*, though maintenance work was not allowed under the revolving fund. Further, approval of Council was also not obtained for getting the loan. Besides, the Executive Officer had certified that the repayment of loan will impact the

<sup>82</sup> UD Department is in the process of compiling data for the year 2020-21 and for the year 2021-22, it is yet to be started.

payment of salary and pensions of staff. In spite of this, loan was sanctioned by the State Government. Consequently, due to insufficient funds, EO raised (February 2018) demands for additional funds under SFC for the payment of salary and pension liabilities.

➤ In four test-checked NPP<sup>83</sup> loans of ₹ 10.38 crore was sanctioned by the State Government during the year 2015-20, without approval of Council and certificate of EO. Similarly, in NPP Rasara, loans of ₹ 7.63 crore were sanctioned by the State Government during the 2013-17, out of which ₹ 78.68 lakh was for maintenance work of pond.

➤ In NP Maswasi, loan of ₹ 5.92 crore was sanctioned by the State Government during 2016-19 without any demand of NP and without seeking approval of Council and Certificate of EO required in this regard. Similarly, in NP Bairiya (Ballia) loan amounting to ₹ 3.30 crore was sanctioned in the month of January 2017, while the Council in newly established NP was constituted during the month of December 2017. Similarly, in two NPs<sup>84</sup> loans amounting to ₹ 2.02 crore was sanctioned by the State Government during the period 2015-20 without approval of Council and certificate of EO.

Thus, guidelines of revolving fund and powers of Councils were overlooked by the State Government while sanctioning the loans to ULBs, resulting in infructuous expenditure from loan amount, as discussed in succeeding paragraph.

The UD Department replied (November 2022) that the directions are being issued to concerned ULBs in this regard.

### 7.3.2 Infructuous expenditure from revolving fund

In NPP Ballia, loans amounting to ₹ 5.00 crore was released by the State Government from the revolving fund during the period 2003-10 for construction of commercial complex at Gadha, comprising of 398 shops. The sanctioned cost of the project was ₹ 10.07 crore, against which funding of ₹ 5.08 crore was to be done through registration/premium amount of shops.

Audit observed that after incurring an expenditure of ₹ 4.79 crore, only 167 shops were constructed by the executing agency (C&DS) as of October 2021 and finishing work of these shops was also incomplete. As a result, constructed shops were neither handed over to NPP nor auctioned. Thus, loan amounting to ₹ 5.00 crore, availed for construction of commercial complex, remained infructuous.

Similarly, in NPP Rampur, Babu Mall Shopping Complex was constructed with an expenditure of ₹ 16.06 crore through obtaining loan from revolving fund during the period 2005-17, comprising of 316 shops and 16 halls. Out of the constructed shops and halls, only 104 shops were auctioned as of August 2021, however, none of the auctioned shops were allotted to successful bidders for want of basic service such as electricity, sanitation *etc.*, resulting in infructuous expenditure.

<sup>83</sup> Bilaspur (Rampur): ₹1.08 crore, Bilari (Moradabad): ₹5.01 crore, Thakurdwara (Moradabad): ₹2.79 crore and Tundla (Firozabad): ₹1.50 crore.

<sup>84</sup> NPs; Chhata (Mathura): ₹1.62 crore and Umri Kalan (Moradabad): ₹40.00 lakh.

The UD Department assured (November 2022) that the instructions would be issued to concerned ULBs in this regard.

#### **7.4 Tapping of various sources of revenue by ULBs**

The 14<sup>th</sup> Finance Commission recommended for levy of betterment tax, tax on newer forms of entertainment such as boat rides, cable television and internet cafes, “tax on professions, trades, callings and employments” *etc.* to improve revenues from own sources by ULBs.

Audit observed that despite having statutory provisions in UPMC Act and UPM Act regarding imposition of tax on betterment<sup>85</sup>, boat rides<sup>86</sup> and “professions, trades, callings and employments”<sup>87</sup>, no efforts were made either by ULBs or by the State Government for tapping revenue from these sources. Similarly, no provisions or efforts were made for realising revenue from cable television, internet cafes *etc.*

Further, the first SFC, though recommended for not assigning any other tax or fee to ULBs in future, the third SFC identified some new sources of revenue for augmentation of ULBs own resources (such as tax on submersible pumps, special sanitation tax for commercial establishments, license fee on towers, fee for use of roads & footpaths, fee for laying pipes & cables for commercial use *etc.*) and also emphasised for levy of Profession tax. However, Audit observed that the ULBs were not tapping these sources of revenue despite the fact that these recommendations of third SFC were accepted by the State Government.

The details of identified sources of revenue by the CFC and SFC, which were not tapped, are indicated in **Table 7.18** below:

**Table 7.18: Details showing the revenue sources not tapped by ULBs**

Sl. No.	Source	Whether statutory provisions exists or not
1.	Betterment tax	Yes
2.	Tax on boat rides	Yes
3.	Tax on cable television	No
4.	Tax on internet cafes	No
5.	Tax on professions; trades; callings and employments	Yes
6.	Tax on submersible pumps	No
7.	Special sanitation tax for commercial establishments	No
8.	License fee on towers	No
9.	Fee for use of roads & footpaths	No
10.	Fee for laying pipes & cables for commercial use	No

(Source: UPMC Act and UPM Act)

Thus, not complying with the recommendations of CFC and SFC also contracted the revenue base of ULBs.

Moreover, laxity of ULBs in tapping the prescribed revenue resources also impacted their availability to provide civic services to the citizens. In this regard, a case study in respect of NN Lucknow has been detailed as under:

<sup>85</sup> Section 172(2F) of UPMC Act and Section 128(2ix) of UPM Act.

<sup>86</sup> Section 172(1B) of UPMC Act and Section 128(2)(viii) of UPM Act.

<sup>87</sup> Section 172(D) of UPMC Act and Section 128(2)(i) of UPM Act.

### Case Study

As per Section 172 of the UPMC Act, NNs of the State is empowered to levy taxes such as Property tax comprising of house tax; water tax; drainage tax and conservancy tax, tax on vehicles<sup>88</sup>, tax on helicopters and planes, tax on trades and professions, tax on deeds of transfer of immovable property situated within the city, tax on vacant land situated within the city, tax on callings and on holding a public or private appointment, tax on dogs kept within the City, betterment tax, theatre tax *etc.* Besides, NNs are also allowed to collect non-tax revenue from water charges, rent from commercial establishments, user charges, trade licences on 39 items, parking fee *etc.*

However, audit observed that despite having provisions in the UPMC Act, NN Lucknow did not levy conservancy tax, tax on vehicles, tax on helicopters and planes, tax on trades and professions, tax on callings and on holding a public or private appointment and betterment tax to augment their tax revenue for providing better civic services to the citizens. Besides, NN Lucknow levied tax on deeds of transfer of immovable property situated within the city, though, the State Government did not transfer the due share of NN against the proceeds of the collected tax since the year 2019-20. Moreover, the process of levy and collection of the tax and non-tax revenue, which was imposed by the NN, was also deficient as discussed in *paragraph no. 7.2.*

The State Government while submitting a memorandum to the Fourth SFC, asserted to achieve the Service Level Bench Mark (SLB) under different services in all ULBs of the State up to the year 2019-20 and also estimated the cost of different services for covering the unserved population in this regard. Accordingly, Per Capita expenditure of ₹2150.28 for Water Supply Services (WSS), ₹6057 for Sewerage Services (SS), ₹2666.40 for Drainage Services and ₹245.07 for Solid Waste Management (SWM) was required for NN to cover the unserved population under different services as per the norm of the SLB.

Consequently, in compliance with the declaration of the State Government for achieving the SLB in the year 2019-20, requirement of funds for providing basic services to the unserved population in NN Lucknow was as under :-

#### Requirement of fund in the year 2019-20 for providing basic services to the citizens

Name of Services	Projected population of NN Lucknow in the year 2019-20	Deficiency factor in the year 2019-20 (in percentage)	Total Unserved population in the year 2019-20	Per capita expenditure (in ₹) for providing services as per the norms	Requirement of fund for providing services as per the norms (₹ in crore)
WSS	3698227	31.90	1179734	2150.28	253.68
SS		49.40	1826924	6057.00	1106.57
DS		24.30	898669	2666.40	239.62
SWM		45.50	1682693	245.07	41.24
<b>Total</b>					<b>1641.11</b>

It is evident from the above that ₹ 1641.11 crore was required for serving only left-out population under the above services during the year 2019-20. However, against the requirement, the total income from all sources of revenue of NN Lucknow (including *Jalkal vibhag*), remained only ₹ 1258.28 core. Out of these funds, the NN Lucknow incurred expenditure of ₹ 15.13 crore towards the infrastructural expenses of above services during the year 2019-20. Besides, the Lucknow Development Authority had also incurred an expenditure of ₹ 107.67 crore for creating the infrastructure related with the DS and WSS. Further, UP Jal Nigam (including Construction & Design Services) also incurred expenditure of ₹ 77.18 crore for the furtherance of infrastructural facilities related with the DS, WSS and SS during the year 2019-20. As a result, with the expenditure of ₹ 199.98 crore during the year 2019-20, only 12 per cent as against the requirement of ₹ 1641.11 crore, the NN Lucknow could not cover the left-out population under above services in

<sup>88</sup> Other than mechanically propelled and other conveyances available for hire in city.

compliance with the declaration of the State Government.

Audit further observed that in forthcoming year 2020-21 as against the total income of ₹ 1401.57 crore, the NN Lucknow (including *Jalkal Vibhag*) spent ₹ 589.11 crore only on the establishment expenses.

Thus, NN did not pay adequate attention towards increasing its revenue raising capacity by levying taxes such as conservancy tax, tax on vehicles (other than mechanically propelled), betterment tax and was dependant on Government grants and funds of other agencies for providing basic services to the citizen.

The UD Department replied (November 2022) that the required instructions had been issued to ULBs in this regard.

### **7.5 Unavailability of reliable database**

Audit observed that both the 13<sup>th</sup> FC and 4<sup>th</sup> SFC flagged the issue of unavailability of basic data in respect of financial position of ULBs and recommended for development of a reliable database of ULBs through use of modern information technology. However, Audit observed that the issue was not addressed by the State Government as of November 2021, because there were differences in the figures of released amount of CFC & SFC grants, assigned revenue *etc.* to ULBs during the period 2015-20 between the details of *Karya Vivran* of UD Department and those available in records of Director (LB), which have been shown in **Table 7.1, 7.7, 7.8 and 7.10**. Similarly, Audit observed differences in the figures of expenditure and revenue receipts between the *Karya Vivran* of UD Department and details made available by the test-checked ULBs, as detailed in *Appendix-XXI*.

Thus, unavailability of reliable database of ULBs needs to be addressed by the State Government on priority basis as in absence of it, true and fair assessment of financial position of ULBs would be not possible for SFC for the purpose of devolution of grants to them.

The UD Department while accepting (November 2022) the audit observations commented that the efforts are being made for proper maintenance of database.

### **7.6 Property Tax Board**

The 13<sup>th</sup> Finance Commission mandated constitution of a Property Tax Board on the lines of West Bengal Valuation Board, to assist all Municipalities and Municipal Corporations in the State to put in place an independent and transparent procedure for assessing property tax.

In compliance with the recommendation of 13<sup>th</sup> FC, the State Government enacted (March 2011) “the Uttar Pradesh Board for Development of Municipal Financial Resources Act, 2011” for establishment of the Board. As per the provisions of Act, one Chairman and four other members were to be nominated in the Board and the Director, LB was to be an ex-officio member of the Board. The objective of the above board was to review the financial position and evaluate the efficiency of various sources of revenue of Municipalities. It was also made responsible for enumeration of properties in Municipalities and development of a database in this regard, valuation of all

properties *etc.* The Board was required to publish an annual work plan in official gazette regarding their proposed activities during the year.

Audit observed that despite establishment (March 2011) of the Board to deal with the matters of ULBs, no provisions for setting up and functioning of the Board were incorporated by the State Government in UPMC Act and UPM Act. Further, though the Chairman of the Board was nominated by the State Government in July 2011, members of Board were appointed in the month of July 2016, sanction of posts required for functioning of the Board was accorded<sup>89</sup> in the month of June 2016 and Rules for regulation of proceedings and execution of functions of the Board were framed in the month of August 2016. Due to these reasons, the Board did not publish their annual work plan prior to period of 2017-18<sup>90</sup>, resulting in non-achievement of objectives of the Board. Work related to development of database of properties of municipalities remained incomplete<sup>91</sup> as of November 2020. Consequently, ULBs lacked technical guidance for improvement in their revenue resources.

Audit further observed that the State Government awarded (October 2018 and February 2019) contracts to Private firms/Government enterprises for implementation of GIS project in 15 NNs<sup>92</sup> of the State under the AMRUT scheme. Under the project, works related to survey of properties (ward-wise and category-wise) and its data base generation, numbering of properties through assigning unique identification number to each property *etc.* was to be carried out. Though activities of the project fell under jurisdiction of ULBs and the Board, these entities were not taken into loop by the State Government before the implementation of project.

The UD Department stated (November 2022) that the GIS survey is being conducted by the other ULBs of State on their own, though it did not make any comments on other issues.

## 7.7 Budgeting

As per provisions<sup>93</sup> of UPMC Act and UPM Act, the MC/EO of each ULB was required to prepare budget estimates (BE) for ensuing financial year indicating income and expenditure of the Municipal Corporation/Municipality fund and present it to the Council for approval. After approval of the Council, ULBs were to submit the budget to the State Government, though provisions of both Acts were silent about the role of the State Government in sanctioning/modifying the budget submitted by the ULBs except in case of indebted ULBs, wherein the State Government has powers to vary or alter the budget.

Audit observed that in none of the test-checked ULBs, budget was submitted to the State Government, however, provision of submission of BE to the State Government restricted the autonomy of ULBs.

<sup>89</sup> The board had made proposals for creation of posts during October 2011.

<sup>90</sup> The annual action plan for the year 2017-18 was published in gazette during February 2018.

<sup>91</sup> Only partial information was gathered in respect of 354 ULBs.

<sup>92</sup> Agra, Aligarh, Ayodhya, Bareilly, Firozabad, Ghaziabad, Gorakhpur, Jhansi, Kanpur, Lucknow, Mathura, Meerut, Moradabad, Prayagraj and Saharanpur.

<sup>93</sup> Section 146 of UPMC Act and Section 99 of UPM Act.

The UD Department stated (November 2022) that the required action is awaited from the concerned ULBs.

### 7.7.1 Delayed preparation or not preparing of budget

As per Section 146 of UPMC Act, after preparation of BE by MC, it was to be submitted to Executive Committee (EC). Further, EC was required to submit the same to the Council not later than fifteenth day of February with or without modifications. The Council was to adopt the BE before the beginning of financial year. Besides, in case of NPPs and NPs, date of submission of BE by EO to the Council and adoption of the same by the Council was to be decided by Rules framed by the State Government.

Audit observed that the State Government did not frame any Rules for governing the budget process in Municipalities. In absence of Rules, process of preparation and adoption of BE for NPPs and NPs were not formalised. As a result, out of test-checked 21 NPPs and 25 NPs, seven NPPs & 16 NPs did not prepare BE for all the financial years involved during the period 2015-20 and 20 NPPs & 16 NPs prepared/adopted it with delays as detailed in *Appendix-VI*. Further, in case of NNs, prescribed schedule for submission of BE to Council and its adoption was also not adhered, as detailed in **Table 7.19** below:

**Table 7.19: Showing delays in preparation and adoption of BE in test-checked NNs**

Name of NN	Actual date of submission of BE to Council against scheduled date of 15 February of each year				
	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Lucknow</b>	30.03.2015	31.03.2016	30.03.2017	29.03.2018	07.07.2019
<b>Moradabad</b>	Not prepared	30.03.2016	05.05.2017	07.05.2018	09.06.2019
<b>Jhansi</b>	31.03.2015	15.03.2016	24.04.2017	09.03.2018	26.02.2019
<b>Mathura-Vrindavan</b>	Council was constituted in January 2018 after formation of <i>Nagar Nigam</i>			12.04.2018	09.08.2019

(Source: Information provided by test-checked ULBs)

It is evident from above that on many occasions BE was submitted to Councils with delays in test-checked NNs, resulting in not adopting of BE before the beginning of financial year.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs to initiate action in this regard.

### 7.7.2 Not adopting of approved formats for budget estimation

As per the provisions of the Uttar Pradesh Municipal Corporation Accounts Rules (UPMCAR), framed by the State Government under Section 153 of UPMC Act, BE of NNs were to be prepared in format B containing details of anticipated receipt and expenditure of ensuing financial year. In addition, details of proposed works, to be performed by the ULB in ensuing year, were to be depicted in format B-1.

Further, in compliance with the recommendations of the 11<sup>th</sup> Finance Commission, MoHUA; GoI, in consultation with CAG, developed (November 2004) budget and accounting formats for ULBs, called as the National Municipal Accounts Manual (NMAM). Based on the provision of NMAM, the

State Government formulated the Uttar Pradesh Municipal Accounts Manual 2018 (UPMAM) for prescribing new formats for preparation of Financial accounts and BE of ULBs. The UPMAM was applicable to all ULBs of the State for better financial management of these entities and for providing scientific basis to budget estimation.

Audit observed that prior to notification of UPMAM, no formats for preparation of BE of Municipalities was decided by the State Government. Further, in all test-checked NNs, BE for the period 2015-20 was prepared in format B of UPMCAR, however, details of proposed works were not prepared in format B-1 in any of the test-checked NNs. Similarly, in none of the test-checked NPPs and NPs, details of proposed works were prepared with BE. Hence, not preparing of format B-1 of budget estimation again indicated that there was lack of planning for delivery of functions and estimation of expenditure was on ad-hoc basis.

Further, it was also observed that, none of the test-checked ULBs adopted formats of UPMAM for preparation of budget estimates and financial accounts during the year 2019-20, resulting in absence of scientific approach in budget estimates as discussed in succeeding *paragraph no. 7.7.3*.

Moreover, in the opinion of the 14<sup>th</sup> CFC, maintenance of proper accounts is the starting point for financial accountability, consequently, non-maintenance or delayed compilation of annual accounts by the ULBs means compromised accountability. However, audit observed that the State Government did not decide any timeline for preparation and finalisation of annual accounts of the ULBs. In absence of the timeline, six NPs<sup>94</sup>, out of the test-checked 25 NPs and two NPPs<sup>95</sup>, out of the test-checked 21 NPPs, did not prepare annual accounts for any year during the period 2017-22. Besides, five NPs<sup>96</sup> and three NPPs<sup>97</sup> also did not prepare annual accounts for each year during the period 2017-22.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs to initiate action in this regard.

### 7.7.3 Unrealistic budget exercise

Expenditure estimation depends on services to be provided by ULBs. As the delivery of municipal services comes with a cost, it was necessary to scientifically estimate the cost of each municipal service to assess the requirement and source of funds for efficient delivery.

However, Audit observed that such an exercise was not undertaken by test-checked ULBs and BE were prepared through adjustments in earlier year figures. As a result, BE of test-checked ULBs were unrealistic.

An illustrative example of preparation of unrealistic budget in each category of ULBs is shown in **Table 7.20** below:

<sup>94</sup> Bairiya (Ballia), Itaunja (Lucknow), Kheri (Lakhimpur Kheri), Pakbara (Moradabad), Pali and Talbehat (Lalitpur).

<sup>95</sup> Bilari (Moradabad) and Rasra (Ballia).

<sup>96</sup> Khamaria (Bhadohi) for the year 2017-18, Kunda (Pratapgarh) for the year 2017-19 and 2021-22, Maniyar (Ballia) for the year 2017-19, Oel Dhakwa (Lakhimpur Kheri) for the year 2017-19 and Ranipur (Jhansi) for the year 2017-18.

<sup>97</sup> Ballia for the year 2018-22, Rampur for the year 2021-22 and Sirsaganj (Firozabad) for the year 2017-19.

Table 7.20: Showing variations of BE with actuals in each category of test-checked ULBs

(₹ in crore)

Name of ULB	Year	Receipts			Expenditure		
		BE	Actuals	Percentage of Actuals to BE	BE	Actuals	Percentage of Actuals to BE
<b>Nagar Nigams</b>							
Lucknow	2015-16	1665.06	932.23	55.99	1293.36	479.40	37.07
	2016-17	1592.28	1283.80	80.63	1361.61	1110.65	81.57
	2017-18	2211.52	1425.06	64.44	1673.28	1369.83	81.86
	2018-19	2281.12	1107.07	48.53	1699.38	821.73	48.35
	2019-20	1992.88	880.48	44.18	1687.02	554.37	32.86
Jhansi	2015-16	136.37	166.13	121.82	129.88	123.64	95.20
	2016-17	224.21	226.68	101.10	220.32	130.92	59.42
	2017-18	267.10	227.53	85.19	243.52	176.32	72.40
	2018-19	236.45	209.55	88.62	231.30	168.31	72.77
	2019-20	237.54	96.65	40.69	230.36	140.82	61.13
Moradabad	2015-16	208.31	159.46	76.55	208.31	152.27	73.10
	2016-17	577.02	201.44	34.91	577.02	156.58	27.14
	2017-18	575.05	187.74	32.65	575.05	155.43	27.03
	2018-19	908.25	226.88	24.98	908.25	178.04	19.60
	2019-20	406.04	209.04	51.48	406.04	165.17	40.68
<b>Nagar Palika Parishads</b>							
Rampur	2015-16	64.83	63.97	98.67	85.14	57.92	68.03
	2016-17	110.21	78.53	71.25	120.49	83.56	69.35
	2017-18	131.5	47.42	36.06	147.07	53.40	36.31
	2018-19	65.06	50.22	77.19	94.89	66.25	69.82
	2019-20	55.14	71.37	129.43	96.45	57.52	59.64
Lalitpur	2015-16	37.09	23.10	62.28	45.26	25.34	55.99
	2016-17	32.20	29.89	92.83	46.00	27.96	60.78
	2017-18	46.48	35.57	76.53	54.67	25.89	47.36
	2018-19	41.36	30.76	74.37	56.06	33.65	60.02
	2019-20	41.17	33.00	80.16	57.70	31.07	53.85
Belha Pratapgarh	2015-16	28.49	18.91	66.37	34.38	13.60	39.56
	2016-17	28.95	20.70	71.50	38.68	22.94	59.31
	2017-18	30.48	20.84	68.37	44.86	25.06	55.86
	2018-19	29.88	21.69	72.59	42.53	18.84	44.30
	2019-20	30.79	27.93	90.71	40.65	27.45	67.53
<b>Nagar Panchayats</b>							
Fariha (Firozabad)	2015-16	2.91	2.11	72.51	2.87	2.22	77.35
	2016-17	3.14	2.81	89.49	3.17	2.47	77.92
	2017-18	3.18	3.01	94.65	3.43	2.95	86.01
	2018-19	4.08	2.35	57.60	4.52	2.32	51.33
	2019-20	3.31	3.76	113.60	4.09	2.32	56.72
Talbehat (Lalitpur)	2015-16	2122.00	682.40	32.16	21.10	6.36	30.14
	2016-17	4521.50	1591.12	35.19	44.55	12.28	27.56
	2017-18	2668.00	536.94	20.13	25.95	7.81	30.10
	2018-19	2700.00	913.01	33.82	26.75	10.32	38.58
	2019-20	2007.00	603.18	30.05	19.95	6.60	33.08
Kunda (Pratapgarh)	2015-16	9.75	7.28	74.67	9.02	6.31	69.96
	2016-17	8.90	8.72	97.98	7.86	10.09	128.37
	2017-18	11.65	8.33	71.50	11.92	6.61	55.45
	2018-19	9.98	8.03	80.46	12.90	10.50	81.40
	2019-20	11.52	9.53	82.73	13.09	9.25	70.66

(Source: Information provided by test-checked ULBs)

It is evident from above that estimation of both expenditure and receipts were not accurate. It varied widely and did not project any trend indicating the randomness of budgeting process.

Thus, lack of scientific assessment of the cost of services to be rendered and their source of fund, resulted in unrealistic budgeting.

The UD Department replied (November 2022) that the required instructions would be issued to ULBs to initiate action in this regard.

#### 7.7.4 Role of State Government in budgeting of ULBs

Despite having power to approve the budget of Municipalities in exceptional cases, the State Government did not intervene to ensure passing/approval of budget of ULBs in extraordinary situations during the period 2015-20, as discussed earlier in *paragraph no. 4.2.3.7*.

Further, as per provisions of List of Major and Minor Heads of Accounts, Minor heads 191, 192 & 193 were operated<sup>98</sup> for providing budgetary assistance to NNs, NPPs and NPs respectively. However, Audit observed that grants appropriated to these Minor heads by the State Legislature were being directly released to parastatals by the UD Department without keeping ULBs in loop, as a sum of ₹ 3,847.12 crore was directly released to UPJN by the State Government under AMRUT scheme for execution of drinking water and sewerage projects during 2015-20. As a result, ULBs did not have any financial control over parastatals.

Apart from above, under Centrally Sponsored schemes viz., Smart City Mission, *Swachh Bharat* Mission and AMRUT, an Apex Committee headed by the Secretary, MoHUA was empowered for approval and release of funds according to the sanctioned projects. It was also observed that the share of ₹ 333.72 crore of 10 ULBs<sup>99</sup> in respect of sanctioned projects under AMRUT scheme<sup>100</sup> was also adjusted from grants of Central Finance Commission on the instructions of the State Government during 2018-19. Similarly, in respect of State sponsored schemes, these powers were vested with the State Government.

The UD Department did not offer (November 2022) any comments in this regard.

#### Recommendations:

- 18. Efforts need to be made to motivate the ULBs to prepare their budgets in a scientific manner taking into account realistic projection of funds expected to be mobilised.**
- 19. Funds should be released to parastatals through the Urban Local Bodies so that financial control of local government over activities of executive agencies is ensured.**

<sup>98</sup> Minor head 191 prior to the period 2011-12 and 192 & 193 from 2011-12.

<sup>99</sup> NNs: Agra, Ayodhya, Ghaziabad, Gorakhpur, Jhansi, Kanpur, Lucknow, Moradabad, Prayagraj and Varanasi.

<sup>100</sup> Funding pattern of approved projects by the Centre, State and ULB was in ratio of 50:30:20 respectively.

## 7.8 Expenditure of Urban Local Bodies

The expenditure of ULBs can be categorised into five major categories such as infrastructural expenses on civic amenities, operations and maintenance expenses, general expenses, human resource expenses and advertisement expenses. The details of expenditure incurred by ULBs in the State during the period 2015-20<sup>101</sup> are exhibited in **Table 7.21** below:

**Table 7.21: Details of expenditure incurred by ULBs in the State**

(₹ in crore)						
Year	Infrastructural expenses on civic amenities	Operations and Maintenance expenses	General expenses	Human resource expenses	Advertisement expenses	Total Expenditure
2015-16	3,564.42	1,674.87	1,169.75	3,068.72	33.24	9,511.00
2016-17	3,137.84	1,649.37	1,420.29	3,344.96	40.84	9,593.30
2017-18	2,404.52	1,802.23	2,108.28	4,028.83	44.33	10,388.19
2018-19	2,859.54	1,941.17	1,958.32	4,634.60	54.83	11,448.46
2019-20	2,740.64	1,623.17	1,467.12	5,156.58	51.38	11,038.89
<b>Total</b>	<b>14,706.96</b>	<b>8,690.81</b>	<b>8,123.76</b>	<b>20,233.69</b>	<b>224.62</b>	<b>51,979.84</b>

(Source: *Karya Vivran* of UD Department)

The human resource expenses constituted about 39 *per cent* of the total expenditure followed by infrastructural expenses at 28 *per cent*. The operation and maintenance (O&M) expenses was 17 *per cent* of the total expenditure.

The UD Department did not offer (November 2022) any comments in this regard.

### 7.8.1 Resource-expenditure gap

The ULBs were able to generate own resources only to the extent of 29 *per cent* of the revenue expenditure during the period 2015-20<sup>102</sup>. A comparison of the own revenue to revenue expenditure showed large gaps as depicted in **Table 7.22**.

**Table 7.22: Details of own revenue *vis-a-vis* revenue expenditure of ULBs**

(₹ in crore)									
Year	Own revenue <sup>103</sup> of ULBs				Revenue Expenditure of ULBs				Percentage of Own revenue to Revenue Expenditure
	NN	NPP	NP	Total	NN	NPP	NP	Total	
2015-16	1,366.85	385.53	125.98	1878.36	2989.34	2106.89	850.36	5946.59	31.59
2016-17	1,544.38	414.92	114.76	2074.06	3419.04	2151.33	885.09	6455.46	32.13
2017-18	1,985.42	409.15	117.29	2511.86	4560.22	2451.7	971.75	7983.67	31.46
2018-19	1,899.46	352.04	124.28	2375.78	4774.63	2630.83	1183.46	8588.92	27.66
2019-20	1,375.47	375.55	138.62	1889.63	4188.12	2857.12	1253.02	8298.26	22.77
<b>Total</b>	<b>8,171.58</b>	<b>1,937.19</b>	<b>620.93</b>	<b>10,729.69</b>	<b>19,931.35</b>	<b>12,197.87</b>	<b>5,143.68</b>	<b>37,272.9</b>	<b>28.79</b>

(Source: *Karya Vivran* of UD Department)

<sup>101</sup> UD Department is in the process of compiling data for the year 2020-21 and for the year 2021-22, it is yet to be started.

<sup>102</sup> UD Department is in the process of compiling data for the year 2020-21 and for the year 2021-22, it is yet to be started.

<sup>103</sup> Including receipts of additional stamp duty.

It is also evident from above that the own revenue of NNS, NPPs and NPs of the State was only 41 per cent, 16 per cent and 12 per cent of the total revenue expenditure respectively during the period 2015-20, indicative of their dependency on Government grants.

It was also observed that own revenue of ULBs was even not enough for payment of human resource expenditure as it was only 53 per cent of expenses human resources, which also needs to be addressed by ULBs.

The UD Department replied (November 2022) that required instructions had been issued from time to time for increasing the own revenue resources of ULBs.

### 7.8.2 Extent of utilisation of funds

A comparison of total expenditure with total receipts during the period 2015-20<sup>104</sup> showed that ULBs were able to utilise on an average about 90 per cent of the available funds each year as depicted in **Table 7.23** below:

**Table 7.23: Details of receipts and expenditure of ULBs during 2015-20**

(₹ in crore)							
Year	Own revenue (including of additional stamp duty)	CFC grants	SFC grants	Others (including borrowings)	Total receipts	Expenditure	Percentage of expenditure against total receipts
2015-16	1,878.36	1,031.79	5,470.91	1,386.77	9,767.83	9,511.00	97.37
2016-17	2,074.06	1,177.09	5,532.23	1,615.04	10,398.42	9,593.30	92.26
2017-18	2,511.86	2,558.32	5,849.70	1,554.85	12,474.73	10,388.19	83.27
2018-19	2,375.78	1,855.69	6,135.91	1,940.34	12,307.72	11,448.46	93.02
2019-20	1,889.63	2,471.49	7,162.49	1,579.83	13,103.44	11,038.89	84.24
<b>Total</b>	<b>10,729.69</b>	<b>9,094.38</b>	<b>30,151.24</b>	<b>8,076.83</b>	<b>58,052.14</b>	<b>51,979.84</b>	<b>89.54</b>

(Source: *Karya Vivran* of UD Department)

The constraints in utilisation of funds could include the following:

- ✓ The conditions of financial sanctions issued by the State Government for grants and funds under other schemes<sup>105</sup>, required utilisation of released funds/grants in a specified time period and after expiry of it, special permission of the State Government was required for utilisation of unspent balances of grants/funds. For this purpose, every ULB was required to seek time extension from the State Government. This restricted the autonomy of the ULBs in utilising the funds/grants as per their needs.
- ✓ The authority to issue administrative and financial sanctions regarding works of CFC funds and Infrastructure Development Fund was vested with a committee headed by District Magistrate in case of Municipalities. However, due to not holding of meetings of the committee on time, approval and execution of works was delayed.

<sup>104</sup> UD Department is in the process of compiling data for the year 2020-21 and for the year 2021-22, it is yet to be started.

<sup>105</sup> Central and State Finance Commission Grants, *Pt. Deen Dayal Upadhyay Nagar Vikas Yojna, Kanha Pashu Ashray Yojna*, releases under Additional Stamp Duty etc.

✓ As per the guidelines (April 1999) of the Infrastructural Development Fund<sup>106</sup>, 40 per cent amount of released fund was to be utilised by the ULBs on creation of revenue earning assets, while remaining 60 per cent on permanent nature of works. These restrictions imposed by the State Government on utilisation of funds, either forced ULBs to violate the guidelines as scope for creation of revenue earning assets within the available resources was limited or delayed the utilisation of funds.

✓ The restrictions/limitations on financial and administrative powers of ULBs as discussed subsequently in **paragraph 7.9**.

✓ The huge number of vacancies in various cadres, as detailed in the **paragraph no. 6.2** also impacted utilisation.

The UD Department replied (November 2022) that the required instructions had been issued to ULBs for proper utilisation of funds related with CFC and SFC.

### **7.9 Financial Powers of Urban Local Bodies**

Fiscal autonomy can be complete only when supported by decentralisation of financial and administrative powers. The decentralisation provides for;

- ✓ creating an efficient and reliable administration;
- ✓ intensify and improve local governance;
- ✓ enhances accountability and responsiveness;
- ✓ improved capacity of the local people to participate in the decision making process, especially with regard to service delivery; and
- ✓ increased motivation *etc.*

Audit observed that provisions of UPMC Act and UPM Act, were silent about the administrative and financial sanctioning powers of different municipal authorities and only prescribed powers related with approval of estimates and contracts, as detailed in **Appendix VII**.

However, in case of Centrally and State sponsored schemes, administrative and financial sanctions were accorded by the State Government. Further, in case of CFC grants and Infrastructure Development Fund, authority of according administrative and financial sanctions are vested with a committee, headed by District Magistrate and Mayor (w.e.f. February 2019) in case of Municipalities and Municipal Corporations respectively. Besides, in case of SFC funds, the State Government did not mention any authority for the same and Mayor/President was according the administrative and financial sanctions as a de-facto situation. Though the State Government constituted (May 2014) a committee to enable the President for according administrative sanctions regarding CFC, SFC funds *etc.* and for stoppage of interference of district administration in these issues, however, no progress was made in this regard.

The UD Department did not offer (November 2022) any comments in this regard.


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<sup>106</sup> Created through levy of additional stamp duty on transfer of immovable properties within the jurisdiction of ULBs.

## 7.10 Conclusion


The State Government could not devolve sufficient resources to ULBs. ULBs had minimal revenue base and were largely dependent on Government grants for their survival. SFC grants were largely used for meeting establishment expenditure of ULBs. There was delay in constitution and accepting recommendations of SFC. The accepted recommendation of SFCs were also not implemented by the State Government. The share of ULBs in Additional Stamp Duty was not transferred. The ULBs could not obtain grants as per the allocation of 14<sup>th</sup> CFC, reasons for which were not on records. No compensation was provided to ULBs on account of subsumed taxes under the GST. ULBs were not proactive in the imposition and realisation of municipal taxes as many test-checked ULBs did not impose mandatory house tax and water tax. The other sources of own revenue such as Conservancy tax, tax on trades and calling, betterment tax, theatre tax, water charges, trade licenses *etc.* were not optimized by the ULBs. Required bye-laws were not framed by the ULBs for imposition of tax and non-tax revenue. The collection of imposed taxes was not efficient. The self-assessment system was also not adopted by the ULBs. The process of assessment of properties was deficient. The recovery of loans from the ULBs were pending. The preparation of budget estimates by ULBs was not only delayed but also unrealistic.

PRAYAGRAJ  
THE **31 May, 2024**

  
(RAM HIT)  
Principal Accountant General (Audit-I)  
Uttar Pradesh

COUNTERSIGNED

NEW DELHI  
THE **6 JUN 2024**

  
(GIRISH CHANDRA MURMU)  
Comptroller and Auditor General of India



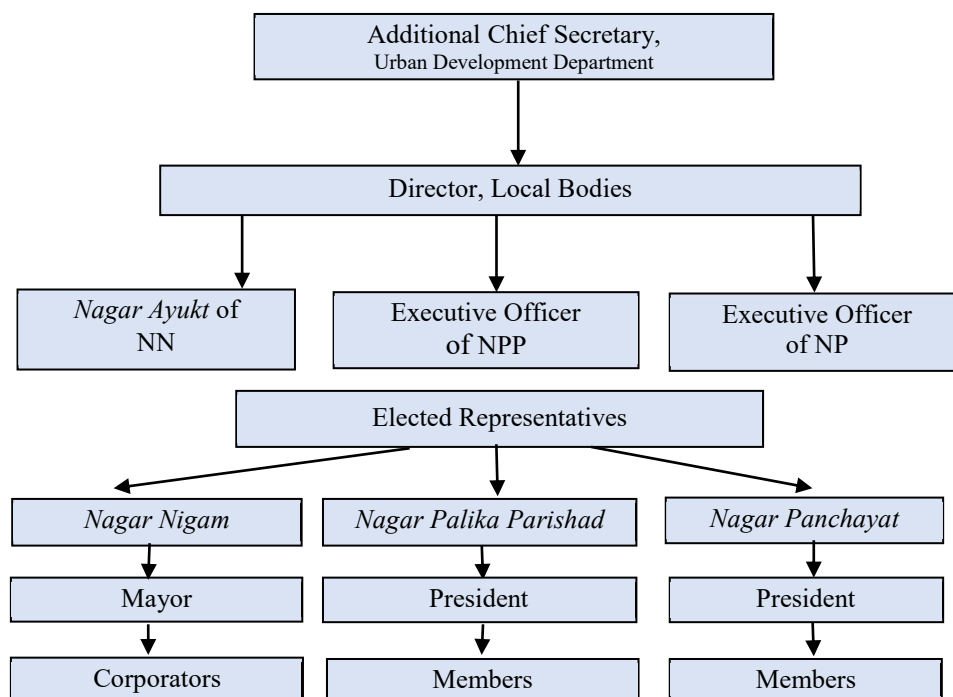
# Appendices



## Appendix - I

(Reference: Paragraph 1.4, Page 2)

### The organisational structure for functioning of ULBs in the State



(Source: Director, Local Bodies, Lucknow)

## Appendix - II

(Reference: Paragraph 2.3, Page 4)

### List of selected units

Sl. No.	Name of districts	Name of selected NNs	Name of selected NPPs	Name of selected NPs
1	Lucknow	Lucknow	-	Itaunja
			-	Bakshi Ka Talab
2	Moradabad	Moradabad	Thakurdwara	Umri Kalan
			Bilari	Pakbara
3	Mathura	Mathura-Vrindavan	Kosikalan	Gokul
				Chhata
4	Jhansi	Jhansi	Mauranipur	Kathera
			Gursarai	Ranipur
			Chirgaon	
5	Firozabad	-	Tundla	Fariha
			Sirsaganj	Eka
6	Rampur	-	Rampur	Maswasi
			Swar	Shahabad
			Bilaspur	
7	Mirzapur	-	Mirzapur	Kachhwa
8	Amroha	-	Amroha	Joya
			Bachhraon	Naugawan Sadat
9	Lakhimpur Kheri	-	Lakhimpur	Oel Dhakwa
			Palia Kalan	Kheri
10	Ballia	-	Ballia	Maniyar
			Rasra	Bairiya
11	Pratapgarh	-	Belha Pratapgarh	Katra Medniganj
				Kunda
12	Bhadohi	-	Bhadohi	Gyanpur
				Khamaria
13	Lalitpur	-	Lalitpur	Pali
				Talbehat

### Appendix - III

(Reference: Paragraphs 4.1, 5.3.1 & 5.3.2, Page 15, 37 & 38)

#### Status of devolution of functions in selected NNs and NPPs

Functions	ULBs →																									
	NN Lucknow	NN Jhansi	NN Moradabad	NN Mathura	NPP Mauranipur	NPP Gurusarai,	NPP Chirgaon,	NPP Rampur	NPP Bilaspur,	NPP Swar	NPP Ballia	NPP Rasada	NPP Koshikalan	NPP Amroha	NPP Bachraon	NPP Lakhimpur	NPP Palia kalan	NPP Bhadohi	NPP Mirzapur	NPP Thakurdwara	NPP Bilari	NPP Tundala	NPP Sirsaganj	NPP Lalitpur	NPP Belha Pratapgarh	
Urban planning including town planning	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Regulation of land-use and construction of buildings	ND	ND	ND	ND	PD	PD	PD	ND	PD	ND	ND	PD	ND	ND	PD	ND	PD	ND	ND	PD	PD	ND	ND	ND	ND	ND
Planning for economic and social development	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Roads and bridges	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD
Water supply for domestic, industrial and commercial purposes	PD	ND	PD	PD	ND	ND	ND	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	ND	PD	
Public health, sanitation conservancy and solid waste management.	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD
Fire services	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Urban forestry, protection of the environment and promotion of ecological aspects.	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	ND	ND	ND	ND	ND	ND	ND
Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded	PD	PD	ND	PD	ND	ND	ND	ND	ND	ND	ND	ND	PD	PD	PD	PD	PD	PD	PD	ND	ND	ND	ND	ND	ND	ND
Slum improvement and upgradation	PD	PD	PD	PD	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND

*Performance Audit on Implementation of 74<sup>th</sup> Constitutional Amendment Act*

Urban poverty alleviation	PD	PD	PD	PD	ND	ND	ND	ND	ND	ND	ND	ND	PD	PD	ND	PD	ND	PD	PD	ND	ND	ND	ND	ND	ND
Provision of urban amenities and facilities such as parks, gardens, playgrounds	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	ND	ND	PD	PD	PD	PD	PD	PD	PD
Promotion of cultural, educational and aesthetic aspects	PD	PD	PD	PD	ND	ND	ND	ND	ND	PD	ND	ND	PD	PD	PD	ND	PD	PD	PD	PD	ND	ND	ND	ND	PD
Burials and burial grounds; cremations, cremation grounds	D	D	D	D	D	D	D	D	D	D	D	ND	D	D	D	ND	ND	ND	D	D	D	D	D	D	
Cattle pounds; prevention of cruelty to animals	PD	PD	PD	PD	ND	ND	PD	PD	PD	ND	ND	ND	PD	PD	PD	PD	PD	PD	PD	ND	ND	ND	ND	PD	
Vital statistics including birth and death registration	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	
Public amenities including street lighting, parking lots, bus stops and public conveniences.	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	PD	
Regulation of slaughter houses and tanneries	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	

(Source : Information Provided by test-checked ULBs)

D-Devolved, PD-Partially Devolved and ND-Not Devolved

Functions under control of ULBs are represented by

Functions under control of multiple agencies are represented by



**Appendix-IV***(Reference paragraph no.4.1, page no.15)***Details of expenditure on overlapping activities by five NNs and concerned DAs****(₹ in crore)**

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
<b>NN-Jhansi</b>					
Development and Maintenance of Parks/Lawns and Plantation	2.17	2.57	1.50	0.68	0.17
Construction and Maintenance of roads from State Finance Commission Grants	27.46	26.03	17.68	18.45	23.13
Construction and Maintenance of drainage	1.41	0.00	0.00	0.00	1.12
Development work from Infrastructural Development Fund	1.05	5.35	2.01	0.91	9.80
Nagariy Sadak Sudhar Yojana	0.52	0.00	0.00	0.00	0.00
Road Work from Central Finance Commission Grants	18.09	35.95	14.46	100.26	20.19
Amrut Scheme	37.64	2.18	1.18	3.80	0.29
Drinking water/Handpump/water supply	0.00	0.00	0.00	7.09	15.19
<b>Total</b>	<b>88.34</b>	<b>72.08</b>	<b>36.83</b>	<b>131.19</b>	<b>69.89</b>
<b>DA-Jhansi</b>					
Development work from Infrastructural Development Fund	01.25	10.63	14.49	22.25	25.10
<b>Total</b>	<b>01.25</b>	<b>10.63</b>	<b>14.49</b>	<b>22.25</b>	<b>25.10</b>
<b>NN-Lucknow</b>					
New construction work	10.91	16.54	1.82	2.18	0.94
Development work for urban poor	1.73	0.28	0.03	0.01	0.04
Maintenance of Parks	17.69	19.34	23.41	24.98	29.60
Development work from Infrastructural Development fund	108.95	21.89	25.74	3.30	0.00
Central Finance Commission Grants	79.63	40.20	129.34	117.77	174.15
Amrut	338.33	2.24	2.47	1.43	1.32
<b>Total</b>	<b>557.24</b>	<b>100.49</b>	<b>182.81</b>	<b>149.67</b>	<b>206.05</b>
<b>DA-Lucknow</b>					
Exp on development works	115.80	84.59	72.29	143.44	103.47
Maintenance of schemes	2.78	2.42	1.83	3.45	9.34
Exp from Infrastructural Development fund	56.43	110.23	34.32	24.75	45.80
<b>Total</b>	<b>175.01</b>	<b>197.24</b>	<b>108.44</b>	<b>171.64</b>	<b>158.61</b>
<b>NN-Mathura-Vrindavan</b>					
Exp on water supply	5.25	5.33	4.07	39.78	50.63
Drainage	0.33	0.04	1.40	2.37	0.00
Slum development (Road and drainage)	0.00	0.00	0.02	0.19	0.02
Maintenance of road	3.94	1.31	2.27	6.57	13.96
Development of parks	0.00	0.05	0.32	0.15	0.36
Construction of roads	8.14	3.76	5.93	11.45	11.39
Central Finance Commission Grants	2.28	9.31	16.82	54.58	25.83

*Performance Audit Report on Implementation of 74<sup>th</sup> Constitutional Amendment Act*

<b>Exp from Infrastructural Development Fund</b>	0.74	1.46	1.82	1.67	0.18
<b>Amrut</b>	0.23	0.44	0.56	0.19	0.38
<b>Exp from Road cutting charges</b>	0.00	0.55	1.39	0.00	1.52
<b>Total</b>	<b>20.91</b>	<b>22.25</b>	<b>34.60</b>	<b>116.95</b>	<b>104.27</b>
<b>DA-Mathura Vrindavan</b>					
<b>Exp on development works</b>	4.05	4.87	4.21	4.55	17.47
<b>Development work from Government Grants</b>	4.08	0.89	0.65	0.01	0.00
<b>Exp from Infrastructural Development fund</b>	24.32	25.43	41.44	29.62	33.18
<b>Parks and Plantation works</b>	0.09	0.03	0.46	0.23	0.84
<b>Total</b>	<b>32.54</b>	<b>31.22</b>	<b>46.76</b>	<b>34.41</b>	<b>51.49</b>
<b>NN-Moradabad</b>					
<b>Construction of roads and others</b>	18.55	18.84	30.62	14.72	11.03
<b>Water supply</b>	12.63	11.82	13.16	12.83	5.70
<b>Exp on parks</b>	0.53	0.61	0.72	1.09	1.10
<b>Exp on drainage</b>	9.38	7.63	8.99	5.51	2.57
<b>Central Finance Commission Grants</b>	8.66	37.46	44.49	80.25	42.19
<b>Amrut</b>	4.54	1.71	1.55	0.68	1.63
<b>Total</b>	<b>54.29</b>	<b>78.07</b>	<b>99.53</b>	<b>115.08</b>	<b>64.22</b>
<b>DA-Moradabad</b>					
<b>Exp on parks and horticulture</b>	1.49	1.61	0.34	0.22	0.21
<b>Exp from Infrastructural Development fund</b>	10.77	3.93	2.51	10.12	0.42
<b>Exp on development works</b>	31.35	37.14	41.80	29.90	19.65
<b>Total</b>	<b>43.61</b>	<b>42.68</b>	<b>44.65</b>	<b>40.24</b>	<b>20.28</b>
<b>NN-Prayagraj</b>					
<b>Development for basic facilities for weaker section, urban poor including women empowerment (road and other work)</b>	0.15	0.09	0.00	0.03	0.00
<b>Maintenance of park, open space, plantation etc.</b>	1.04	0.98	1.07	2.48	6.55
<b>Expenditure on different development works under Infrastructural fund</b>	20.14	31.53	5.00	5.14	3.28
<i>Nagariy Sadak Sudhar Yojana</i>	0.15	0.90	0.00	0.00	0.00
<b>Development fund for road, lane and drainage</b>	5.21	0.52	1.09	14.61	25.42
<b>Sanitation-Slum area development</b>	0.06	0.09	0.00	0.00	0.00
<b>Amrut scheme</b>	0.05	2.85	1.48	3.73	1.02
<b>Central Finance Commission Grants</b>	30.49	63.16	70.14	61.46	89.09
<b>Road work through cutting charges</b>	0.00	0.09	0.03	0.00	0.00
<b>Total</b>	<b>57.29</b>	<b>100.21</b>	<b>78.81</b>	<b>87.45</b>	<b>125.36</b>
<b>DA-Prayagraj</b>					
<b>Beautification of parks and horticulture work</b>	2.62	0.88	0.39	0.49	0.56
<b>Development work</b>	3.75	0.18	3.08	6.91	5.56
<b>Work from the Infrastructural development fund</b>	34.00	76.02	35.38	10.98	4.65
<b>Total</b>	<b>40.37</b>	<b>77.08</b>	<b>38.85</b>	<b>18.38</b>	<b>10.77</b>

(Source: Annual Accounts and Budget documents of the concerned entities)

**Appendix - V**

(Reference: Paragraph 4.2.3.1, Page 21)

**Details of meetings of Councils held during 2015-20 in test-checked ULBs**

Name of District	Name of ULB	Year	No. of Meetings to be held as per provisions	Total no. of meetings actually held
<i>Nagar Nigams</i>				
Lucknow	NN Lucknow	2015-16	6	4
		2016-17	6	1
		2017-18*	3	2
		2018-19	6	6
		2019-20	6	6
Moradabad	NN Moradabad	2015-16	6	3
		2016-17	6	1
		2017-18*	3	2
		2018-19	6	2
		2019-20	6	2
Mathura	NN Mathura	2015-16	0	0
		2016-17	0	0
		2017-18**	3	1
		2018-19	6	3
		2019-20	6	3
Jhansi	NN Jhansi	2015-16	6	3
		2016-17	6	3
		2017-18	3	3
		2018-19	6	3
		2019-20	6	4
<b>Total</b>			<b>96</b>	<b>52</b>
<i>Nagar Palika Parishads</i>				
Jhansi	Mauranipur	2015-16	12	3
		2016-17	12	2
		2017-18	6	3
		2018-19	12	3
		2019-20	12	4
	Chirgaon	2015-16	12	11
		2016-17	12	10
		2017-18	6	2
		2018-19	12	8
		2019-20	12	6
	Gursarai	2015-16	12	11
		2016-17	12	12
		2017-18	6	7
		2018-19	12	7
		2019-20	12	9
Rampur	Rampur	2015-16	12	5
		2016-17	12	3
		2017-18	6	2
		2018-19	12	3
		2019-20	12	2
	Swar	2015-16	12	1

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		2016-17	12	1
		2017-18	6	1
		2018-19	12	3
		2019-20	12	1
	Bilaspur	2015-16	12	3
		2016-17	12	3
		2017-18	6	2
		2018-19	12	3
		2019-20	12	1
	Ballia	Ballia	2015-16	12
2016-17			12	11
2017-18			6	7
2018-19			12	0
Rasra		2019-20	12	0
		2015-16	12	11
		2016-17	12	11
		2017-18	6	8
		2018-19	12	7
		2019-20	12	8
Moradabad	Thakurdwara	2015-16	12	4
		2016-17	12	2
		2017-18	6	2
		2018-19	12	2
		2019-20	12	4
	Bilari	2015-16	12	2
		2016-17	12	1
		2017-18	6	3
		2018-19	12	3
		2019-20	12	2
Firozabad	Tundla	2015-16	12	6
		2016-17	12	11
		2017-18	6	3
		2018-19	12	5
		2019-20	12	8
	Sirsaganj	2015-16	12	2
		2016-17	12	2
		2017-18	6	3
		2018-19	12	7
		2019-20	12	6
Lalitpur	Lalitpur	2015-16	12	8
		2016-17	12	7
		2017-18	6	3
		2018-19	12	6
		2019-20	12	4
Pratapgarh	Belha Pratapgarh	2015-16	12	3
		2016-17	12	2
		2017-18	6	2
		2018-19	12	3
		2019-20	12	2
Mathura	Koshikalan	2015-16	12	1

		2016-17	12	2
		2017-18	6	2
		2018-19	12	3
		2019-20	12	1
Amroha	Amroha	2015-16	12	4
		2016-17	12	2
		2017-18	6	3
		2018-19	12	3
		2019-20	12	2
	Bachraun	2015-16	12	5
		2016-17	12	1
		2017-18	6	3
		2018-19	12	5
		2019-20	12	2
Lakhimpur Kheri	Lakhimpur	2015-16	12	7
		2016-17	12	2
		2017-18	6	3
		2018-19	12	2
		2019-20	12	2
	NPP Palia Kalan	2015-16	12	6
		2016-17	12	3
		2017-18	6	4
		2018-19	12	10
		2019-20	12	6
Bhadohi	Bhadohi	2015-16	12	6
		2016-17	12	3
		2017-18	6	3
		2018-19	12	6
		2019-20	12	7
Mirzapur	Mirzapur	2015-16	12	4
		2016-17	12	2
		2017-18	6	2
		2018-19	12	8
		2019-20	12	7
<b>Total</b>			<b>1134</b>	<b>452</b>
<b>Nagar Panchayats</b>				
Lucknow	Bakshi ka Tallab	2015-16	12	10
		2016-17	12	7
		2017-18	6	2
		2018-19	12	8
		2019-20	12	2
	Itaunja	2015-16	12	10
		2016-17	12	5
		2017-18	6	2
		2018-19	12	8
		2019-20	12	9
Jhansi	Ranipur	2015-16	12	2
		2016-17	12	2
		2017-18	6	2
		2018-19	12	2

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	Kathera	2019-20	12	2
		2015-16	12	2
		2016-17	12	2
		2017-18	6	2
		2018-19	12	2
		2019-20	12	3
Rampur	Shahbad	2015-16	12	3
		2016-17	12	1
		2017-18	6	1
		2018-19	12	2
		2019-20	12	1
	Maswasi	2015-16	12	2
		2016-17	12	1
		2017-18	6	2
		2018-19	12	2
		2019-20	12	2
Ballia	Maniyar	2015-16	0	0
		2016-17	0	0
		2017-18	3	3
		2018-19	12	8
		2019-20	12	1
	Bairia	2015-16	0	0
		2016-17	0	0
		2017-18	3	3
		2018-19	12	8
		2019-20	12	11
Moradabad	Pakbara	2015-16	0	0
		2016-17	0	0
		2017-18	3	2
		2018-19	12	4
		2019-20	12	6
	Umri Kalan	2015-16	12	10
		2016-17	12	10
		2017-18	6	9
		2018-19	12	11
		2019-20	12	10
Firozabad	Fariha	2015-16	12	8
		2016-17	12	2
		2017-18	6	3
		2018-19	12	9
		2019-20	12	9
	Eka	2015-16	0	0
		2016-17	0	0
		2017-18	3	2
		2018-19	12	9
		2019-20	12	10
Lalitpur	Pali	2015-16	12	7
		2016-17	12	6
		2017-18	6	3
		2018-19	12	6

	Talbehat	2019-20	12	5
		2015-16	12	9
		2016-17	12	12
		2017-18	6	9
		2018-19	12	12
		2019-20	12	9
Pratapgarh	Kunda	2015-16	12	3
		2016-17	12	8
		2017-18	6	5
		2018-19	12	3
		2019-20	12	3
	Katra Medniganj	2015-16	12	5
		2016-17	12	6
		2017-18	6	1
		2018-19	12	2
		2019-20	12	0
Mathura	Gokul	2015-16	12	3
		2016-17	12	1
		2017-18	6	3
		2018-19	12	4
		2019-20	12	2
	Chatta	2015-16	12	2
		2016-17	12	1
		2017-18	6	2
		2018-19	12	3
		2019-20	12	2
Amroha	Joya	2015-16	12	9
		2016-17	12	9
		2017-18	6	2
		2018-19	12	8
		2019-20	12	2
	Naugawan Sadat	2015-16	12	12
		2016-17	12	9
		2017-18	6	5
		2018-19	12	6
		2019-20	12	4
Lakhimpur Kheri	Oel Dhakwa	2015-16	12	9
		2016-17	12	8
		2017-18	6	8
		2018-19	12	12
		2019-20	12	9
	Kheri	2015-16	12	4
		2016-17	12	5
		2017-18	6	2
		2018-19	12	5
		2019-20	12	4
Bhadohi	Gyanpur	2015-16	12	9
		2016-17	12	11
		2017-18	6	5
		2018-19	12	11

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	Khamariya	2019-20	12	5
		2015-16	12	6
		2016-17	12	4
		2017-18	6	5
		2018-19	12	9
		2019-20	12	3
Mirzapur	Kachhwa	2015-16	12	6
		2016-17	12	2
		2017-18*	6	3
		2018-19	12	8
		2019-20	12	9
<b>Total</b>			<b>1242</b>	<b>614</b>
<b>Grand Total</b>			<b>2472</b>	<b>1118</b>

(\* There was no existence of Councils during the period July 2017 to December 2017,

\*\* Council was constituted in January 2018 after formation of NN/NP)

## Appendix - VI

(Reference: Paragraph no. 4.2.3.7 & 7.7.1 Page 25 & 90)

### Status of preparation and approval of budget estimates in test-checked ULBs

Name of District	Name of ULB	Year	Date of Submission to Council	Date of Approval by council	Whether sent to Director
<b>Nagar Nigams</b>					
Lucknow	Lucknow	2015-16	30-03-2015	30-03-2015	No
		2016-17	31-03-2016	31-03-2016	No
		2017-18	30-03-2017	30-03-2017	No
		2018-19	29-03-2018	29-03-2018	No
		2019-20	07-07-2019	07-07-2019	No
Moradabad	Moradabad	2015-16	Not prepared		
		2016-17	30-03-2016	30-03-2016	No
		2017-18	05-05-2017	09-05-2017	No
		2018-19	07-05-2018	07-05-2018	No
		2019-20	09-06-2019	15-06-2019	No
Mathura	Mathura-Vrindavan**	2018-19	12-04-2018	12-04-2018	No
		2019-20	09-08-2019	09-08-2019	No
Jhansi	Jhansi	2015-16	31-03-2015	31-03-2015	No
		2016-17	15-03-2016	15-03-2016	No
		2017-18	24-04-2017	24-04-2017	No
		2018-19	09-03-2018	09-03-2018	No
		2019-20	26-02-2019	26-02-2019	No
<b>Nagar Palika Parishads</b>					
Jhansi	Mauranipur	2015-16	Delayed submission	Delayed approval	No
		2016-17	11-03-2016	11-03-2016	No
		2017-18	Delayed submission	Delayed approval	No
		2018-19	Delayed submission	Delayed approval	No
		2019-20	22-02-2019	22-02-2019	No
	Chirgaon	2015-16	25-04-2015	25-04-2015	No
		2016-17	28-05-2016	28-05-2016	No
		2017-18	17-05-2017	17-05-2017	No
		2018-19	07-05-2018	07-05-2018	No
		2019-20	23-05-2019	23-05-2019	No
	Gursarai	2015-16	Not prepared		
		2016-17	Not prepared		
		2017-18	Not prepared		
		2018-19	15-03-2018	15-03-2018	No
		2019-20	29-06-2019	29-06-2019	No
Rampur	Rampur	2015-16	21-03-2015	21-03-2015	No
		2016-17	28-03-2016	28-03-2016	No
		2017-18	01-04-2017	01-04-2017	No
		2018-19	05-05-2018	05-05-2018	No
		2019-20	27-02-2019	27-02-2019	No
	Swar	2015-16	Not prepared		
		2016-17	Not prepared		
		2017-18	Not prepared		
		2018-19	11-07-2018	11-07-2018	No
		2019-20	25-02-2019	25-02-2019	No
Bilaspur		2015-16	01-04-2015	01-04-2015	No

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		2016-17	16-04-2016	16-04-2016	No
		2017-18	10-04-2017	10-04-2017	No
		2018-19	17-04-2018	17-04-2018	No
		2019-20	05-07-2019	05-07-2019	No
Ballia	Ballia	2015-16	15-04-2015	15-04-2015	No
		2016-17	03-05-2016	03-05-2016	No
		2017-18	21-04-2017	21-04-2017	No
		2018-19	Not prepared		
		2019-20	Not prepared		
	Rasra	2015-16	30-04-2015	30-04-2015	No
		2016-17	29-04-2016	29-04-2016	No
		2017-18	10-04-2017	10-04-2017	No
		2018-19	06-04-2018	06-04-2018	No
		2019-20	Not prepared		
Moradabad	Thakurdwara	2015-16	05-05-2015	05-05-2015	No
		2016-17	17-03-2016	17-03-2016	No
		2017-18	Not prepared		
		2018-19	20-03-2018	20-03-2018	No
		2019-20	04-07-2019	04-07-2019	No
	Bilari	2015-16	06-06-2015	06-06-2015	No
		2016-17	26-03-2016	26-03-2016	No
		2017-18	29-04-2017	29-04-2017	No
		2018-19	22-09-2018	22-09-2018	No
		2019-20	10-06-2019	10-06-2019	No
Firozabad	Tundla	2015-16	30-04-2015	30-04-2015	No
		2016-17	13-05-2016	13-05-2016	No
		2017-18	31-05-2017	31-05-2017	No
		2018-19	09-05-2018	09-05-2018	No
		2019-20	08-03-2019	08-03-2019	No
	Sirsaganj	2015-16	25-03-2015	25-03-2015	No
		2016-17	18-03-2016	18-03-2016	No
		2017-18	30-03-2017	30-03-2017	No
		2018-19	27-03-2018	27-03-2018	No
		2019-20	28-02-2019	28-02-2019	No
Lalitpur	Lalitpur	2015-16	15-04-2015	15-04-2015	No
		2016-17	13-04-2016	13-04-2016	No
		2017-18	28-03-2017	28-03-2017	No
		2018-19	16-05-2018	16-05-2018	No
		2019-20	02-03-2019	02-03-2019	No
Pratapgarh	Belha Pratapgarh	2015-16	31-03-2015	31-03-2015	No
		2016-17	23-04-2016	23-04-2016	No
		2017-18	15-04-2017	15-04-2017	No
		2018-19	17-04-2018	17-04-2018	No
		2019-20	03-06-2019	03-06-2019	No
Mathura	Kosikalan	2015-16	21.03.2015	21.03.2015	No
		2016-17	12.04.2016	12.04.2016	No
		2017-18	27.04.2017	27.04.2017	No
		2018-19	16.07.2018	16.07.2018	No
		2019-20	05.03.2019	05.03.2019	No
Amroha	Amroha	2015-16	25.03.2015	25.03.2015	No
		2016-17	28.03.2016	28.03.2016	No
		2017-18	31.03.2017	31.03.2017	No

	Bachhraon	2018-19	27.03.2018	27.03.2018	No
		2019-20	03.06.2019	03.06.2019	No
		2015-16	22.04.2015	22.04.2015	No
		2016-17	29.03.2016	29.03.2016	No
		2017-18	07.04.2017	07.04.2017	No
		2018-19	19.03.2018	19.03.2018	No
		2019-20	01.03.2019	01.03.2019	No
Lakhimpur Kheri	Lakhimpur	2015-16	06.04.2015	06.04.2015	No
		2016-17	31.03.2016	31.03.2016	No
		2017-18	05.05.2017	05.05.2017	No
		2018-19	10.05.2018	10.05.2018	No
		2019-20	14.08.2019	14.08.2019	No
	Palia Kalan	2015-16	28.09.2015	28.09.2015	No
		2016-17	30.06.2016	30.06.2016	No
		2017-18	Not prepared		
2018-19	26.02.2018	26.02.2018	No		
2019-20	27.02.2019	27.02.2019	No		
Bhadohi	Bhadohi	2015-16	28.02.2015	28.02.2015	No
		2016-17	30.04.2016	30.04.2016	No
		2017-18	Not prepared		
		2018-19	28.03.2018	28.03.2018	No
		2019-20	02.03.2019	02.03.2019	No
Mirzapur	Mirzapur	2015-16	04.04.2015	04.04.2015	No
		2016-17	04.05.2016	04.05.2016	No
		2017-18	25.04.2017	25.04.2017	No
		2018-19	02.04.2018	02.04.2018	No
		2019-20	01.03.2019	01.03.2019	No
<b>Nagar Panchayats</b>					
Lucknow	Bakshi ka Tallab	2015-16	Not prepared		
		2016-17	Not prepared		
		2017-18	Not prepared		
		2018-19	Not prepared		
		2019-20	Not prepared		
	Itaunja	2015-16	18-04-2015	18-04-2015	No
		2016-17	Not prepared		
		2017-18	30-03-2017	30-03-2017	No
2018-19	Not prepared				
2019-20	Not prepared				
Jhansi	Ranipur	2015-16	Not prepared		
		2016-17	Not prepared		
		2017-18	Not prepared		
		2018-19	Not prepared		
		2019-20	Not prepared		
	Kathera	2015-16	23-07-2015	23-07-2015	No
		2016-17	18-04-2016	18-04-2016	No
		2017-18	17-05-2017	17-05-2017	No
		2018-19	13-06-2018	13-06-2018	No
		2019-20	07-06-2019	07-06-2019	No
Rampur	Shahabad	2015-16	04-06-2015	04-06-2015	No
		2016-17	30-08-2016	30-08-2016	No
		2017-18	Not Prepared		
		2018-19	06-01-2018	06-01-2018	No

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	Maswasi	2019-20	Not Prepared		
		2015-16	12-05-2015	12-05-2015	No
		2016-17	Not Prepared		
		2017-18	Not Prepared		
		2018-19	Not Prepared		
	Maniyar	2019-20	11-11-2019	11-11-2019	No
		2015-16	Not Prepared		
		2016-17	Not Prepared		
		2017-18	15-12-2017	15-12-2017	No
		2018-19	Not Prepared		
	Bairiya**	2019-20	Not Prepared		
		2015-16	Not Prepared		
		2016-17	Not Prepared		
		2017-18	Not Prepared		
		2018-19	Not Prepared		
	Pakbara**	2019-20	Not Prepared		
		2015-16	Not Prepared		
		2016-17	Not Prepared		
		2017-18	Not Prepared		
		2018-19	Not Prepared		
	Umri Kalan	2018-19	24-03-2018	24-03-2018	No
		2019-20	07-08-2019	07-08-2019	No
		2015-16	Not Prepared		
		2016-17	Not Prepared		
		2017-18	Not Prepared		
	Fariha	2018-19	Not Prepared		
		2019-20	Not Prepared		
		2015-16	22-04-2015	22-04-2015	No
		2016-17	31-09-2016	31-09-2016	No
		2017-18	30-05-2017	30-05-2017	No
	Eka**	2018-19	Not Prepared		
		2019-20	Not Prepared		
		2015-16	22-04-2015	22-04-2015	No
		2016-17	31-09-2016	31-09-2016	No
		2017-18	30-05-2017	30-05-2017	No
	Pali	2018-19	30-04-2018	30-04-2018	No
		2019-20	28-02-2019	28-02-2019	No
		2015-16	16-07-2015	16-07-2015	No
		2016-17	24-06-2016	24-06-2016	No
		2017-18	02-04-2017	02-04-2017	No
	Talbehat	2018-19	22-05-2018	22-05-2018	No
		2019-20	Not Prepared		
		2015-16	03-05-2015	03-05-2015	No
		2016-17	Not Prepared		
		2017-18	04-04-2017	04-04-2017	No
	Kunda	2018-19	31-03-2018	31-03-2018	No
		2019-20	08-03-2019	08-03-2019	No
		2015-16	18-11-2015	18-11-2015	No
		2016-17	21-05-2016	21-05-2016	No
		2017-18	24-04-2017	24-04-2017	No
	Katra Medniganj	2018-19	Not Prepared		
		2019-20	26-08-2019	26-08-2019	No
		2015-16	Not prepared		
		2016-17	Not prepared		
		2017-18	Not prepared		
	Gokul	2018-19	Not prepared		
		2019-20	Not prepared		
		2015-16	Not prepared		
		2016-17	Not prepared		
		2017-18	Not prepared		

	Chhata	2015-16	Not prepared		
		2016-17	Not prepared		
		2017-18	Not prepared		
		2018-19	Not prepared		
		2019-20	Not prepared		
Amroha	Joya	2015-16	31.03.2015	31.03.2015	No
		2016-17	26.02.2016	26.02.2016	No
		2017-18	25.03.2017	25.03.2017	No
		2018-19	07.04.2018	07.04.2018	No
		2019-20	15.02.2019	15.02.2019	No
	Naugawan Sadat	2015-16	22.04.2015	22.04.2015	No
		2016-17	08.03.2016	08.03.2016	No
		2017-18	24.03.2017	24.03.2017	No
		2018-19	29.03.2018	29.03.2018	No
		2019-20	06.03.2019	06.03.2019	No
Lakhimpur Kheri	Oel Dhakwa	2015-16	25.04.2015	25.04.2015	No
		2016-17	31.03.2016	31.03.2016	No
		2017-18	19.04.2017	19.04.2017	No
		2018-19	28.04.2018	28.04.2018	No
		2019-20	28.06.2019	28.06.2019	No
	Kheri	2015-16	18.04.2015	18.04.2015	No
		2016-17	04.05.2016	04.05.2016	No
		2017-18	28.03.2017	28.03.2017	No
		2018-19	16.04.2018	16.04.2018	No
		2019-20	Not prepared		
Bhadohi	Gyanpur	2015-16	30.03.2015	30.03.2015	No
		2016-17	19.04.2016	19.04.2016	No
		2017-18	25.03.2017	25.03.2017	No
		2018-19	28.03.2018	28.03.2018	No
		2019-20	25.02.2019	25.02.2019	No
	Khamaria	2015-16	08.06.2015	08.06.2015	No
		2016-17	31.05.2016	31.05.2016	No
		2017-18	04.05.2017	04.05.2017	No
		2018-19	28.03.2018	28.03.2018	No
		2019-20	23.02.2019	23.02.2019	No
Mirzapur	Kachhwa	2015-16	30.04.2015	30.04.2015	No
		2016-17	11.07.2016	11.07.2016	No
		2017-18	13.04.2017	13.04.2017	No
		2018-19	09.05.2018	09.05.2018	No
		2019-20	10.06.2019	10.06.2019	No

\*\* Council was constituted in January 2018 after formation of NN/NP)

## Appendix – VII

(Reference: Paragraph no. 4.2.4, 7.9 Page 26 & 96)

### Showing role and powers of the Mayor/President *vis-a-vis* the Council and the State Government

Powers	Role of council	Role of Mayor/President	Role of the State Govt.
<b>Appointment of MC/Assistant MC/EO and determining their service conditions</b>	No role	No role	As per sections 58; 59 and 109 of UPMC Act and 69 (B) of UPM Act, powers to appointment against these posts and decide service conditions including pay and allowances vested with the state Govt.
<b>Removal of members of Council</b>	No role	No role	As per section 83 of UPMC Act and 40 of UPM Act, the State Govt. may remove members of Council with certain restrictions.
<b>Deciding manner and procedure of proceedings/ holding of meetings of Council and Committees.</b>	As per sections 102 & 103 of UPMC Act and 297 of UPM Act, the Council has powers to frame bye-laws/regulations for these matters.	As per section 88 of UPMC Act and 86 of UPM Act, the Mayor/President has power to convene meeting of Council.	No role
<b>Creation of posts of officers, staff, servants etc.</b>	As per Section 106 of UPMC Act, the council has been empowered to create posts of officers, staff etc. as it considers necessary to manage affairs of Municipal Corporation. Similarly, section 71 of UPM Act, empowers Council to determine requirement of permanent staff for the discharge of duties of Municipality.	No role	Section 106 of UPMC Act, also empowers the State Govt. to direct any Municipal Corporation for creation of required posts. Under section 71 of UPM Act, the State Govt. may also direct any Municipality to determine the requirement of staff. Apart from above, under section 112 (A) of UPMC Act and 69 (B) of UPM Act, the State Govt. has been empowered to create posts, common to all Municipal Corporations/Municipalities, under Centralised Services.
<b>Powers in respect of Municipal administration</b>	As per section 117 of UPMC Act, the powers of Municipal administration have been vested with the Council. Similarly, as per section 50 & 60 of UPM Act, powers of municipal administration preliminary vested with Municipality and delegated to the President and Executive officer.	As per Section 117 (2) of UPMC Act, superintendence of Municipal administration, on the behalf of Council, is carried out by Executive Committee under the leadership of Mayor. Similarly, President has been empowered to supervise the work of Municipalities.	As per Section 124 of UPMC Act, the State Govt. has been empowered to make Rules for the procedure relating to the exercise of powers of superintendence by the Executive Committee and the manner in which the Executive powers shall be exercised by the Municipal Commissioner. As per section 298 of UPM Act, State Govt. may direct/ require the council to make bye-laws for the furtherance of municipal administration.
<b>Acquisition and holding of property</b>	As per Section 125 of UPMC Act and 116, 117 & 124 of UPM Act, the Council has powers to acquire, hold and dispose of property or any interest therein.	As per Section 127 of UPMC Act, all acquisitions and dispose of property, on behalf of the Council, are to be done by the MC with the approval of Executive	As per Section 128 and 129 of UPMC Act, prior sanction of the State Government is required, in certain cases, for disposal of property. Further, as per Section 127 of UPM Act, the State Government is empowered to

		Committee (headed by Mayor).	make Rules for regulation and governance of matters related with acquisition or disposal of property. In compliance with the above provisions, the State Govt. had authorised (September 1998 and January 2000) the District Magistrate (valuing up to one lakh rupees) and Divisional Commissioner (more than one lakh but less than three lakh rupees) for disposal of properties of Municipalities. However, properties of valuing more than three lakh rupees were to be disposed only after approval a committee headed by the Divisional Commissioner.
<b>Award of contract</b>	As per section 132 (4) of UPMC Act, no contracts involving expenditure exceeding 20 lakh rupees are to be made by MC unless it has been sanctioned by the Council. As per section 96 & 97 of UPM Act, every contract is to be made by the President or Executive officer on the behalf of the Council, which is empowered to sanction contracts for which either budget provision does not exist or involving an expenditure of more than fifty thousand rupees and fifteen thousand rupees in the case of NPPs and NPs respectively.	As per Section 132 (3) (A) of UPMC Act, no contract involving expenditure exceeding ten lakh rupees and not exceeding fifteen lakh rupees shall be made by the Municipal Commissioner unless it has been sanctioned by the Mayor. Further, approval of Executive Committee is required for contracts valuing more than fifteen lakh but less than twenty lakh rupees. However, MC has been empowered to execute contracts of less than five lakh rupees on their own. As per Section 96 of UPM Act, in the period of intervening two meetings of Council, the President may sanction contracts involving a value of not more than one lakh rupees, which is to be placed before the Council for information at next ensuing meeting.	As per Section 132 (7) of UPMC Act, the State Govt. has powers to modify the monetary limits of different authority for award of contract, keeping in view the rise in costs or the exigencies of work and efficiency of Municipal Corporations. Besides, as per section 138 of UPMC Act, the procedure and manner relating to entering into contracts; are also to be decided by the State Government.
<b>To decide contentious matters in respect of requisition of returns, reports etc. by Council.</b>	As per section 122 (2) of UPMC Act, the MC is liable to comply with every requisition of Council for submission of returns, reports etc., unless in his opinion immediate compliance therewith would be prejudicial to the interest of the Municipal	As per Section 122 (2) of UPMC Act, contentious matters in respect of submission of returns, reports etc. may be referred to Mayor by the Council, whose decision shall be final. The President has no such powers and even as per	As per section 124 (K) of UPMC Act, the State Govt. has power to decide the manner in which the question regarding production of documents or other papers shall be referred to the Mayor for final decision.

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	Corporation or of the public. In such case, he shall make a declaration in writing to that effect. However, as per section 63 of UPM Act, Executive Officer is bound to comply with every requisition of Council for submission of returns, reports <i>etc.</i>	section 52 of UPM Act, the President is liable to comply with every requisition of Council for submission of returns, reports <i>etc.</i>	
<b>Approval of estimates</b>	As per Section 136 of UPMC Act, the council has power to approve estimates of more than twenty lakh rupees. However, provisions of UPM Act are silent about powers of different municipal authorities in respect of approval of estimates and authorised the State Govt. to make Rules in this regard.	As per Section 135 (1-A) of UPMC Act, the Mayor has power to sanction any estimate of more than fifty thousand rupees but less than fifteen lakh rupees. Further, as per section 135(2) of UPMC Act, Executive Committee has also empowered to sanction estimates of more than fifteen lakh rupees but less than twenty lakh rupees. As per the order (September 2014) of State Govt., President has no role in approval of estimates.	As per section 136 (2)(A) of UPMC Act, the State Govt. has power to approve estimates of more than thirtylakh rupees. Further, as per section 136 (A) of UPMC Act and 97 (A) of UPM Act, every contract or estimate in respect of an urban development project sponsored by the Government of India or the World Bank or any other foreign organisation, is to be sanctioned in accordance with the scheme approved by the State Government. Further, as per section 95 of UPM Act, the State Govt. has power to make rules for the matters related to preparation and approval of estimates
<b>Adoption of budget</b>	As per section 146 of UPMC Act, the Council has to adopt the budget estimates with or without modification as prepared by the MC before the beginning of the financial year. On failure of Council to do so in prescribed period, the budget estimates as prepared by the MC or as approved by the Executive Committee shall be deemed to be the budget estimates for that year. As per section 99 of UPM Act, every year the Council has to sanction budget estimates for upcoming financial year, on such a date and in such a manner as prescribed under Rules by the State Govt.	The Mayor has no role in preparation or adoption of budget estimates. As per section 92 of UPM Act, if in the opinion of President, approval of budget estimates by the Council is against the interest of Municipality, he may refer the same to the Director (LB) for approval.	As per Section 146 (4) of UPMC Act, the adoption of budget estimates of an indebted Municipal Corporation by the Council shall be subject to confirmation by the State Government. Further, as per section 102 of UPM Act, the State Govt. has power to issue orders for approval of budget estimate of indebted Municipalities either from the State Govt. or from the prescribed authority.
<b>Determine rates of taxes</b>	As per section 148 of UPMC Act, the Council has power to determine the rates, on or before March 15, at which Corporation taxes shall be levied in the next ensuing financial year. Further, no such powers are	The Executive committee is assigned to prepare a proposal regarding rate of taxes for submission to Council. The President has no role in determination of rate of Municipal taxes.	As per sections 182 & 219 of UPMC Act and 130(A) & 153 of UPM Act, the State Govt. has power to decide rate of Corporation/ Municipal taxes and the Councils have to levy taxes at rates as prescribed by the State Government under Rules.

	conferred to the Councils of Municipality.		
<b>Imposition of taxes</b>	As per section 199 of UPMC Act and 131 of UPM Act, the Council has to pass a resolution for imposition of any of the Corporation/ Municipal taxes as provided in UPMC Act / UPM Act.	As per section 199 of UPMC Act, on resolution of the Council, the Executive Committee has to prepare a proposal (containing persons or class of persons to be covered and amount or rate of tax to be leviable from each person or class of persons) and also has to prepare a draft of the rules for submission to the State Government. Further, as per Section 200 of UPMC Act, the Council may revise the proposal and draft rules, if it thinks necessary. Contrary to the provisions of UPMC Act, the President has no role to play in imposition of taxes and powers for framing proposals and draft rules are also vested with the Council (Section 131 of UPM Act).	As per section 201 & 202 of UPMC Act and 133 & 134 of UPM Act, the State Govt. has been empowered to reject, sanction or modify the proposal for imposition of tax. However, the State Govt. had delegated (February 1998) all powers of the State in respect of imposition of taxes for Municipalities to the Divisional Commissioner concerned.
<b>Exemption from payment of tax</b>	As per section 221 of UPMC Act and 157 (1) of UPM Act, the Council may exempt any person, for a period not exceeding one year, from the payment of an imposed tax or any portion of a tax, who is in its opinion by reason of poverty, unable to pay the same and may renew such exemption as often as it deems necessary.	No role.	As per section 221 of UPMC Act and 157 (3) of UPM Act, the State Govt. may also, by order, exempt any person or class of persons or any property from the payment of a imposed tax or any portion of a tax, for such period as may be specified in the order. Further, as per section 227 of UPMC Act, the State Government has also powers to decide conditions on which exemptions of taxes shall be allowed.
<b>Operation of Bank Accounts</b>	No role.	The President along with EO is joint signatory for operation of bank accounts in case of Municipalities. Though, in case of Municipal Corporations, this authority vested with MC along with Finance Officer and there was no role of Mayor in operation of bank accounts.	No role.

## Appendix - VIII

(Reference: Paragraph 5.3, Page 37)

### List of parastatals and their functions

Sl. No.	Parastatal	Functions
1	Uttar Pradesh Jal Nigam	The State Govt. had established UP Jal Nigam in 1975 under the provisions of UP Water supply and Sewerage Act, 1975. It is responsible for planning and execution of works related to water supply, sewerage & drainage facilities, solid waste management and pollution abatement of rivers/lakes in the State. It was also responsible for operation and maintenance (O&M) of 45 Sewage Treatment Plants (STPs) up to June 2019, out of 57 STPs established by the Urban Development Department in the State. Later, O&M of these STPs along with their sewerage network was outsourced to private firms by the Uttar Pradesh State Ganga River Conservation Authority. It is a main executive agency for the implementation of projects sanctioned under JNNURM, AMRUT <i>etc.</i> Under AMRUT scheme, it was not only authorised for preparation of DPRs, estimates and execution of projects related to infrastructure development of drinking water, sewerage, drainage, solid waste management <i>etc.</i> , but also involved in preparation and execution of projects related to providing connections of water supply and sewage to households.
2	Jal Sansthan	The UP Water supply and Sewerage Act, 1975 also provides for establishment of <i>Jal Sansthans</i> in the area of ULBs for improving the water supply services and to fulfill obligations of ULBs in this respect. The State Government had established (June 1975) five <i>Jal Sansthans</i> for big cities <i>viz.</i> , Agra, Kanpur, Lucknow, Prayagraj and Varanasi under jurisdiction of respective NNs and two <i>Jal Sansthans</i> for serving urban and rural population of Chitrakoot <sup>1</sup> and Jhansi region as an independent body. However, Jal Sansthans of five big cities were dissolved (February 2010) and converted into Jalkal vibhag under administrative control of respective NNs. Besides, remaining two Jal Sansthans were also dissolved (May 2009), however, due to non-amendment in MCA, these entities remained to continue as independent body.
3	Uttar Pradesh State Ganga River Conservation Authority (UPSGRCA)	The GoI had constituted “Uttar Pradesh State Ganga River Conservation Authority” in September 2009 for taking measures for effective abatement of pollution and conservation of the river Ganga in the State. The authority is responsible for execution of projects related to treatment of sewage and industrial effluent in 26 cities of the State, situated on the banks of river Ganga and their tributaries. The Namami Gange Programme is being implemented by the UPSGRCA in the State through UP Jal Nigam as an executive agency. Sewerage projects implemented under the programme also have provisions for operation and maintenance of projects for 15 years, after that these projects will be transferred to concerned ULBs/State Govt. A total 38 projects of sewerage and drainage works, sanctioned cost of Rs 6161.13 crore, were implemented during the period 2010-20.
4	State Urban Development Agency (SUDA).	Constituted in November 1990. Responsible for slum improvement/ clearance/ rehabilitation of slum dwellers along with creation of infrastructure in urban areas of the State and also an implementing agency for schemes related to social and economic upliftment of urban poor. The National Urban Livelihood Mission is also being operated through SUDA for providing employment to urban poor.
5	Uttar Pradesh State Industrial Development Authority	Established in March 1961 with an aim to promote industries and develop industrial infrastructure. Responsible for providing industrial infrastructural facilities and development of basic amenities such as road, sewerage, electricity and water facilities in industrial area of the State.
6	Development Authorities	The Development Authorities established at 24 district <sup>2</sup> headquarters, under the “Uttar Pradesh Urban Planning and Development Act; 1973”, are responsible for planning and promoting and securing the development of the urban area by preparation of Master Plan and Zonal Development Plan. For these purposes, the Development Authorities have the power to acquire, hold, manage and dispose of land and other property, to carryout

<sup>1</sup> Carved out from Jhansi Jal Sansthan during April 1999 for providing water supply services to the districts of Hamirpur, Banda, Mahoba and Chitrakoot.

<sup>2</sup> Agra, Aligarh, Ayodhya, Banda, Bareilly, Bulandsahar, Firozabad, Ghaziabad, Gorakhpur, Hapur, Jalaun, Jhansi, Kanpur, Lucknow, Mathura, Meerut, Moradabad, Muzaffarnagar, Prayagraj, Rampur, Raibareli, Saharanpur Unnao and Varanasi.

		<p>building, engineering, mining and other operations, to execute works in connection with the supply of water and electricity, to dispose of sewage and to provide and maintain other services and amenities and generally to do anything necessary or expedient for the purposes of such development and for purposes incidental thereto.</p> <p>Apart from above, five<sup>3</sup> Special Area Development Authority (SADA) has also been established under the “Uttar Pradesh Special Area Development Authority Act, 1986” for development of these areas. The main functions of SADA are to prepare and execute plans for development; to acquire, hold, manage and dispose of land and other property; to execute works of infrastructural amenities and governance of special area, if the State desires so, in the manner prescribed under MCA.</p>
7	Regulated Area Authorities	<p>With a view to provide for the regulation of building operations, the State Government enacted “Uttar Pradesh (Regulations of Building Operations) Act, 1958”. As per the provisions, the State Government is authorised to declare any area as regulated area for development and expansion of that area according to proper planning. Consequently, operation of Chapter XIII of MCA and Sections 178 to 186, 203 to 210 &amp; 222 of MA will remain suspend for regulated area. The Controlling authority of regulated area is responsible for preparation of master plans and granting permission for construction of buildings. The State Government had declared 72 regulated areas so far in the State.</p>
8	UP Awas Evam Vikas Parishad	<p>The State Govt. enacted (February 1966) U P Awas Evam Vikas Parishad Adhiniyam 1965 for establishment of housing and development board in the State under the chairmanship of the Minister concerned of Housing and Urban Planning department. The main functions of the board are to plan and execute housing and improvement schemes/projects in the State. The board has also been empowered to regulate building operations, improvement of slums and to provide civic amenities such as roads, sanitation, water supply <i>etc.</i> in the areas developed by them. The State Govt. established units of <i>Awas Evam Vikas Parishad</i> for different cities and towns of the State from time to time and brought 130 cities/towns of the State under ambit of it for providing aforesaid facilities.</p>
9	Special Purpose Vehicles (SPVs) for city bus transportation	<p>The State Govt. had established (April 2009) six SPVs for operation of city bus services in seven<sup>4</sup> big cities of the State. These SPVs are functional under the administrative control of Urban Transport Directorate and responsible for deciding routes, Fares <i>etc.</i></p>
10	Energy Efficiency Services Limited (EESL)	<p>A GoI company (established in December 2009 as a joint venture of state owned NTPC Limited, Power Finance Corporation, REC Limited and Powergrid), which is nominated (August 2017) by the State Government as an executive agency under Street Light National Programme for replacement of conventional street lights with energy efficient LED street lights in the jurisdictions of Corporations/Municipalities. EESL was providing street lighting facility in 15 NNs, 32 NPPs and seven NPs of the State as on December 2021 after replacing conventional street lights of these ULBs with LED lights.</p>
11	UP New and Renewable Energy Development Agency (UPNEDA)	<p>Established in April 1983 as an autonomous institution under the department of additional energy sources for production of energy based on new and renewable energy sources. The State Govt. nominated (March 2016), UPNEDA as an executive agency for providing street light facility through installation of solar lights under <i>Dr APJ Abdul Kalam Nagriy Saur Punj Yojna</i>. Accordingly, the UPNEDA is involved in preparation of action plan and execution of projects related with solar street lighting in the area of ULBs.</p>
12	Regional Centre for Urban & Environmental Studies (RCUES), Lucknow	<p>Established in the year 1968 at University of Lucknow by the Ministry of Housing and Urban Affairs, GoI to play a positive role in the field of urban management. The key activities of RCUES includes training and capacity building of manpower of ULBs, research, consultancy services and dissemination of information related to urban sector in the State.</p> <p>The State Govt. had nominated (July 2015) RCUES as a resource centre for providing assistance to the State Govt. and Director, Local Bodies, UP, Lucknow; in implementation and planning of various Centrally sponsored schemes such as AMRUT, Smart City Mission, Swachh Bharat Mission, Housing for all <i>etc.</i></p>

<sup>3</sup> Chitrakoot, Gadhuketeshwar, Kapilvastu, Shaktinagar and Vindhyachal.

<sup>4</sup> Agra, Mathura, Meerut, Kanpur, Lucknow, Prayagraj and Varanasi.

## Appendix - IX

(Reference: Paragraph 5.3.4, Page 41)

### Details of sanctioned/implemented projects under Smart City Mission during 2015-20 in test-checked NNs

Sl. No.	Project Name	Project Cost (₹ in Cr)
<b>NN Lucknow</b>		
Sanitation related projects		
1	Sanitation - Public Community Toilet at Kaiserbagh	0.44
2	Smart Dustbin (100 ltr 500 NOS)	0.28
3	Smart Dustbin (1100 ltr 100 NOS)	0.15
4	Refuse Compactor (16 NOS)	1.49
5	Supply Installation of portable Compactor 16cum- (20 NOS)	3.26
6	Road Cleaning and Sweeping Machine	3.94
7	Smart Public Toilet in EPC Mode in 09 Location	1.19
8	Sewerage - Sewer line along naala and strengthening and augmentation of network	105.20
9	Covering of naala, Drainage Strengthening & Augmentation of Network- Drainage	58.72
10	Solid Waste Management (NFC/QR Code, Sensor Based Bins)	3.80
Water supply related projects		
1	Water treatment Plant (1.5 MLD) at Hathi Park	7.10
2	Smart Grid- Waste water Treatment and Reuse Awanti Bai (10KLD) & Balrampur hospital (760KLD)	7.01
<b>NN Moradabad</b>		
Sanitation related projects		
1	Design supply, installation, testing, commissioning and operation & maintenance of smart public toilet	NA
Water supply related projects		
1	Setting up of solar based Water ATM for safe drinking water	NA
<b>NN Jhansi</b>		
Sanitation related projects		
1	Construction and one Year O & M of seven Pink Toilets	2.71
2	10 Water ATM's	2.19
3	Solid waste management-Procurement of Vehicles and equipment	244.51
4	Faecal sludge treatment plant or septage management system for area of Jhansi city	22.19
5	STP plant near Shivpuri by pass of Jhansi	98.14
6	Solid waste management- Door to door collection and transportation of municipal waste in Jhansi city.	43.75
Water supply related projects		
1	Distribution infrastructure for 24x7 water supply system	219
2	Rain Water Harvesting in 100 Govt. Building	9.19
3	Asra Awas yojna and housing scheme projects	219.51
4	Building works and other civil works related to water supply	209.51

(Source: Smart city website : <https://smartcities.gov.in/cities-profiles>)

## Appendix - X

(Reference: Paragraph 5.4, Page 41)

## Status of achievement against SLB on water supply services by test-checked ULBs during the year 2018-19

Water Supply Indicators																		
	Coverage of Water supply Connections		Per capita supply of water		Extent of metering of water connection		Extent of non-revenue water		Continuity of water supply		Quality of water supplied		Efficiency in redressal of customer complaints		Cost recovery in water supply service		Efficiency in collection of water supply charges	
Benchmarks	100%		135lpcd		100%		20%		24hours		100%		80%		100%		90%	
Name of units	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)
NN Lucknow	68.1	72	162.7	135	0	0	26.3	25	6.0	7	100.5	100	98.7	80	96.0	101	77.7	82
NN Jhansi	40.5	42	108.4	114	30.27	32	25.6	24	2.0	3	0.0	0	98.1	80	67.2	71	58.9	62
NN Moradabad	89.1	94	153.1	135	0	0	33.5	32	14.0	15	100.0	100	98.2	80	0.0	0	0.0	0
NN Mathura	93.4	98	82.9	87	0	0	13.8	14	15.0	16	100.0	100	97.2	80	11.6	12	92.3	92
NPP Mauranipur	28.9	30	30.4	32	42.20	44	14.4	14	5.0	6	100.0	100	95.9	80	38.0	40	29.7	31
NPP Gursarai	19.0	20	80.7	85	0.00	0	2.0	2	1.3	2.3	97.4	102	80.0	80	57.0	60	57.2	60
NPP Chirgaon	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NPP Rampur	86.2	91	58.5	61	0	0	68.3	65	11.0	12	96.4	101	87.2	80	11.9	13	0.8	1
NPP Bilaspur	70.2	74	109.0	114	0	0	28.0	27	8.0	9	100.0	100	100.0	80	45.7	48	52.5	55
NPP Swar	16.2	17	59.3	62	0	0	10.8	11	8.0	9	100.0	100	100.0	80	27.8	29	4.5	5
NPP Ballia	29.9	31	79.3	83	0	0	18.2	18	16.0	17	95.1	100	98.9	80	10.6	11	90.1	90
NPP Rasra	47.2	50	90.3	95	0	0	22.0	21	9.0	10	100.0	100	84.5	80	18.2	19	50.6	53
NPP Thakurdwara	24.1	25	85.2	89	0	0	0.0	0	8.0	9	100.0	100	100.0	80	60.3	63	52.8	55
NPP Bilari	58.2	61	135.0	135	0	0	3.7	4	11.0	12	100.0	100	80.0	80	33.1	35	111.9	112
NPP Tundla	64.6	68	111.9	118	0	0	57.6	55	4.0	5	100.0	100	97.1	80	8.6	9	70.6	74
NPP Sirsaganj	53.3	56	99.8	105	0	0	21.0	20	5.3	6.3	100.0	100	100.0	80	6.1	6	40.0	42
NPP Lalitpur	44.5	47	114.1	120	0	0	17.9	18	3.0	4	100.0	100	97.3	80	46.5	49	55.9	59
NPP Belha Pratapgarh	67.9	0	139.23	0	0	0	10.91	0	10	0	100	0	100	0	62.7	0	98.3	98
NPP Kosi kalan	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NPP Amroha	5.0	5	12.8	13	0	0	4.2	4	6.0	7	90.0	95	92.6	80	17.8	19	79.9	84
NPP Bachhraon	48.4	51	98.7	104	0	0	16.0	16	6.0	7	100.0	100	100.0	80	41.7	44	72.8	76
NPP Lakhimpur	74.5	78	149.3	135	18.90	20	17.2	17	16.0	17	100.0	100	100.0	80	93.2	98	90.0	90
NPP Palia kalan	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NPP Bhadohi	57.3	60	90.1	95	0	0	16.8	17	11.0	12	100.0	100	100.0	80	27.4	29	89.1	94
NPP Mirzapur	61.9	65	135.2	135	0	0	16.2	16	8.0	9	100.0	100	87.3	80	36.1	38	82.0	86

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NP Bakshi KaTalab	0.0	0	77.8	82	0	0	28.0	27	4.0	5	100.0	100	84.4	80	42.7	45	76.4	80
NP Kathera	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Ranipur	38.2	40	96.8	102	0.25	0	14.4	14	5.0	6	100.0	100	100.0	80	38.0	40	29.7	31
NP Maniyar	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Bairia	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Maswasi	75.6	79	108.7	114	0	0	88.2	84	12.0	13	100.0	100	100.0	80	44.0	46	57.9	61
NP Shahabad	74.1	78	85.9	90	0	0	22.1	21	8.0	9	100.0	100	62.5	66	16.0	17	41.4	43
NP Umrikalan	30.1	32	168.6	135	0	0	15.9	16	9.0	10	100.0	100	100.0	80	19.6	21	65.7	69
NP Pakbara	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Fariha	74.3	78	182.2	135	0	0	29.7	28	6.0	7	100.0	100	97.2	80	8.1	8	104.8	105
NP Eka	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Pali	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Talbehat	53.4	56	135.9	135	0.11	0	0.2	0	2.0	3	100.0	100	90.7	80	45.7	48	68.6	72
NP Kunda	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Katra Medniganj	36.0	38	132.4	135	0	0	12.0	12	6.0	7	100.0	100	98.6	80	10.1	11	0.0	0
NP Itaunja	100	100	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Gokul	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Chhata	83.0	87	132.6	135	0	0	16.7	17	8.0	9	96.0	101	100.0	80	3.9	4	96.1	96
NP Joya	60.6	64	137.2	135	0	0	47.4	45	5.0	6	0.0	0	1.7	2	14.3	15	91.2	91
NP Naugawan sadat	22.5	24	43.7	46	0	0	20.5	20	3.0	4	95.2	100	95.5	80	18.6	19	9.5	10
NP Kheri	12.9	14	13.2	14	0	0	17.6	18	4.1	5.13	0.0	0	78.8	80	20.7	22	1.9	2
NP Oel Dhakwa	13.6	14	104.9	110	0	0	1.7	2	10.0	11	92.5	97	100.0	80	3.0	3	29.0	30
NP Gyanpur	106.9	100	105.6	111	0	0	7.3	7	9.0	10	100.0	100	100.0	80	77.8	82	96.2	96
NP Khamaria	70.7	NA	145.94	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Kachhwa	67.8	71	93.2	98	0	0	40.3	38	8.0	9	100.0	100	78.7	80	13.8	15	31.1	33

(Source: Director, Local Bodies)

## Appendix-XI

(Reference: Paragraph 5.4, Page 43)

## Status of achievement against SLB on Solid Waste Management by test-checked ULBs during the year 2018-19

Benchmarks	Household level coverage of solid waste management services		Efficiency of collection of municipal solid waste		Extent of segregation of municipal solid waste		Extent of municipal solid waste recovered		Extent of scientific disposal of municipal solid waste		Efficiency in redressal of customer complaints		Extent of cost recovery in SWM services		Efficiency in collection of SWM charges	
	100%		100%		100%		80%		100%		80%		100%		90%	
Name of the ULBs	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)	Current (2018-19)	Target (2019-20)
NN Lucknow	54.5	60	97.4	100	78.6	83	62.0	65	41.4	43	99.8	80	91.3	96	92.9	93
NN Jhansi	99.5	109	85.0	93	91.4	96	7.0	7	35.2	37	92.4	80	0.0	0	0.0	0
NN Moradabad	100.0	110	100.0	100	86.9	91	81.5	80	6.7	7	99.1	80	0.2	0	79.2	83
NN Mathura	66.0	73	25.0	28	38.9	41	32.89	80	100.0	100	92.5	80	0.0	0	0.0	0
NPP Mauranipur	91.6	101	130.1	100	0	0	0	0	0	0	100.0	80	0.0	0	0.0	0
NPP Gursarai	99.1	109	249.5	100	0	0	0	0	0	0	100.0	80	0.0	0	0.0	0
NPP Chirgaon	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NPP Rampur	100.0	100	86.5	95	65.2	68	0	0	100.0	100	79.0	80	0	0	0	0
NPP Bilaspur	100.0	100	100.0	100	0	0	0	0	0	0	100.0	80	0	0	0	0
NPP Swar	100.0	100	100.0	100	0	0	0	0	0	0	88.0	80	0	0	0	0
NPP Ballia	88.5	97	98.8	100	0	0	0	0	32.4	34	83.3	80	0	0	0	0
NPP Rasra	73.7	81	100.0	100	0	0	0	0	0	0	100.0	80	0	0	0	0
NPP Thakurdwara	100.0	100	100.0	100	0	0	0	0	0	0	93.1	80	0	0	0	0
NPP Bilari	100.0	100	100.0	100	0	0	0	0	0	0	80.0	80	0	0	0	0
NPP Tundla	97.5	107	100.0	100	0	0	0	0	0	0	100.0	80	0	0	0	0
NPP Sirsaganj	99.0	109	100.0	100	0	0	0	0	0	0	100.0	80	2.9	3	76.0	80
NPP Lalitpur	88.6	97	52.0	57	0	0	0	0	0	0	100.0	80	0	0	0	0
NPP Belha Pratapgarh	91.6	0.0	97.3	0.0	0	0	0	0	0	0.0	96.7	0.0	0	0	0	0
NPP Kosikalan	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NPP Amroha	85.2	94	100.0	100	0	0	0	0	0	0	96.0	80	0	0	0	0
NPP Bachhraon	100.0	100	100.0	100	0	0	0	0	0	0	100.0	80	0	0	0	0
NPP Lakhimpur	62.9	69	100.0	100	0	0	0	0	0	0	93.5	80	0	0	0	0
NPP Paliakalan	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NPP Bhadohi	96.5	106	98.3	100	0	0	0	0	0	0	100.0	80	0	0	0	0
NPP Mirzapur	86.8	96	100.0	100	0	0	0	0	0	0	80.0	80	0	0	0	0
NP Bakshi Ka Talab Lucknow	97.2	107	100.0	100	0	0	0	0	0	0	100.0	80	0	0	0	0

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NP Kathera	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Ranipur	100.0	100	100.0	100	0	0	0	0	0	0	100.0	80	0	0	0	0
NP Maniyar	97.0	107	52.1	57	0	0	0	0	0	0	98.4	80	0	0	0	0
NP Bairia	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Maswasi	99.4	109	100.0	100	0	0	0	0	100.0	100	100.0	80	0	0	0	0
NP Shahabad	94.9	104	100.0	100	0	0	0	0	0	0	99.2	80	0	0	0	0
NP Umrikalan	99.9	110	78.8	87	0	0	0	0	73.7	77	100.0	80	0	0	0	0
NP Pakbara	100.0	100	100.0	100	40.0	100	80	80	0	100	80.0	80	0	100	0	90
NP Fariha	100.0	100	100.0	100	0	0	0	0	0	0	100.0	80	0	0	0	0
NP Eka	57.1	63	0	0	0	0	0	0	0	0	100.0	80	0	0	0	0
NP Pali	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Talbehat	100.0	100	100.0	100	0	0	0	0	0	0	91.3	80	0	0	0	0
NP Kunda	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Katra Medniganj	94.2	104	100.0	100	0	0	0	0	0	0	86.4	80	0	0	0	0
NP Itaunja	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Gokul	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Chhata	100.0	100	100.0	100	0	0	0	0	0	0	100.0	80	0	0	0	0
NP Joya	99.3	109	100.0	100	0	0	0	0	0	0	100.0	80	0	0	0	0
NP Naugawan sadat	71.3	78	97.7	100	23.8	25	0.2	0	0	0	100.0	80	0	0	0	0
NP Kheri	100.0	100	97.0	100	0	0	0	0	0	0	100.0	80	0	0	0	0
NP Oel Dhakwa	98.3	108	52.8	58	0	0	0	0	0	0	100.0	80	0	0	0	0
NP Gyanpur	28.0	31	100.0	100	0	0	0	0	0	0	100.0	80	0	0	0	0
NP Khamaria	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NP Kachhwa	93.5	103	100.0	100	77.9	82	0	0	35.8	38	74.4	78	0	0	0	0

(Source: Director, Local Bodies)

## Appendix-XII

(Reference: Paragraph 6.2, Page 49)

## Status of Human Resources in test-checked Nagar Panchayats as on March 2020

Sl. No.	Name of Unit	Human Resource				No. of Employees per 1000 population
		Sanctioned	Vacant	Vacant%	Contractual	
1.	Bakshi KaTalab, Lucknow	2	0	0.00	0	0.04
2.	Itaunja, Lucknow	4	0	0.00	12	2.18
3.	Kathera Jhansi	8	3	37.50	12	2.26
4.	Ranipur Jhansi	31	13	41.94	31	2.70
5.	Maniyar Ballia	27	19	70.37	21	1.46
6.	Bairiya Ballia	2	1	50.00	0	0.04
7.	Maswasi Rampur	7	4	57.14	37	2.21
8.	Sahabad Rampur	36	8	22.22	63	2.38
9.	Umri kalan, Moradabad	19	0	0.00	14	1.85
10.	Pakbara, Moradabad	2	1	50.00	0	0.03
11.	Fariha, Firozabad	16	3	18.75	3	2.32
12.	Eka, Firozabad	1	1	100.00	0	0.00
13.	Pali, Lalitpur	8	3	37.50	17	2.37
14.	Talbehat, Lalitpur	16	14	87.50	31	2.33
15.	Kunda, Pratapgarh	35	9	25.71	13	1.37
16.	Katra Medniganj, Pratapgarh	7	1	14.29	4	1.28
17.	Gokul, Mathura	14	6	42.86	4	2.44
18.	Chhata, Mathura	38	2	5.26	17	2.25
19.	Joya, Amroha	17	0	0.00	20	2.01
20.	Naugawan Sadat, Amroha	15	0	0.00	13	0.85
21.	Oel Dhakwa, Lakhimpur Kheri	23	15	65.22	10	1.38
22.	Kheri, Lakhimpur Kheri	22	4	18.18	27	1.34
23.	Gyanpur, Bhadohi	22	7	31.82	11	2.03
24.	Khamaria, Bhadohi	13	7	53.85	16	0.84
25.	Kachhwa Mirzapur	23	14	60.87	17	1.63
<b>Total</b>		<b>408</b>	<b>135</b>	<b>33.09</b>	<b>393</b>	<b>1.30</b>

(Source: Information provided by test-checked ULBs)

### Appendix-XIII

(Reference: Paragraph 6.2.1, Page 49)

#### Status of availability of technical staff in test-checked NNs and NPPs as on March 2020

Name of ULB	Chief Engineer (Civil)			Executive Engineer (Civil)			Asstt. Engineer (Civil)			Junior Engineer (Civil)			Total	
	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP
<i>Nagar Nigams</i>														
Lucknow	1	2	-1	5	3	2	8	9	-1	18	23	-5	32	37
Jhansi	1	1	0	3	0	3	4	3	1	9	5	4	17	9
Mathura-Vrindavan	1	1	0	1	1	0	2	2	0	6	5	1	10	9
Moradabad	1	1	0	1	1	0	3	1	2	8	7	1	13	10
<b>Total (Nagar Nigams)</b>	<b>4</b>	<b>5</b>	<b>-1</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>17</b>	<b>15</b>	<b>2</b>	<b>41</b>	<b>40</b>	<b>1</b>	<b>72</b>	<b>65</b>
<i>Nagar Palika Parishads</i>														
Mauranipur, Jhansi	0	0	0	0	0	0	0	0	0	1	0	1	1	0
Gursarai, Jhansi	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chirgaon, Jhansi	0	0	0	0	0	0	0	0	0	1	0	1	1	0
Rampur	0	0	0	1	0	1	0	0	0	2	0	2	3	0
Swar, Rampur	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bilaspur, Rampur	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ballia	0	0	0	0	0	0	1	0	1	2	1	1	3	1
Rasra, Ballia	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Thakurdwara, Moradabad	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bilari, Moradabad	0	0	0	0	0	0	0	0	0	1	1	0	1	1
Tundla, Firozabad	0	0	0	0	0	0	0	0	0	1	0	1	1	0
Sirsaganj, Firozabad	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lalitpur	0	0	0	0	0	0	1	0	1	1	1	0	2	1
Belha Pratapgarh	0	0	0	0	0	0	0	0	0	1	1	0	1	1
Kosikalan, Mathura	0	0	0	0	0	0	1	0	1	1	1	0	2	1
Amroha	0	0	0	0	0	0	0	0	0	1	1	0	1	1
Bachhraon, Amroha	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lakhimpur	0	0	0	0	0	0	0	0	0	1	1	0	1	1
Palia Kalan, Lakhimpur Kheri	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bhadohi	0	0	0	0	0	0	0	0	0	1	1	0	1	1
Mirzapur	0	0	0	0	0	0	1	1	0	2	2	0	3	3
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>16</b>	<b>10</b>	<b>6</b>	<b>21</b>	<b>11</b>

(Source: Information provided by test-checked ULBs)

**Appendix-XIV**

(Reference: Paragraph 6.2.2, Page 50)

**Status of availability of staff under revenue services in test-checked ULBs as on March 2020**

Name of ULB	Chief Tax/Tax Assessment Officer			Tax/ Revenue Asstt. Superintendent			Tax Assessment Officer			Tax/Revenue Inspector			Tax collector			Nayab Mohrir			Total	
	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP	Shortfall	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP
<i>Nagar Nigams</i>																				
Lucknow	1	2	-1	12	23	-11	4	6	-2	85	46	39	54	29	25	65	2	63	221	108
Jhansi	1	1	0	3	4	-1	1	1	0	9	2	7	9	2	7	16	4	12	39	14
Mathura-Vrindavan	1	0	1	2	1	1	2	0	2	5	5	0	23	19	4	6	6	0	39	31
Moradabad	1	1	0	4	4	0	1	0	1	8	13	-5	13	9	4	3	1	2	30	28
<b>Total (Nagar Nigams)</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>21</b>	<b>32</b>	<b>-11</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>107</b>	<b>66</b>	<b>41</b>	<b>99</b>	<b>59</b>	<b>40</b>	<b>90</b>	<b>13</b>	<b>77</b>	<b>329</b>	<b>181</b>
<i>Nagar Palika Parishads</i>																				
Mauranipur, Jhansi	0	0	0	0	0	0	0	0	0	1	0	1	5	0	5	15	4	11	21	4
Gursarai, Jhansi	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	7	2	5	8	3
Chirgaon, Jhansi	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	4	4	0	5	5
Rampur	0	0	0	1	0	1	1	0	1	4	2	2	0	0	0	0	0	0	6	2
Swar, Rampur	0	0	0	0	0	0	0	0	0	0	4	-4	0	0	0	0	0	0	0	4
Bilaspur, Rampur	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	4	4	8	4
Ballia	0	0	0	1	0	1	0	0	0	0	0	0	7	6	1	9	7	2	17	13
Rasra, Ballia	0	0	0	0	0	0	0	0	0	0	0	0	3	1	2	0	0	0	3	1
Thakurdwara, Moradabad	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bilari, Moradabad	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	1	1
Tundla, Firozabad	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	4	0	4	4
Sirsaganj, Firozabad	0	0	0	0	0	0	0	0	0	0	0	0	2	3	-1	1	1	0	3	3
Lalitpur	0	0	0	2	1	1	1	0	1	4	2	2	0	0	0	7	5	2	14	9
Belha Pratapgarh	0	0	0	1	1	0	0	0	0	1	2	-1	4	2	2	0	0	0	6	5
Kosikalan, Mathura	0	0	0	1	0	1	0	0	0	1	1	0	4	2	2	24	1	23	30	4
Amroha	0	0	0	1	0	1	1	0	1	6	2	4	2	1	1	7	2	5	17	5
Bachhraon, Amroha	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	1	1
Lakhimpur	0	0	0	1	0	1	0	0	0	1	1	0	6	3	3	0	0	0	8	4
Palia Kalan, Lakhimpur Kheri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	1	1
Bhadohi	0	0	0	1	1	0	0	0	0	2	2	0	3	2	1	0	0	0	6	5
Mirzapur	0	0	0	1	1	0	1	1	0	5	3	2	8	8	0	0	0	0	15	13

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Total (Nagar Palika Parishads)	0	0	0	10	4	6	4	1	3	25	19	6	46	30	16	89	37	52	174	91
<i>Nagar Panchayats</i>																				
Bakshi Ka Talab, Lucknow	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	0
Itaunja, Lucknow	0	0	0	0	0	0	0	0	0	0	0	0	1	3	-2	0	0	0	1	3
Kathera, Jhansi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ranipur, Jhansi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maniyar, Ballia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bairiya, Ballia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maswasi Rampur	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Shahabad Rampur	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Umri kalan, Moradabad	0	0	0	0	0	0	0	0	0	0	0	0	3	5	-2	0	0	0	3	5
Pakbara, Moradabad	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	0
Fariha, Firozabad	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Eka, Firozabad	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pali, Lalitpur	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Talbehat, Lalitpur	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	0
Kunda, Pratapgarh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Katra Medniganj, Pratapgarh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gokul, Mathura	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	1	1
Chhata, Mathura	0	0	0	0	0	0	0	0	0	0	0	0	2	2	0	0	0	0	2	2
Joya, Amroha	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	0
Naugawan Sadat, Amroha	0	0	0	0	0	0	0	0	0	0	0	0	3	0	3	0	0	0	3	0
Oel Dhakwa, Lakhimpur Kheri	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	0
Kheri, Lakhimpur Kheri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gyanpur, Bhadohi	0	0	0	0	0	0	0	0	0	0	0	0	3	1	2	0	0	0	3	1
Khamariya, Bhadohi	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	0
Kachhwa Mirzapur	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	1	-1	1	2
<b>Total (Nagar Panchayats)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>13</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>-1</b>	<b>20</b>	<b>14</b>

(Source: Information provided by test-checked ULBs)

## Appendix-XV

(Reference: Paragraph 6.2.3, Page 50)

## Status of availability of staff for sanitation activities in test-checked ULBs as on March 2020

Name of ULB	Food & Sanitation Inspector			Safai Nayak/Hawaldar			Safai Karmchari			Zonal Sanitary Officer			Total		
	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP	
<b>Nagar Nigams</b>															
Lucknow	41	42	-1	95	53	42	5196	3293	1903	3	3	0	5335	3391	
Jhansi	12	9	3	27	10	17	1165	823	342	1	1	0	1205	843	
Mathura-Vrindavan	9	11	-2	28	19	9	1231	657	574	2	1	1	1270	688	
Moradabad	3	1	2	27	11	16	2417	917	1500	2	1	1	2449	930	
<b>Total</b>	<b>65</b>	<b>63</b>	<b>2</b>	<b>177</b>	<b>93</b>	<b>84</b>	<b>10009</b>	<b>5690</b>	<b>4319</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>10259</b>	<b>5852</b>	
<b>Nagar Palika Parishads</b>															
Mauranipur, Jhansi	1	1	0	3	0	3	146	102	44	0	0	0	150	103	
Gursarai, Jhansi	0	0	0	1	0	1	63	48	15	0	0	0	64	48	
Chirgaon, Jhansi	0	0	0	3	2	1	37	28	9	0	0	0	40	30	
Rampur	7	4	3	31	27	4	886	347	539	0	0	0	924	378	
Swar, Rampur	0	0	0	3	0	3	51	32	19	0	0	0	54	32	
Bilaspur, Rampur	0	0	0	0	0	0	114	78	36	0	0	0	114	78	
Ballia	2	0	2	8	12	-4	244	209	35	0	0	0	254	221	
Rasra, Ballia	0	0	0	2	3	-1	100	71	29	0	0	0	102	74	
Thakurdwara, Moradabad	0	0	0	2	2	0	113	90	23	0	0	0	115	92	
Bilari, Moradabad	1	1	0	3	3	0	94	62	32	0	0	0	98	66	
Tundla, Firozabad	0	0	0	0	0	0	146	100	46	0	0	0	146	100	
Sirsaganj, Firozabad	1	1	0	2	2	0	81	64	17	0	0	0	84	67	
Lalitpur	2	2	0	9	5	4	348	283	65	0	0	0	359	290	
Belha Pratapgarh	1	1	0	7	2	5	227	157	70	0	0	0	235	160	
Kosikalan, Mathura	0	0	0	5	4	1	123	101	22	0	0	0	128	105	
Amroha	3	3	0	9	7	2	502	349	153	0	0	0	514	359	
Bachhraon, Amroha	0	0	0	1	1	0	56	40	16	0	0	0	57	41	
Lakhimpur	2	2	0	7	6	1	401	249	152	0	0	0	410	257	
Palia Kalan, Lakhimpur Kheri	0	0	0	0	0	0	113	44	69	0	0	0	113	44	
Bhadohi	1	0	1	3	3	0	220	148	72	0	0	0	224	151	
Mirzapur	5	2	3	21	18	3	914	213	701	0	0	0	940	233	
	<b>26</b>	<b>17</b>	<b>9</b>	<b>120</b>	<b>97</b>	<b>23</b>	<b>4979</b>	<b>2815</b>	<b>2164</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5125</b>	<b>2929</b>	
<b>Nagar Panchayats</b>															
Bakshi Ka Talab, Lucknow	0	0	0	0	0	0	5	0	5	0	0	0	5	0	
Itaunja, Lucknow	0	0	0	0	0	0	19	17	2	0	0	0	19	17	
Ranipur, Jhansi	0	0	0	0	0	0	57	40	17	0	0	0	57	40	
Kathera, Jhansi	0	0	0	0	0	0	20	14	6	0	0	0	20	14	
Shahabad, Rampur	0	0	0	1	1	0	98	78	20	0	0	0	99	79	
Maswasi, Rampur	0	0	0	0	0	0	48	42	6	0	0	0	48	42	
Bairiya, Ballia	0	0	0	0	4	-4	0	0	0	0	0	0	0	4	
Maniyar, Ballia	0	0	0	0	1	-1	57	24	33	0	0	0	57	25	
Umri kalan, Moradabad	0	0	0	0	0	0	49	22	27	0	0	0	49	22	
Pakbara, Moradabad	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Fariha, Firozabad	0	0	0	0	0	0	20	17	3	0	0	0	20	17	
Eka, Firozabad	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pali, Lalitpur	0	0	0	0	0	0	26	20	6	0	0	0	26	20	

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Talbehat, Lalitpur	0	0	0	0	0	0	49	31	18	0	0	0	49	31
Kunda, Pratapgarh	0	0	0	0	0	0	72	18	54	0	0	0	72	18
Katra Medniganj, Pratapgarh	0	0	0	0	0	0	24	8	16	0	0	0	24	8
Gokul, Mathura	0	0	0	1	1	0	12	8	4	0	0	0	13	9
Chhata, Mathura	0	0	0	1	1	0	40	36	4	0	0	0	41	37
Joya, Amroha	0	0	0	1	2	-1	46	29	17	0	0	0	47	31
Naugawan Sadat, Amroha	0	0	0	0	0	0	83	24	59	0	0	0	83	24
Oel Dhakwa, Lakhimpur	0	0	0	1	0	1	35	12	23	0	0	0	36	12
Kheri, Lakhimpur Kheri	0	0	0	1	0	1	75	34	41	0	0	0	76	34
Gyanpur, Bhadohi	0	0	0	0	0	0	38	15	23	0	0	0	38	15
Khamaria, Bhadohi	0	0	0	0	0	0	72	20	52	0	0	0	72	20
Kachhwa, Mirzapur	0	0	0	2	2	0	47	20	27	0	0	0	49	22
	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>12</b>	<b>-4</b>	<b>992</b>	<b>529</b>	<b>463</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1000</b>	<b>541</b>

(Source: Information provided by test-checked ULBs)

## Appendix - XVI

(Reference: Paragraph 6.2.3, Page 51)

Details of requirement and availability of *Safai Karmchari* in test-checked ULBs

Name of ULB	Population of ULB	Requirement of <i>safai karmchari</i> as per norm	Details of <i>Safai Karmchari</i>			Total (PIP+ Outsourced)	<i>Safai karmi</i> in excess as compared to SS (%)	<i>Safai karmi</i> in excess as compared to norm (%)
			Sanctioned Post	PIP	Outsourced			
<b>Nagar Nigams</b>								
Lucknow	2817105	7888	5196	3293	6099	9392	80.75	19.07
Jhansi	549391	1538	1165	823	582	1405	20.60	-8.67
Mathura-Vrindavan	454937	1274	1231	657	875	1532	24.45	20.27
Moradabad	889810	2491	2417	917	1334	2251	-6.87	-9.65
<b>Total (Nagar Nigams)</b>		<b>13191</b>	<b>10009</b>	<b>5690</b>	<b>8890</b>	<b>14580</b>	<b>45.67</b>	<b>10.53</b>
<b>Nagar Palika Parishads</b>								
Mauranipur, Jhansi	58229	163	146	102	140	242	65.75	48.43
Gursarai, Jhansi	26869	75	63	48	69	117	85.71	55.52
Chirgaon, Jhansi	16724	47	37	28	31	59	59.46	26.00
Rampur	318356	891	886	347	500	847	-4.40	-4.98
Swar, Rampur	32158	90	51	32	65	97	90.20	7.73
Bilaspur, Rampur	43908	123	114	78	82	160	40.35	30.14
Ballia	104424	292	244	209	235	444	81.97	51.85
Rasra, Ballia	32612	91	100	71	39	110	10.00	20.46
Thakurdwara, Moradabad	44069	123	113	90	30	120	6.19	-2.75
Bilari, Moradabad	37537	105	94	62	50	112	19.15	6.56
Tundla, Firozabad	50386	141	146	100	150	250	71.23	77.20
Sirsaganj, Firozabad	32152	90	81	64	65	129	59.26	43.29
Lalitpur	138902	389	348	283	260	543	56.03	39.62
Belha Pratapgarh	76750	215	227	157	175	332	46.26	54.49
Kosikalan, Mathura	53307	149	123	101	90	191	55.28	27.96
Amroha	201971	566	502	349	150	499	-0.60	-11.76
Bachhraon, Amroha	31135	87	56	40	41	81	44.64	-7.09
Lakhimpur	151993	426	401	249	325	574	43.14	34.87
Palia Kalan, Lakhimpur Kheri	41253	116	113	44	125	169	49.56	46.31
Bhadohi	94620	265	220	148	61	209	-5.00	-21.11
Mirzapur	234170	656	914	213	526	739	-19.15	12.71
<b>Total (Nagar Palika Parishads)</b>		<b>5100</b>	<b>4979</b>	<b>2815</b>	<b>3209</b>	<b>6024</b>	<b>20.99</b>	<b>18.11</b>
<b>Nagar Panchayats</b>								
Bakshi Ka Talab, Lucknow	<b>49166</b>	138	5	0	168	168	3260.00	22.04
Itaunja, Lucknow	<b>7352</b>	21	19	17	15	32	68.42	55.45
Ranipur, Jhansi	<b>18132</b>	51	57	40	0	40	-29.82	-21.21
Kathera, Jhansi	<b>7533</b>	21	20	14	12	26	30.00	23.27
Shahabad, Rampur	<b>38276</b>	107	98	78	22	100	2.04	-6.69
Maswasi, Rampur	<b>18061</b>	51	48	42	39	81	68.75	60.17
Bairiya Ballia	<b>28343</b>	79	0	0	70	70	-	-11.79
Maniyar, Ballia	<b>19890</b>	56	57	24	32	56	-1.75	0.55
Umri kalan', Moradabad	<b>17821</b>	50	49	22	35	57	16.33	14.23
Pakbara, Moradabad	<b>36728</b>	103	0	0	92	92	-	-10.54
Fariha, Firozabad	<b>6895</b>	19	20	17	18	35	75.00	81.29
Eka, Firozabad	<b>24523</b>	69	0	0	85	85	-	23.79
Pali, Lalitpur	<b>9267</b>	26	26	20	6	26	0.00	0.20
Talbehat, Lalitpur	<b>14177</b>	40	49	31	16	47	-4.08	18.40
Kunda, Pratapgarh	<b>28554</b>	80	72	18	56	74	2.78	-7.44

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Katra Medniganj, Pratapgarh	<b>7815</b>	22	24	8	19	27	12.50	23.39
Gokul, Mathura	<b>4916</b>	14	12	8	15	23	91.67	67.09
Chhata, Mathura	<b>23537</b>	66	40	36	48	84	110.00	27.46
Joya, Amroha	<b>18377</b>	51	46	29	90	119	158.70	131.27
Naugawan Sadat, Amroha	<b>32954</b>	92	83	24	79	103	24.10	11.63
Oel Dhakwa, Lakhimpur Kheri	<b>13012</b>	36	35	12	21	33	-5.71	-9.42
Kheri, Lakhimpur Kheri	<b>33524</b>	94	75	34	81	115	53.33	22.51
Gyanpur, Bhadohi	<b>12815</b>	36	38	15	47	62	63.16	72.79
Khamariya, Bhadohi	<b>26329</b>	74	72	20	32	52	-27.78	-29.46
Kachhwa, Mirzapur	<b>15962</b>	45	47	20	24	44	-6.38	-1.55
<b>Total (Nagar Panchayats)</b>		<b>1441</b>	<b>992</b>	<b>529</b>	<b>1122</b>	<b>1651</b>	<b>66.43</b>	<b>14.73</b>
<b>Grand Total</b>		<b>19732</b>	<b>15980</b>	<b>9034</b>	<b>13221</b>	<b>22255</b>	<b>39.27</b>	<b>12.79</b>

(Source: *Karyavivran* 2019-20 and Information provided by test-checked ULBs)

## Appendix-XVII

(Reference: Paragraph 6.2.4, Page 51)

## Status of availability of staff for water supply services in test-checked ULBs as on March 2020

Name of ULB	Engineer Water			Junior Engineer Water			Pump Attendant			Pump Cleaner			Pump Operator			Fitter Jalkal			Pump Mechanic			Jalkal Beldar			Water Supervisor			Total			
	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP	Short Fall	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP	Short fall	SS	PIP		
<b>Nagar Nigams</b>																															
Lucknow	20	9	11	30	12	18	0	0	0	0	0	0	606	374	232	52	19	33	0	0	0	0	0	0	0	0	0	0	0	708	414
Mathura-Vrindavan	3	2	1	6	3	3	49	40	9	22	20	2	15	12	3	4	3	1	0	0	0	47	46	1	0	0	0	146	126		
Moradabad	2	1	1	2	2	0	0	0	0	8	7	1	17	13	4	2	0	2	1	0	1	0	0	0	0	0	0	32	23		
	25	12	13	38	17	21	49	40	9	30	27	3	638	399	239	58	22	36	1	0	1	47	46	1	0	0	0	886	563		
<b>Nagar Palika Parishads</b>																															
Rampur	1	1	0	2	1	1	8	1	7	7	5	2	8	1	7	4	0	4	0	0	0	0	0	0	0	0	0	0	0	30	9
Swar, Rampur	0	0	0	0	0	0	0	0	0	0	0	0	5	1	4	0	0	0	0	0	0	0	0	0	0	0	0	0	5	1	
Bilaspur, Rampur	0	0	0	0	0	0	3	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	1		
Ballia	1	0	1	0	0	0	0	0	0	0	0	0	14	19	-5	0	0	0	0	0	0	0	0	0	0	0	0	0	15	19	
Rasra, Ballia	0	0	0	0	0	0	0	0	0	0	0	0	0	7	-7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	
Thakurdwara, Moradabad	0	0	0	0	0	0	3	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	4	3	
Bilari, Moradabad	1	0	1	0	0	0	6	1	5	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	8	2	
Tundla, Firozabad	0	0	0	0	0	0	2	0	2	0	0	0	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	4	1	
Sirsaganj, Firozabad	1	0	1	0	0	0	2	2	0	0	0	0	4	3	1	0	0	0	0	0	0	0	0	0	0	0	0	7	5		
Belha Pratapgarh	0	0	0	1	1	0	0	0	0	0	0	0	10	8	2	1	0	1	0	0	0	14	11	3	0	0	0	26	20		
Kosikalan, Mathura	0	0	0	1	0	1	7	2	5	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	9	2		
Amroha	1	1	0	1	0	1	2	1	1	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	5	3		
Bachhraon, Amroha	0	0	0	0	0	0	0	0	0	0	0	0	0	18	-18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18	
Lakhimpur	0	0	0	1	1	0	9	7	2	0	0	0	8	4	4	1	0	1	0	0	0	0	0	0	0	0	0	19	12		
Palia Kalan, Lakhimpur Kheri	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0		
Bhadohi	0	0	0	1	1	0	0	0	0	0	0	0	21	13	8	1	0	1	0	0	0	0	0	0	0	0	0	23	14		
Mirzapur	1	1	0	3	1	2	43	21	22	0	0	0	1	0	1	4	2	2	0	0	0	0	0	0	0	0	0	52	25		
<b>Total</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>85</b>	<b>38</b>	<b>47</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>74</b>	<b>75</b>	<b>-1</b>	<b>14</b>	<b>4</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>11</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>211</b>	<b>142</b>		

*Performance Audit Report on Implementation of 74<sup>th</sup> Constitutional Amendment Act*

<b>Nagar Panchayats</b>																													
Itaunja, Lucknow	0	0	0	0	0	0	0	0	0	0	0	0	0	3	-3	0	0	0	0	0	0	0	0	0	0	0	0	0	3
Shahabad, Rampur	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maswasi, Rampur	0	0	0	0	0	0	0	0	0	0	0	0	0	8	-8	0	3	-3	0	0	0	0	0	0	0	0	0	0	11
Maniyar, Ballia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Bairia, Ballia,	0	0	0	0	0	0	0	0	0	0	0	0	0	2	-2	0	1	-1	0	0	0	0	0	0	0	0	0	0	3
Umri kalan, Moradabad'	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fariha, Firozabad	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Eka, Firozabad	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kunda, Pratapgarh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Katra Medniganj, Pratapgarh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gokul, Mathura	0	0	0	0	0	0	1	1	0	0	0	0	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	3	2
Chhata, Mathura	0	0	0	0	0	0	5	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	5
Joya, Amroha	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Naugawan Sadat, Amroha	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Oel Dhakwa, Lakhimpur Kheri	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Kheri, Lakhimpur Kheri	0	0	0	0	0	0	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2
Gyanpur, Bhadohi	0	0	0	0	0	0	0	0	0	0	0	0	4	3	1	1	1	0	0	0	0	0	0	0	0	0	0	5	4
Khamariya, Bhadohi	0	0	0	0	0	0	0	1	-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Kachhwa, Mirzapur	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
	0	0	0	0	0	0	10	10	0	0	0	0	8	19	-11	1	5	-4	0	0	0	0	0	0	0	0	0	19	34

(Source: Information provided by test-checked ULBs)

## Appendix - XVIII

(Reference: Paragraph 7.1.1.2, Page 67)

### Unauthorised transfer of CFC grant to ULBs without duly constitution of Councils

Sl. No.	Name of ULB	Notification date for constitution of ULB	Release date	Amount in (₹ in lakh)
1	Nagar Palika Parishad, Bharvari, Kaushambi	1.09.17	8.03.18	31.47
			13.03.18	2.46
2	Nagar Panchayat, Bankati, Basti		18.10.17	46.79
3	Nagar Panchayat, chirauyakot, Mau	30.06.16	18.10.17	47.29
4	Nagar Panchayat, Madhuban, Mau	19.09.16	18.10.17	42.87
5	Nagar Panchayat, Eka, Firozabad	30.06.16	18.10.17	46.41
6	Nagar Panchayat, Lalganj, Pratapgarh	30.06.16	18.10.17	53.67
7	Nagar Panchayat, Raniganj, Pratapgarh	03.01.17	18.10.17	35.73
8	Nagar Panchayat, Bairia, Ballia	30.06.16	18.10.17	57.33
9	Nagar Panchayat, Harra, Meerut	29.04.15	18.10.17	39.07
10	Nagar Panchayat, Khivai, Meerut	29.04.15	18.10.17	34.68
11	Nagar Panchayat, Shajahnapur, Meerut	29.12.16	18.10.17	27.87
12	Nagar Panchayat, Agvanpur, Moradabad	29.12.16	18.10.17	40.04
13	Nagar Panchayat, Pakbara, Moradabad	02.01.17	18.10.17	62.13
14	Nagar Panchayat, Dhakia, Moradabad	03.01.17	18.10.17	28.96
15	Nagar Panchayat, Nasirabad, Raibareilly	29.12.16	18.10.17	59.26
16	Nagar Panchayat, Sonauli, Maharajganj	28.12.16	18.10.17	36.46
17	Nagar Panchayat, Bariyarpur, Deoria	23.11.16	18.10.17	33.34
18	Nagar Panchayat, Belhara, Barabanki	15.09.16	18.10.17	37.41
19	Nagar Panchayat, Paraspur, Gonda		18.10.17	46.25
<b>Total</b>				<b>809.49</b>

## Appendix - XIX

(Reference: Paragraph 7.2, Page 72)

### Details of resolutions related with revenue passed by Councils, but not implemented by the Executive

Name of District	Name of Unit	No. of Resolution passed by Council during 2015-20	No. of cases, where action was taken by the Executive heads	Details of resolutions
<b>Nagar Nigams</b>				
Jhansi	Jhansi	1	0	Demand of user charges to be raised with House tax
Moradabad	Moradabad	1	0	Framing of required bye-laws/regulations for management and regularisation of rented properties.
<b>Nagar Palika Parishad</b>				
Jhansi	Mauranipur	3	0	Imposition of House tax on newly constructed buildings after survey of properties, Framing of regulations for construction & demolition of buildings and dissemination of data of property tax.
	Chirgaon	3	0	Extension of boundary of NPP, levy of user charges for mobile toilets and imposition of fee on Hoarding/Advertisements.
	Gurusarai	8	0	Extension of Boundary of NPP, assessment of properties on the basis of documents of registry, implementation of miscellaneous tax/fee bye-laws, implementation of buildings regulations, implementation of bye-laws for municipal solid waste, imposition of advertisement fee and parking fee, imposition of registration fee for contractors etc.
Rampur	Rampur	5	0	Imposition of self-assessment system of property tax, assessment of properties on the revised monthly rate of rent, GIS survey of properties for imposition of tax, levy of fee for use of fogging machine, mobile toilets etc.
	Swar	4	0	Framing of bye-laws for imposition of House tax, Advertisement tax, rent from electric transformers & Mobile Tower, License fee <i>etc.</i> GIS survey of properties for imposition of taxes, revision in rates of fee for weekly bazaar and approval of map for construction of buildings, increasing receipts from own resources.
	Bilaspur	2	0	GIS survey of properties for imposition of tax, auction of parking lots for recovery of parking fee.
Ballia	Ballia	4	0	Assessment of commercial and residential properties, construction of shops and increase in rent of shops, levy of fee for water tankers, revision in rates of Advertisement Tax.
	Rasra	1	0	Levy of user charges for RO plant
Moradabad	Bilari	12	0	Establishment of mart for sell of vegetables, fruits etc., organisation of weekly bazaar, revision in rates of water connections, framing of bye-laws for imposition of fee for development of colonies/plots, imposition of parking fee, levy of road cutting charges, imposition of annual fee on banquet halls, levy of fee on cable operators,

				imposition of trade license fee liquor shops, imposition of fee on advertisements, framing of bye-laws for advertisement, user charges and parking fee <i>etc.</i>
Firozabad	Tundla	1	0	Recovery of rent from electric transformer.
	Sirsaganj	4	0	Imposition of Advertisement Tax, Imposition of annual fee on marriage halls, imposition of license fee on nursing homes, tower <i>etc.</i>
Pratapgarh	Belha Pratapgarh	2	0	Auctioning of parking lots and renewal of licences for domestic animals.
Amroha	Bachhraon	2	0	Revision in rates of license fee on different items.
<b>Nagar Panchayat</b>				
Lucknow	Bakshi Ka Talab	3	0	Framing of bye-laws for parking fee and mobile towers, amendment in bye-laws for license fee.
Jhansi	Ranipur	1	0	Increasing income from own resources.
	Kathera	3	0	Increase in rate of House tax by 10 <i>per cent</i> and imposition of property tax on newly constructed and left out properties from tax-net, mapping of properties, framing of bye-laws for parking fee, development of online system for tax management.
Rampur	Maswasi	5	0	Imposition of license fee, parking fee & advertisement fee, revision in rent of shops, revision in rate of water connections, levy of fee for cleaning of septic tank.
	Shahabad	4	0	Imposition of trade licence fee on petrol pumps, gas agencies & hospitals <i>etc.</i> , revision in rates of Water charges, framing of bye-laws for imposition of property tax and imposition of all compulsory taxes.
Ballia	Bairia	2	0	Framing of bye-laws for Water charges & to increase number of water connections.
Moradabad	Umrikalan	2	0	Imposition of tax on mobile towers, telephone exchanges and banks and regulation of construction of buildings through approval of maps.
	Pakbara	2	0	Framing of bye-laws for imposition of property tax and imposition of additional stamp duty.
Firozabad	Fariha	4	0	Imposition of tax on mobile towers, revision in rates of taxes, dissemination of data of taxes through websites, Imposition of miscellaneous fee.
Lalitpur	Paali	1	0	Imposition of advertisement fee.
Pratapgarh	Kunda	1	0	Imposition of advertisement fee.
Amroha	Joya	2	0	Implementation of self-assessment system of property tax and imposition of license fees.
	Naugawan sadat	1	0	Framing of bye-laws for license fees.
Lakhimpur Kheri	Kheri	2	0	Framing of bye-laws for imposition of house tax and license fee.
Bhadohi	Khamaria	1	0	Framing of bye-laws for imposition of license fee.
Mathura	Gokul	2	0	Framing of bye-laws for approval of maps and levy of user charges.
	Chhata	3	0	Framing of bye-laws for imposition of house tax, advertisement tax and miscellaneous fee.
<b>Total (NNs, NPPs and NPs)</b>		<b>92</b>	<b>0</b>	

## Appendix - XX

(Reference: Paragraph 7.2.1.1, Page 73)

### Details of demands, realisation and arrears on account of house tax in test-checked ULBs as on March 2020

(₹ in lakh)

Sl. No.	ULB	Opening Balance	Demands for the period 2015-20	Total	Realisation during the period 2015-20	Closing Balance
1.	NN Lucknow	93,548.36	2,22,759.87	3,16,308.23	86,723.63	2,29,584.60
2.	NN Jhansi	465.79	7,741.91	8207.70	8,110.89	96.81
3.	NN Moradabad	239.32	7,372.23	7611.55	7,032.22	579.33
4.	NN Mathura-Vrindavan	38.96	673.12	712.08	680.54	31.54
5.	NPP Mauranipur, Jhansi	10.05	75.78	85.83	80.61	5.22
6.	NPP Gursarai, Jhansi	5.4	23.5	28.9	22.98	5.92
7.	NPP Chirgaon, Jhansi	5.01	16.7	21.71	15.86	5.85
8.	NPP Rasra, Ballia	42.6	49.42	92.02	38.4	53.62
9.	NPP Rampur	2.69	129.05	131.74	128.23	3.51
10.	NPP Thakurdwara, Moradabad	12.91	71.38	84.29	62.01	22.28
11.	NPP Bilari, Moradabad	2.3	25.02	27.32	20.37	6.95
12.	NPP Tundla, Firozabad	0.86	168.2	169.06	96.08	72.98
13.	NPP Sirsaganj, Firozabad	17.71	33.67	51.38	40.33	11.05
14.	NPP Lalitpur	27.46	245.48	272.94	262.34	10.6
15.	NPP Belha Pratapgarh	177.18	802.17	979.35	128.33	851.02
16.	NPP Kosi Kalan, Mathura	14.12	51	65.12	62.97	2.15
17.	NPP Amroha	2.01	255.4	257.41	145.78	111.63
18.	NPP Bachhraon, Amroha	8.18	24.65	32.83	19.39	13.44
19.	NPP Lakhimpur	9.84	371.6	381.44	260.68	120.76
20.	NPP Palia Kalan, Lakhimpur Kheri	13.73	30.06	43.79	13.66	30.13
21.	NPP Bhadohi	3.15	163.49	166.64	135.53	31.11
22.	NPP Mirzapur	104.58	797.98	902.56	837.29	65.27
23.	NP Bakshi Ka Talab, Lucknow	0	42.3	42.3	19.64	22.66
24.	NP Itaunja, Lucknow	5.04	4.5	9.54	5.03	4.51
25.	NP Kathera, Jhansi	0.81	11.75	12.56	7.15	5.41
26.	NP Ranipur, Jhansi	4.33	14.2	18.53	16.53	2
27.	NP Bairia, Ballia	0	6.15	6.15	0.36	5.79
28.	NP Maswasi, Rampur	0	4.96	4.96	4.12	0.84
29.	NP Umrikalan, Moradabad	9.24	18.12	27.36	10.05	17.31
30.	NP Eka, Firozabad	0	13.17	13.17	1.2	11.97
31.	NP Pali, Lalitpur	2.65	6.25	8.9	5.51	3.39
32.	NP Talbehat, Lalitpur	0.84	36.73	37.57	31.85	5.72
33.	NP Kunda, Pratapgarh	3.92	31.39	35.31	27.07	8.24
34.	NP Katra Medniganj, Pratapgarh	0	5.5	5.5	3.35	2.15
35.	NP Gokul, Mathura	0.72	5.53	6.25	2.42	3.83
36.	NP Chhata, Mathura	10.54	5.78	16.32	3.87	12.45
37.	NP Joya, Amroha	7	31.64	38.64	31.62	7.02
38.	NP Naugawan sadat, Amroha	2.71	52.5	55.21	29.34	25.87
39.	NP Kheri, Lakhimpur Kheri	7.64	17.3	24.94	16.73	8.21
40.	NP Oel Dhakwa, Lakhimpur Kheri	0.74	7	7.74	5.53	2.21
41.	NP Gyanpur, Bhadohi	7.63	10.64	18.27	14.41	3.86
42.	NP Khamaria, Bhadohi	3.59	12.5	16.09	14.72	1.37
43.	NP Kachhwa, Mirzapur	2.77	8.51	11.28	10.17	1.11
<b>Total</b>		<b>94,822.38</b>	<b>2,42,228.1</b>	<b>3,37,050.48</b>	<b>1,05,178.79</b>	<b>2,31,871.69</b>

## Appendix - XXI

(Reference: Paragraph 7.5, Page 88)

Details showing differences in figures between the details of *Karya Vivran* of UD Department and those available in records of test-checked ULBs

(₹ in lakh)

Name of test-checked ULBs	Year	Figures of revenue receipts and expenditure as per records of ULBs				Figures of revenue receipts and expenditure as per details <i>Karya Vivran</i>				Difference in figures				Percentage of own revenue to total revenue as per <i>karya-vivran</i>
		Own tax revenue	Own non tax revenue	Total revenue	Expenditure	Own tax revenue	Own non tax revenue	Total revenue	Expenditure	Own tax revenue	Own non tax revenue	Total revenue	Expenditure	
<b>Nagar Nigams</b>														
Lucknow	2015-20	133565	114949.4	562863	433596.6	133565	114949.4	562863	433596.6	0	0	0	0	44.15%
Jhansi	2015-20	8632.24	4018.09	104066.68	74340.46	8632.3	5155.5	92652.9	74001.9	0.06	1137.41	-11413.78	-338.56	14.88%
Mathura-Vrindavan	2015-20	1602.92	2357.41	54508.65	35357.23	1601.84	2449.59	53339.12	34257.79	-1.08	92.18	-1169.53	-1099.44	7.60%
Moradabad	2015-20	9410.74	4841.16	95270.69	86491.66	9711.96	3658.98	99052.29	81108.6	301.22	-1182.18	3781.6	-5383.06	13.50%
<b>Nagar Palika Parishads</b>														
Mauranipur, Jhansi	2015-20	81.12	682.59	9078.50	8181.45	80.50	695.16	9208.08	8315.85	-0.62	12.57	129.58	134.40	8.42%
Gursarai, Jhansi	2015-20	22.98	233.83	3916.76	3909.88	22.99	233.84	3747.52	3866.84	0.01	0.01	-169.24	-43.04	6.85%
Chirgaon, Jhansi	2015-20	16.18	77.83	2137.87	1915.74	16.18	77.83	2228.42	2369.82	0.00	0.00	90.55	454.08	4.22%
Rampur	2015-20	311.63	2163.04	31422.63	31304.13	313.07	2124.86	31152.00	31865.18	1.44	-38.18	-270.63	561.05	7.83%
Swar, Rampur	2015-20	0.00	1326.51	12732.00	11518.72	0.00	721.63	10517.50	8197.29	0.00	-604.88	-2214.50	-3321.43	6.86%
Bilaspur, Rampur	2015-20	47.89	108.96	5586.28	5524.62	47.84	108.96	5586.23	5524.62	-0.05	0.00	-0.05	0.00	2.81%
Ballia	2015-20	513.72	769.68	15497.04	15207.95	435.23	777.81	15783.30	15204.54	-78.49	8.13	286.26	-3.41	7.69%
Rasra, Ballia	2015-20	38.40	155.43	4717.91	5187.61	38.40	154.86	4841.22	5238.77	0.00	-0.57	123.31	51.16	3.99%
Thakurdwara, Moradabad	2015-20	129.55	295.45	5952.09	5634.48	129.54	259.89	6317.93	6709.36	-0.01	-35.56	365.84	1074.88	6.16%
Bilari, Moradabad	2015-20	20.71	575.81	6463.85	6046.84	20.71	577.6	6661.52	6873.41	0.00	1.79	197.67	826.57	8.98%
Tundla, Firozabad	2015-20	117.15	459.92	12033.31	12076.30	358.95	249.41	10919.74	12036.83	241.80	-210.51	-1113.57	-39.47	5.57%
Sirsaganj, Firozabad	2015-20	103.46	238.55	5975.10	5702.53	103.47	225.38	5872.53	5699.83	0.01	-13.17	-102.57	-2.70	5.60%
Lalitpur	2015-20	732.52	551.76	14813.00	14389.10	654.33	547.76	15311.25	14624.91	-78.19	-4.00	498.25	235.81	7.85%
Belha Pratapgarh	2015-20	422.61	334.49	11350.00	10789.91	605.11	201.89	11266.99	10789.55	182.50	-132.60	-83.01	-0.36	7.16%
Kosikalan, Mathura	2015-20	263.46	293.27	7016.37	6817.15	263.46	293.27	7031.79	6625.58	0.00	0.00	15.42	-191.57	7.92%
Amroha	2015-20	277.65	675.39	19478.17	18418.91	277.71	736.58	19478.21	17980.43	0.06	61.19	0.04	-438.48	5.21%
Bachhraon, Amroha	2015-20	19.57	166.55	4124.56	3960.98	19.39	156.71	4009.14	4071.39	-0.18	-9.84	-115.42	110.41	4.39%
Lakhimpur	2015-20	619.20	889.84	20997.53	18975.63	619.2	4370.82	25578.8	18976.94	0.00	3480.98	4581.27	1.31	19.51%

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Paliya Kalan, Lakhimpur Kheri	2015-20	23.25	348.34	5344.00	4694.36	17.67	465.35	5447.92	4693.91	-5.58	117.01	103.92	-0.45	8.87%
Bhadohi	2015-20	291.46	121.52	12288.91	11457.14	292.1	136.93	12281.93	11371.1	0.64	15.41	-6.98	-86.04	3.49%
Mirzapur	2015-20	1487.43	965.17	27835.84	26151.35	1612.2	913.19	26123.41	27514.08	124.77	-51.98	-1712.43	1362.73	9.67%
<b>Nagar Panchayats</b>														
Bakshi ka Talab, Lucknow	2015-20	19.65	345.89	11932.85	8185.43	19.64	91.62	7707.52	8216.7	-0.01	-254.27	-4225.33	31.27	1.44%
Itaunja, Lucknow	2015-20	5.02	53.58	1766.5	1526.97	5.29	53.2	1792.54	1673.74	0.27	-0.38	26.04	146.77	3.26%
Ranipur, Jhansi	2015-20	16.62	100.84	2289.77	1875.8	18.479	101.7635	2292.54	1516.85	1.86	0.92	2.77	-358.95	5.24%
Kathera, Jhansi	2015-20	6.4	59.5406	1955.6	1852.68	7.15	61.54063	1908.4	1806.93	0.75	2.00	-47.20	-45.75	3.60%
Shahabad, Rampur	2015-20	0	201.47	5583.34	4761.32	0	150.64	5185.79	4670.14	0.00	-50.83	-397.55	-91.18	2.90%
Maswasi, Rampur	2015-20	15.67	514.82	3799.14	3273.6	15.82	511.14	3880.86	3273.37	0.15	-3.68	81.72	-0.23	13.58%
Bairia Ballia	2015-20	0.36	15.19	3503.37	2680.16	0.36	15.19	2847.62	2680.16	0.00	0.00	-655.75	0.00	0.55%
Maniyar, Ballia	2015-20	21.61	26.78	2615.72	2770.27	21.61	26.78	2615.72	2770.27	0.00	0.00	0.00	0.00	1.85%
Umri kalan, Moradabad	2015-20	11.89	82.83	2615.12	2628.18	23.75	127.58	2497.85	2558.16	11.86	44.75	-117.27	-70.02	6.06%
Pakbara, Moradabad	2015-20	0	32.32	2685.24	1386.56	0	0	1532.39	561.62	0.00	-32.32	-1152.85	-824.94	0.00%
Fariha, Firozabad	2015-20	19.26	135.32	1429.3	1387.95	130.54	12.74	1404.09	1228.09	111.28	-122.58	-25.21	-159.86	10.20%
Eka, Firozabad	2015-20	13.55	5.14	2434.97	1885.91	13.55	4.19	2120.75	1737.59	0.00	-0.95	-314.22	-148.32	0.84%
Pali, Lalitpur	2015-20	7	8.49	1046.55	813.47	7	8.49	1046.87	815.27	0.00	0.00	0.32	1.80	1.48%
Talbehat, Lalitpur	2015-20	58.35	159.9	4559.28	4336.07	57.99	190.33	4326.65	4336.07	-0.36	30.43	-232.63	0.00	5.74%
Kunda, Pratapgarh	2015-20	56.65	276.06	4115.21	4276.32	52.95	303.75	4188.46	4275.82	-3.70	27.69	73.25	-0.50	8.52%
Katra Medniganj, Pratapgarh	2015-20	20.18	8.69	1226.04	1253.8	20.18	10.04	1290.71	1643.94	0.00	1.35	64.67	390.14	2.34%
Gokul, Mathura	2015-20	3.05	97.89	1151.48	1089.81	2.42	17.24	655.02	622.58	-0.63	-80.65	-496.46	-467.23	3.00%
Chhata, Mathura	2015-20	3.87	105.24	2998.04	2808.41	3.87	87.73	2616.19	2808.41	0.00	-17.51	-381.85	0.00	3.50%
Joya, Amroha	2015-20	26.77	308.01	4326.13	3703.29	31.62	445.37	3826.39	3319.87	4.85	137.36	-499.74	-383.42	12.47%
Naugawan Sadat, Amroha	2015-20	29.54	156.91	4677.60	4014.20	29.34	94.76	4210.91	3729.19	-0.20	-62.15	-466.69	-285.01	2.95%
Oel Dhakwa, Lakhimpur Kheri	2015-20	9.11	349.65	2714.03	2486.61	9.11	352.15	2627.86	2579.06	0.00	2.50	-86.17	92.45	13.75%
Kheri, Lakhimpur Kheri	2015-20	16.73	251.42	3888.67	3667.59	16.73	186.26	3427.53	3487.14	0.00	-65.16	-461.14	-180.45	5.92%
Gyanpur, Bhadohi	2015-20	36.90	154.72	2103.62	2151.71	40.15	156.75	2121.57	2151.52	3.25	2.03	17.95	-0.19	9.28%
Khamaria, Bhadohi	2015-20	14.59	63.33	3390.44	2673.56	14.72	61.79	4725.74	2643.67	0.13	-1.54	1335.30	-29.89	1.62%
Kachhwa, Mirzapur	2015-20	10.17	79.57	2052.26	1870.96	10.17	79.58	2052.57	1870.96	0.00	0.01	0.31	0.00	4.37%



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