

# A Study on Income and Expenditure of Rohtak Municipal Corporation

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## ABSTRACT

**The main thrust of this paper is to examine income and expenditure of urban local bodies with special reference to Rohtak Municipal Corporation. Finance is considered as the lifeblood of commerce and industry this applies to governments at all levels including local self-government. Local self-governments can work smoothly only when the resources at their disposal are adequate and they have to be utilized in an effective and efficient manner. The relation between local functions and local finance is inseparably intertwined. They are concomitant to each other and, in fact, one erects for the other. Local functions can't be performed without local finance, and without functions, the need for finance does not arise.**

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## INTRODUCTION

Municipal finance is directly correlated with the economic growth of a city, contributes to fulfilling the targets of urban policy and planning agendas, and is responsible for municipal. Service delivery municipal bodies being the powerhouses of growing economies, it is essential to keep their engines well-oiled. Indeed, India's long-term economic prosperity will depend largely on how its cities perform. Municipal bodies are local self-governments where mandate includes the provision of basic services such as healthcare, water supply, educational institutions housing, transport and waste management. Historically, Indian municipalities have suffered from weak fiscal capacity, relying heavily on state contributions to finance their budgets.

## REVIEW OF LITERATURE

Deshwal and Laura (2018) in his study entitled, "Municipal Solid Waste Management System of Rohtak City, Haryana" made an attempt to examine the present and environmental status of the solid waste management system of Rohtak City. The data was collected from both primary and secondary sources. The main elements of primary data include Survey, Questionnaire whereas the secondary data was collected through Municipal Corporation of Rohtak regarding collection system, disposal method & waste generation. The study revealed that solid waste management system of Rohtak City was inadequate and need up gradation. The author also suggested that for improving the entire operation of waste management, a proper system approach was required to be adopted.

Masiya, Davids and Mungai (2019) in their research paper examined the Municipal Service Delivery of South Africa with regard to citizen satisfaction. A public opinion survey approach was used to measure consumer preference, political opinions and public attitudes towards local bodies. The data from the South African Social Attitudes Survey Method revealed that the citizen satisfaction with municipal service delivery was low. The study also explored that the citizen satisfaction with municipal services was influenced by a no. of aspects like apartheid inequality, provision of substandard services and absence of receptiveness by officials and councilors.

Waheed and Siddiqui (2019) in their article entitled, "Livelihoods and Health Status of Urban Slums: A Case Study of Allahabad City" made an attempt to examine the health status of people living in urban slums. The authors have been collected data from twenty slum spots by survey method. A well structure interview schedule was designed for respondents who were selected by random sampling method. The study revealed that the health status of slum residents was very disappointing due to unhygienic condition such as lack of proper water supply & sanitation conditions.

Guroo (2020) in his research paper entitled, " Urban Local Self Government in Kashmir Valley: Challenges and Problems" discussed the challenges and problems faced by Urban Local Self Government in Kashmir Valley. The main objective of this paper was to define the major problems faced by the governance at the local level and to recognize some important challenges that come in the path of urban local government institutions in the district Bandipora. During the study it was found that urban local govt. in Bandipora continue to remain overwhelmed by abundant actions which influence their performance in the efficient accomplish of their duties. These problems related to extensive participation of rules and regulations in the municipal decision-making process, delay in elections, lack of free and fair election & unsatisfactory participation of women. The author suggested that an abroad (free and fair) thinking was needed to solve the problems confronting urban local government in India.

Vimal and Chandran (2020) examined the Role of Local Governance During the Covid-19 in Kerala. The objective was to examine the effect of Covid-19 and important initiatives taken by Local Self Govt. in Kerala. A period of 8 months (from Jan. 2020 to August 2020) is taken into consideration. Secondary sources of data such as WHO documents, Newspaper articles, Kerala database on Covid-19, etc. were used for the study. The study revealed that for tackling pandemic situation, the local self-government in Kerala were involved in handling the following tasks such as creating awareness about this crisis, confirming delivery of essential services, distributing sanitizers & masks, tracing and tackling cases, etc. The author also suggested that there was a need of proper coordination with other agencies having the same objective so that the shortage of resources can be overcome.

Chadha (2021) conducted a study on "People Participation in Governance in the Formulation and Implementation of Housing Scheme in Haryana: A Study of Panchkula Municipal Corporation" The main objectives were to evaluate the parameters of good governance in the implementation of Housing Scheme with respect to transparency and accountability and to evaluate the citizen's participations. The data has been collected from both primary and secondary sources. A structured questionnaire has been used to collect the primary data from citizens and interview for the officials. The sample include 100 citizens and 50 officials for the study whereas secondary data include various reports of Government of India. The study revealed that irregular electricity was one of the major issues faced by the citizens and officials. The functioning of urban local government was not satisfactory in terms of transparency and accountability. The behavior of officials towards citizens was low as well as the representation of the women was also poor.

Sen and Chakraborti (2021) examined two Municipal Corporations i.e., Siliguri Municipal Corporation and Asansol Municipal Corporation in the state of West Bengal with the purpose of knowing financial performance. The secondary sources of data were collected from Account branch of Municipal Corporations. The study revealed that the Siliguri Municipal Corporation was performing better in revenue and resource mobilization than Asansol Municipal Corporation. On the other hand, the Asansol Municipal Corporation was better in liquidity and solvency performance than Siliguri Municipal Corporation. From the point of view of expenditure performance, both Municipal Corporations were in the same position.

### **OBJECTIVES OF THE STUDY**

1. To study the different sources of income and expenditure of Rohtak Municipal Corporation.
2. To analyze the growth trends of municipal income and expenditure of Rohtak Municipal Corporation from 2013-14 to March 2019.

### **RESERCH METHODOLOGY**

This is a descriptive study and tries to review the financial position of Rohtak Municipal Corporation. This study depends exclusively on secondary data. Secondary data was collected from Administrative Repots of The Rohtak Municipal Corporation, Budget Estimates, Rohtak Municipal Corporation Website, etc.

### **ROHTAK MUNICIPAL CORPORATION – INCOME AND EXPENDITURE**

#### **(A) Income of Rohtak Municipal Corporation:**

For the purpose of easy understanding, the sources of revenue base of Rohtak Municipal corporation can be categorized in toomany ways:

1. Tax Revenue Receipts from: Property tax, fire two, Electricity tax, show tax, etc.
2. Non- Tax Revenue Receipts from: Copying fees, Trade License fees, Rent, Development charges, etc.
3. Grants and Subsidies
4. Loan for particular Project or for any purpose.

#### **(B) Expenditure of Rohtak Municipal Corporation:**

The expenditure incurred by Rohtak Municipal Corporation can be categorized in to many ways:

1. Administrative & Establishment Expenses: Payment of Pensioner, Outsourcing fire staff, Pensioner arrears, payment of office staff, etc.
2. Operation & maintenance Expenses: Office Contingency Health and Sanitation, Office contingency fire branch, General branch, etc.
3. Other Expenses: Gratuity, Medical Allowance, Printing & Stationery, Telephone Bill, Building load, etc.
4. Capital Expenditure: All development work under SFC, CFC Scheme.

**ANALYSIS OF MUNICIPAL FINANCE OF ROHTAK MUNICIPAL CORPORATION**

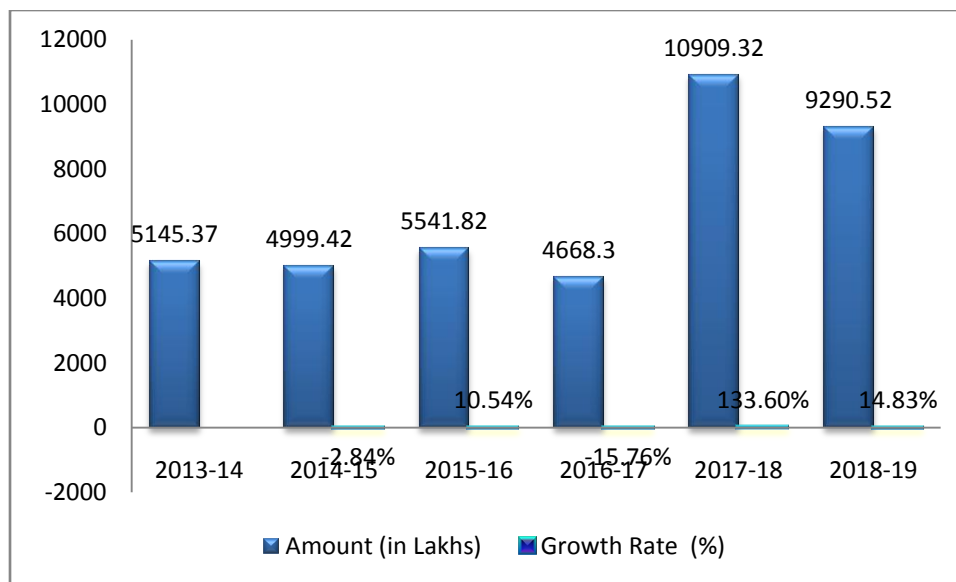
**(A) Trends in Revenue Pattern of Rohtak Municipal corporation**

The Rohtak Municipal Corporation receives(both capital and revenue receipts) from different sources such as Tax revenue, Non-tax revenue, grants, subsidies, etc. Table 1.1 shows the picture of total revenue receipts of Rohtak Municipal Corporation during 2013-14 to March 2019

**Table 1.1 Total Income Receipts of Rohtak Municipal Corporation**

Year	Amount (in Lakhs)	Growth Rate (%)
2013-14	5145.37	
2014-15	4999.42	-2.84%
2015-16	5541.82	10.54%
2016-17	4668.3	-15.76%
2017-18	10909.32	133.60%
2018-19	9290.52	14.83%

Source: Income of Municipal Corporation, Rohtak for the Respective Financial Years



**Interpretation:** Table 1.1 shows that the total receipts of Rohtak Municipal Corporation is increasing year by year except in two financial years i.e., 2014-15 and 2016-17. The positive growth rate in total receipts of Rohtak Municipal Corporation is registered in 4 (2013-14, 2015-16, 2017-18 & 2018-19) out of 6 years (2013-14 to 2018-19) during the period. The highest positive growth rate of 133.6% percent is registered in 2017-2018 Growth.

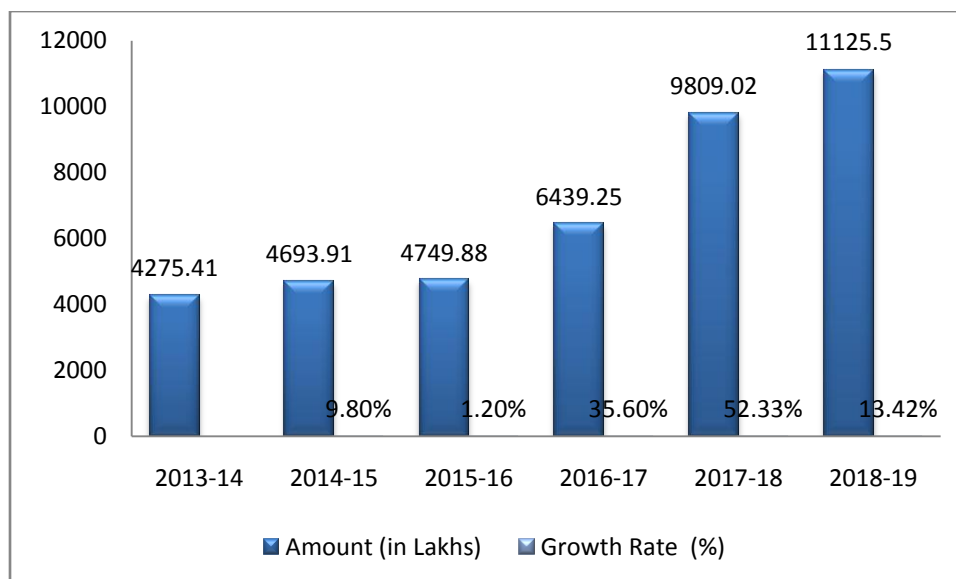
**(B) Trends in Expenditure Pattern of Rohtak Municipal Corporation**

The Rohtak Municipal Corporation spends (both capital and revenue expenditure) on infrastructure and services such as sewerage and sanitation, Water supply, solid waste mgt. etc. Table 1.2 shows the picture of total expenditure incurred by Rohtak Municipal Corporation during 2013-14 to March 2019.

**Table 1.2 Expenditure of Rohtak Municipal Corporation**

Year	Amount (in Lakhs)	Growth Rate (%)
2013-14	4275.41	
2014-15	4693.91	9.8%
2015-16	4749.88	1.20%
2016-17	6439.25	35.6%
2017-18	9809.02	52.33%
2018-19	11125.5	13.42%

Source: Expenditure of Municipal Corporation, Rohtak for the Respective Financial Years.



**Interpretation:** Table 1.2 shows that the total expenditure incurred by of Rohtak Municipal Corporation is showing upward trend during the study period with regard to growth rate, highest growth rate exp. Pattern registered in 2017-18. The total expenditure incurred by Rohtak Municipal Corporation in 2013-14 is Rs. 4275.41 and they rose to Rs. 11125.5 Lakhs by 2018-19.

### FINDING OF THE STUDY

1. It is clear from the study that the total revenue of Rohtak Municipal Corporation is erratically distributed over the years. Negative growth rate in revenue pattern is registered in 2 out of 6 year of study. Positive growth rate in revenue pattern is registered in 4 out of 6 year of study.
2. As per the study the total expenditure pattern of Rohtak Municipal Corporation gradually increased year by year during the study. The highest growth rate in expenditure pattern is registered in 2017-18 during the period.

### CONCLUSION

The analysis of the growth trends of income and expenditure of Rohtak Municipal Corporation for the period of 6 year stated that the expenditure of MCR is continuously increasing & revenue receipts of MCR are not sufficient to meet the graving requirement of local people living in municipal limits. In this case MCR required to build their own capacities so that they can face problem arising out of insufficient funds.

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