

A STUDY OF REVENUE AND EXPENDITURE OF NAVI MUMBAI MUNICIPAL CORPORATION

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Abstract

The role of governments is very significant under the principle of welfare state. Due to different reasons, financial pressure on governments is increasing and in other hand citizens are also not satisfied on the services provided by local bodies. In this situation, the Municipal Corporation which was directly converted from Village Panchyat to Municipal Corporation on 1st Jan., 1992 and received various awards. So, I am very eager to study that how corporation is managing their financial operations? How is the revenue pattern? How is the expenditure pattern? What changes have been taken place in that during 2000-01 to 2012-13? Therefore, this study is undertaken.

Introduction

Since 74th Indian Constitutional Amendment made in 1992, Urban Local Bodies in India recognised as a governments and set up of government becomes three tiers as Centre, State and Local Governments. Indian Constitution has also given to each government sphere of sources and assigned them some duties and responsibilities. But, generally it is observed that local governments have more responsibilities and comparatively less resources. Furthermore, as governments accepted the principle of social welfare, as Adolf Wagner, renowned German Economist said in 19th century, as State is progressing, its activities are increasing intensively and extensively. (Peacock and Wiseman's study conducted for U.K. during 1891 to 1955 is also supporting this view.) It leads to increase the expenditure of the governments. As in the process of progress per capita income is increasing, expectations are also increasing but tolerance to bear tax burden is not increasing with same rate. This fact, pull governments into the position of financial deficit and emerged financial indiscipline. But, in this situation too, the Urban Local Body i.e. Navi Mumbai Municipal Corporation is implementing unique plans Like purchasing Dam , Waer treatment plan etc. Navi Mumbai is one of the largest planned cities in Asia which is known as city of the twentieth century. It is administered by Navi Mumbai Municipal Corporation which was directly converted from Village Panchyat to Municipal Corporation on 1st January 1992. It is bestowed by different awards by State and Centre Government. Therefor, it is very interesting to study how NMMC manage their revenue and spent it on various heads in order to make people satisfied.

Key Words: NMMC, NMMT, Security Deposits, JNNURM, Revenue Account, Capital Account, EGS etc.

Objectives of the Study:

To study the revenue sources of N.M.M.C.

To study the trends and importance of revenue sources of N.M.M.C.



To study the expenditure pattern of N.M.M.C.

To study the trends in Expenditure of NMMC.

Research Methodology:

This research work is depends on secondary data. It includes Socio-Economic survey of CIDCO, Annual Budget Reports of the NMMC, various daily news papers, websites etc. Statistical tools like percentage, average, growth rate, standard deviation, coefficient of variation, correlation coefficient are used in this research paper.

Hypothesis

- The revenue and Expenditure of N.M.M.C both are increasing continuously, but
- Increasing rate of expenditure is comparatively more than revenue.
- The revenue Composition of the N.M.M.C. is changed during analysis period.
- The Revenue Sources of N.M.M.C. are not sufficient.
- The proportion of revenue expenditure is decreasing.

Total Revenue and Expenditure of NMMC

Total revenue of corporation comprises tax revenue, non tax revenue, capital receipts, grants and loans. The public expenditure is being incurred by the governments to satisfy the collective wants of the people. It may be classified with different views like functional classification, revenue and capital expenditure, transfer and non- transfer expenditure (A.C. Pigou), productive and non- productive expenditure, grants and purchase price (Hugh Dalton),benefit based classification etc. But here, NMMC has used the view of revenue account and capital account to explain revenue and expenditure. Navi Mumbai Municipal Corporation is also collecting State Education Tax and State Employment Guarantee Tax on behalf of state government and making tax refund to the state government. It is considered in total revenue and expenditure of the Corporation.

Table no.1 reveals that total revenue including Education and EGS tax is increased from Rs. 19727.89 lacks to Rs. 122978.52 Lacks during the assessment period. Total Expenditure has increased from Rs. 19973.66 lacks to Rs. 119758.02 lacks during the same period. The budgets of NMMC shows deficit for the years 2000-01 , 2001-02, 2003-04,2004-05, 2006-07, 2009-10, 2010-11and it was in surplus for the remaining years. An average growth rate for revenue was 17.20 percent and that was 17.98 percent for expenditure. Growth rate of revenue and expenditure was negative (-1.89 percent and -11.90 percent respectively) in 2002-03. Again it was negative for expenditure in 2007-08 and 2011-12. The total revenue growth rate was highest in 2005-06 (41.27 percent) and lowest in 2011-12 (0.64 percent). For total expenditure it was highest in 2006-07 (56.36 percent). Notably C.V. reveals that fluctuations are more in the total expenditure than total revenue.



Table No. 01: NMMC's Total Actual Revenue and Expenditure during 2000-01 to 2012-13.					
Year	Total Actual Revenue- 1 (Including Tax collected on behalf of State Govt.)	Total Actual Expenditure-2 (Including tax refunded to the State Government.)	Surplus/ Deficit (+/-) -3	Growth Rate of Column-1	Growth Rate of Column-2
2000-01	19727.89	19973.66	-245.77	--	--
2001-02	20920.98	20972.92	-51.94	6.05	5.00
2002-03	20526.59	18478.03	2048.56	-1.89	-11.90
2003-04	28312.52	29049.35	-736.83	37.93	57.21
2004-05	30331	31186.35	-855.35	7.13	7.36
2005-06	42849.77	33924.7	8925.07	41.27	8.78
2006-07	48692.8	53046.18	-4353.38	13.64	56.36
2007-08	57576.84	53035.04	4541.8	18.25	-0.02
2008-09	73532.19	65054.19	8478	27.71	22.66
2009-10	82363.18	91627.18	-9264	12.01	40.85
2010-11	102485.66	107256.01	-4770.35	24.43	17.06
2011-12	103138.11	102718.89	419.22	0.64	-4.23
2012-13	122978.52	119758.02	3220.5	19.24	16.59
Total	753616.05	746080.52	7535.53	206.40	215.72
Average	57956.62	57390.81	565.81	17.20	17.98
S.D.	35684.42	36492.72	--	--	--
C.V.	61.57	63.59	--	--	--
CAGR	0.15	0.15	--	--	--
Correlation coefficient	0.99	--	--	--	--

Total Revenue of NMMC

Table no 02 and 2.1 shows the revenue collected by NMMC in terms of absolute amount and percentage respectively. Tax and non tax revenue are the important sources of revenue. Its contribution was an average 55.74 and 23.66 percent to the total revenue respectively during the analysis period. But, the fluctuations are more in tax revenue with compare to non- tax revenue. Capital Receipts (internal) are mainly in form of deposits. It includes Administrative Services, Town Planning, Road, Fire Brigade, Vishnudas Bhave Auditorium, Disaster Management cell, Water Supply, BSUP Project, Public Health Engineering, Security Deposit etc. Initially its contribution is increasing then decreasing. Its average contribution to the total revenue was 6.53 percent during the analysis period. The EGS and Education tax collected by NMMC is suppose to refund to the state government. So, it does not fully avail to NMMC for dispose. Grants received by corporation contributed on an average 3.77 percent to the total revenue. Its ratio was highest i.e. 14.07 percent in 2008-09 and lowest i.e. 0.18 percent in 2004-05. The loan taken by NMMC contributed on an





average 3.92 percent to the total revenue. It was highest i.e. 16.1 percent in 2010-11. Out of 13 years of consideration, in five years corporation has not taken loan.

NMMC is levying Cess, Property Tax, Water Benefit Tax, Sewerage Tax, Sewerage Benefit Tax, Street Cess, Tree Cess, Municipal Education Tax and Fire Tax. Cess and property tax are the important sources of revenue. Both contributed more than 80 percent to the total tax revenue of NMMC. It followed by sewerage tax i.e. 3.04 percent. Other taxes' contribution was merely around 1 to 2 percent. Non tax revenue comprises of fees and services. For Town Planning, License, Encroachment, Art and Social Welfare Centre, Pay and Park fees are charged by NMMC. Mainly services of water supply, Administrative Services, Road, Hospital and Public Health, Public Health Engineering services are provided by the corporation and charged. Non tax revenue accounted on an average 23.66 percent to the total revenue. Among services, water supply, administrative services and road services are important. Among total proceeds from fees, town planning is significant. It contributed more than 85 percent to the total revenue from fees. The Revenue of Municipal Corporation can be written in a form of equation with an average value:

$$TR = F (Tr + NTr + Cr + TCs + G + L)$$

Where TR=Total Revenue,

F= Shows the functional relationship,

Tr=Tax Revenue : 55.74 (In percent)

NTr= Non Tax Revenue : 23.66

Cr= Capital receipts. (Internal) : 6.53

TCs= Tax collected on behalf of State Government : 6.37

G= Grants : 3.77

L= Loans : 3.92

Among these sources, fluctuations are more in loan and less in tax collected on behalf of State Government. Both not having much significance as source of revenue to the NMMC. The source of non- tax revenue having less fluctuations than tax revenue. However, tax revenue is one of the dominant sources of revenue of the NMMC.



Table No.02:NMMC's Revenue during 2000-01 to 2012-13 (Rs. In Lacks.)

Year	Tax Revenue-1	Non- Tax Revenue-2	Capital Receipts.-3	Revenue on behalf of State Govt (State Education and Employment Guarantee Tax.)-4	Grants-in-aid-5	Loans-6	Total Receipts -7
2000-01	11399.71	4305.71	634.2	2076.35	92.92	1219	19727.89
2001-02	12719.44	4728.87	1182.64	2017.27	70.76	202	20920.98
2002-03	11585.01	5642.15	987.6	2264	47.83	0	20526.59
2003-04	14757.79	10172.93	832.36	2236	120.84	192.6	28312.52
2004-05	16608.96	8779.79	2586.67	2203.29	53.39	98.9	30331
2005-06	20572.74	10999.24	8349.74	2845.16	82.89	0	42849.77
2006-07	26018.6	11986.9	6325.93	2205.92	2155.45	0	48692.8
2007-08	33900.78	13147.77	5971.7	2625.4	2111.19	0	57756.84
2008-09	41373.76	16533.36	2661.43	2618.75	10344.89	0	73532.19
2009-10	46236.37	14389.68	3668.27	3377.72	2852.23	11838.91	82363.18
2010-11	54625.04	17745.74	3493.98	4152.89	5964.89	16503.12	102485.66
2011-12	63129.1	19509.23	3029.2	4606.24	10272.34	2592	103138.11
2012-13	68525.1	26499.68	3139.61	5638.05	7097.08	12079	122978.52
Total	421452.4	164441.05	42863.33	38867.04	41266.7	44725.53	753616.05
Average	32419.42	12649.31	3297.18	2989.77	3174.36	3440.43	57970.47
S.D.	20453.78	6383.21	2345.37	1137.58	3923.96	5865.38	35684.30
C.V.	63.09	50.46	71.13	38.05	123.61	170.48	61.56
CAGR	0.15	0.15	0.13	0.08	0.40	0.19	0.15



Table No.2.1:NMMC's Revenue during 2000-01 to 2012-13 ,					In percent		
Year	Tax Revenue-1	Non- Tax Revenue-2	Capital Receipts.-3	Revenue collected on behalf of State Govt. (State Education and Employment Guarantee Tax.)-4	Grants-in-aid-5	Loans-6	Total Receipts -7
2000-01	57.78	21.83	3.21	10.52	0.47	6.18	100
2001-02	60.8	22.6	5.65	9.64	0.34	0.97	100
2002-03	56.44	27.49	4.81	11.03	0.23	0	100
2003-04	52.12	35.93	2.94	7.9	0.43	0.68	100
2004-05	54.76	28.95	8.53	7.26	0.18	0.33	100
2005-06	48.01	25.67	19.49	6.64	0.19	0	100
2006-07	53.43	24.62	12.99	4.53	4.43	0	100
2007-08	58.7	22.76	10.34	4.55	3.66	0	100
2008-09	56.27	22.48	3.62	3.56	14.07	0	100
2009-10	56.14	17.47	4.45	4.1	3.46	14.37	100
2010-11	53.3	17.32	3.41	4.05	5.82	16.1	100
2011-12	61.21	18.92	2.94	4.47	9.96	2.51	100
2012-13	55.72	21.55	2.55	4.58	5.77	9.82	100
Average	55.74	23.66	6.53	6.37	3.77	3.92	99.99
Max.	61.21	35.93	19.49	11.03	14.07	16.1	--
Min.	48.01	17.32	2.55	3.56	0.18	0	--

Total Expenditure of NMMC

Total expenditure of NMMC comprises of revenue expenditure, capital expenditure and tax refund to the state government. Revenue expenditure is recurring and not bringing returns to the Government/Corporation. It is mainly for maintain daily activities of the government. In other side capital expenditure is increasing asset and bringing returns to the Corporation. Table no 03 shows that in 2000-01, total expenditure of NMMC was Rs. 19973.66 lack. It was increased up to Rs. 119758.02 lack in 2012-13. It was increased by 5.99 times during the analysis period. Revenue expenditure was increased by 4.82 times and capital expenditure by 6.97 times during the same period. But, in capital expenditure tax refunded to the State government is also included till the financial year 2005-06.

Table no 3.1 shows that the expenditure in terms of percentage of NMMC. The proportion of revenue expenditure was 57.80 percent in 2000-01; it has been come down to 38.10 percent in 2012-13. But in next year, again it was increased up to 46.52 percent. Broadly, speaking it has decreased during analysis period. In other hand capital expenditure of the corporation has





been increased from 42.20 percent to 49.12 percent during the analysis period. It's a good sign as capital expenditure is productive. Total Expenditure of NMMC is written in an equation form as following.

$$TE = F (RE + CE + TRG)$$

Where TE = Total Expenditure, RE= Revenue Expenditure, CE= Capital Expenditure, TRG= Tax Refund to the Government.

Its average value during the analysis period: RE=44.74 percent, CE= 53.01 percent, TRG= 4.18 percent. The compound average growth rate is also comparatively more for capital account. Notably NMMC included tax refund to state government in the capital account till 2005-06.

Table No.03: NMMC's Expenditure during 2000-01 to 2012-13.				(Rs in lack)
Year	Revenue Account 1	Capital Account 2	Tax refund to the State Govt.3	Total (1+2+3)
2000-01	11545.16	8428.50	0.00	19973.66
2001-02	11465.68	9507.24	0.00	20972.92
2002-03	10420.29	8057.74	0.00	18478.03
2003-04	13536.36	15512.99	0.00	29049.35
2004-05	15815.85	15370.50	0.00	31186.35
2005-06	17798.84	16125.86	0.00	33924.70
2006-07	19329.20	31378.20	2338.78	53046.18
2007-08	20997.57	29976.40	2061.07	53035.04
2008-09	25626.30	36398.14	3029.75	65054.19
2009-10	28874.48	59379.67	3373.03	91627.18
2010-11	33722.71	69329.77	4203.53	107256.01
2011-12	39130.93	59112.34	4475.62	102718.89
2012-13	55710.55	58821.98	5225.49	119758.02
Total	303973.92	417399.33	24707.27	746080.52
Average	23382.61	32107.64	3529.61	57390.81
S.D.	13206.31	22465.63	1160.04	36492.72
C.V.	56.48	69.97	32.87	63.59
CAGR	0.13	0.16	0.12	0.15





Table No. 3.1: NMMC's Expenditure during 2000-01 to 2012-13. (In percent))				
Year	Revenue Account 1	Capital Account 2	Tax refund to the Govt.3	Total (1+2+3)
2000-01	57.80	42.20	0	100.00
2001-02	54.67	45.33	0	100.00
2002-03	56.39	43.61	0	100
2003-04	46.60	53.40	0	100.00
2004-05	50.71	49.29	0	100.00
2005-06	52.47	47.53	0	100.00
2006-07	36.44	59.15	4.41	100.00
2007-08	39.59	56.52	3.89	100.00
2008-09	39.39	55.95	4.66	100.00
2009-10	31.51	64.81	3.68	100.00
2010-11	31.44	64.64	3.92	100.00
2011-12	38.10	57.55	4.36	100.01
2012-13	46.52	49.12	4.36	100.00
Average	44.74	53.01	4.18	--





Table No. 3.2: NMMC's Expenditure from Revenue Account during 2000-01 to 2012-13.											Rs. In Lack	
Year	Administrative Service 1	Water Supply 2	Public Health Engg. 3	Solid Waste Management 4	Road 5	Street Lighting 6	Primary Education 7	Malaria Eradication, Primary Health, Public Health and Hospital Services 8	Welfare Schemes and Social Services 9	Morbe Dam 10	Others 11	Total -12 (1 to 11)
2000-01	2316.67	4497.4	811.93	947.83	943.13	540.99	552.28	336.07	46.95		551.91	11545.16
2001-02	2102.53	4820.55	621.9	978.39	698.19	664.84	550	291.5	158.56	0	579.22	11465.68
2002-03	2056.89	4722.58	499.59	962.09	610.04	400.03	130.98	395.96	79.48	0	562.65	10420.29
2003-04	2073.88	5462.16	750.52	1373.84	849.98	737.52	604.51	771.64	163.91	3.38	745.02	13536.36
2004-05	2543.38	6675.69	724.42	1868.98	727.36	670.2	886.33	766.69	39.39	30.46	882.95	15815.85
2005-06	2823.87	6658.02	790.25	2222.1	1594.58	640.15	772.05	854.38	26.99	246.4	1170.05	17798.84
2006-07	3485.5	6824.89	730.44	2333.98	1793.09	540.41	1397.5	1010.82	44.69	128.1	1038.38	19327.8
2007-08	3976.6	6779.61	675.63	2899.77	1743.38	795.02	1297.86	1148.08	124.66	144.58	1412.38	20997.57
2008-09	5102.57	4534.55	1229.32	4203.7	3656.48	845.19	1484.43	1839.96	25.49	793.4	1911.21	25626.3
2009-10	6443.08	4103.75	1192.41	3660.04	5028.87	1135.67	2502.46	2118.65	308.15	999.9	1381.5	28874.48
2010-11	8696.35	3936.61	1301.96	5333.1	4843.24	1581.29	2822.49	1950.32	143.09	856.65	2257.61	33722.71
2011-12	9882.95	4684.56	1332.73	4543.2	6416.64	1650.96	2865.11	2135.33	223.97	1155.7	4239.78	39130.93
2012-13	11209.81	4119.83	2498.46	7268.77	12266.49	1853.24	4320.56	2616.91	183.16	3145.92	6227.4	55710.55
Total	62714.08	67820.2	13159.56	38595.79	41171.47	12055.51	20186.56	16236.31	1568.49	7504.49	22960.06	303972.52
Ave.	4824.16	5216.93	1012.27	2968.90	3167.03	927.34	1552.81	1248.94	120.65	833.45	1766.15	23382.50
S.D.	3223.48	1119.62	526.29	1944.07	3356.12	474.94	1223.78	786.09	87.03	883.29	1673.24	13206.35
C.V.	66.82	21.46	51.99	65.48	105.97	51.21	78.81	62.94	72.13	105.98	94.74	56.48
CAGR	0.13	-0.01	0.09	0.17	0.22	0.10	0.17	0.17	0.11	0.98	0.20	0.13



Table No. 3.3: NMMC's Expenditure from Revenue Account during 2000-01 to 2012-13. (In percent)

Year	Administ rative Service 1	Water Supply 2	Public Health Engg. 3	Solid Waste Management 4	Road 5	Street Lighting 6	Primary Education 7	Malaria Eradication , Priary Health , Public Health and Hospital Services 8	Welfare Schemes and Social Servies 9	Morbe Dam 10	Others 11	Total (1 to 11)
2000-01	20.07	38.95	7.03	8.21	8.17	4.69	4.78	2.91	0.41	0.00	4.78	100.00
2001-02	18.34	42.04	5.42	8.53	6.09	5.80	4.80	2.54	1.38	0.00	5.05	100.00
2002-03	19.74	45.32	4.79	9.23	5.85	3.84	1.26	3.80	0.76	0.00	5.40	100.00
2003-04	15.32	40.35	5.54	10.15	6.28	5.45	4.47	5.70	1.21	0.02	5.50	100.00
2004-05	16.08	42.21	4.58	11.82	4.60	4.24	5.60	4.85	0.25	0.19	5.58	100.00
2005-06	15.87	37.41	4.44	12.48	8.96	3.60	4.34	4.80	0.15	1.38	6.57	100.00
2006-07	18.03	35.31	3.78	12.08	9.28	2.80	7.23	5.23	0.23	0.66	5.37	100.00
2007-08	18.94	32.29	3.22	13.81	8.30	3.79	6.18	5.47	0.59	0.69	6.73	100.00
2008-09	19.91	17.69	4.80	16.40	14.27	3.30	5.79	7.18	0.10	3.10	7.46	100.00
2009-10	22.31	14.21	4.13	12.68	17.42	3.93	8.67	7.34	1.07	3.46	4.78	100.00
2010-11	25.79	11.67	3.86	15.81	14.36	4.69	8.37	5.78	0.42	2.54	6.69	100.00
2011-12	25.26	11.97	3.41	11.61	16.40	4.22	7.32	5.46	0.57	2.95	10.83	100.00
2012-13	20.122	7.395	4.485	13.047	22.018	3.327	7.755	4.697	0.329	5.647	11.178	100.00
%	20.63	22.31	4.33	12.70	13.54	3.97	6.64	5.34	0.52	2.47	7.55	100.00
Average	19.7	28.5	4.6	12.0	11.1	4.1	5.9	5.1	0.6	1.7	6.7	100.00



Table No. 3.4: NMMC's Expenditure from Capital Account during 2000-01 to 2012-13. (In percent)

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	Total
2000-01	6.25	11.53	11.60	6.85	5.53	11.42	0.32	0.00	3.46	1.19	0.00	0.70	0.38	18.05	19.85	0.00	0.00	0.00	2.87	100
2001-02	11.62	2.66	8.27	8.66	3.30	0.60	0.20	0.01	7.62	0.00	0.01	0.62	4.06	20.34	29.13	0.00	0.00	0.00	2.91	100
2002-03	7.60	3.70	15.94	10.89	2.14	1.18	0.32	0.03	0.58	0.00	0.14	3.05	5.21	33.54	12.13	0.00	0.00	0.00	3.54	100
2003-04	4.32	7.25	6.12	6.38	0.86	12.03	0.21	0.35	0.99	0.00	0.32	1.65	1.11	15.79	0.00	38.92	0.00	0.00	3.70	100
2004-05	5.15	11.36	5.46	4.19	3.96	8.82	0.00	0.05	0.00	0.65	0.48	1.67	1.70	15.51	0.00	31.49	0.00	0.00	9.52	100
2005-06	5.32	11.72	5.73	4.03	1.74	0.74	0.00	0.05	0.90	1.24	1.26	1.71	1.80	16.76	0.00	38.92	0.00	0.00	8.07	100
2006-07	1.78	20.84	4.79	44.41	2.10	2.53	0.02	0.00	0.11	2.23	0.47	0.94	0.54	0.00	0.00	14.85	0.00	0.00	4.40	100
2007-08	1.78	26.04	5.98	25.58	3.23	1.45	0.05	0.04	0.08	2.84	1.78	0.89	0.71	0.00	0.00	23.11	0.00	0.00	6.45	100
2008-09	1.94	35.77	8.31	7.21	3.21	0.89	0.00	0.23	1.32	0.82	3.85	0.65	0.51	2.92	0.00	17.17	5.88	0.00	9.32	100
2009-10	1.16	21.49	6.67	1.78	1.87	5.78	0.00	0.02	1.16	1.68	2.28	0.40	1.08	0.00	0.00	22.01	7.30	21.03	4.28	100
2010-11	1.49	17.46	0.37	0.42	3.67	2.83	0.00	0.03	3.35	2.16	1.40	1.88	0.91	5.57	0.00	10.89	23.77	17.24	6.57	100
2011-12	2.62	19.36	2.27	0.72	4.07	1.77	0.00	0.00	6.59	3.18	0.96	9.41	1.20	0.00	0.06	6.22	19.64	13.57	8.38	100
2012-13	2.10	18.24	2.86	0.88	7.35	6.35	0.00	0.17	7.33	3.04	1.60	6.90	2.03	0.00	0.09	2.56	14.18	7.85	16.47	100
Average	4.1	16.0	6.5	9.4	3.3	4.3	0.1	0.1	2.6	1.5	1.1	2.3	1.6	9.9	4.7	15.9	5.4	4.6	6.7	100

1=Administrative Services , 2= Road,3= Water Supply,4= Public Health Engineering,5=Street Lighting ,6= Administrative Buildings, 7= Solid Waste Management, 8= Environment Monotoring,9= Malaria Eradication , Public Health, Hospital Services,10=NMMT, 11=Primary Education, 12=Loans, 13=Security Deposits,14=Govt. Tax . Refund, 15 Corporators,16. Morbe Dam ,17 JNNRUM Project,18 JNNURM NMMT,19 Others



NMMC's Expenditure from Revenue Account and Capital Account.

It is explained in an equation form with average expenditure during the analysis period:

Revenue Account Expenditure:

$$RAE=F(AS+WS+PHE+SWM+R+SL+PE+HS+SS+MD+O)$$

Where

RAE= Revenue Account Expenditure

F= Shows functional relationship

AS= Administrative services :19.7 (All figures are in percent.)

WS= Water supply :28.5

PHE= Public Health Engineering :4.6

SWM = Solid Waste Management :12.0

R= Road :11.1

SL= Street Light :4.1

PE= Primary Education :5.9

HS= Health Services :5.1

SS= Social Services :0.6

MD= Morbe Dam :1.7

O= Others. :6.7

Capital Account Expenditure

$$CAE=F(AS+R+WS+PHE+SL+AB+SWM+EM+HS+NMMT+PE+L+SD+GTR+C+MD+JNNRUMp+JNNURM (NMMT)+O)$$

AS=Administrative Services : 4.1 (All are in present)

R=Road : 16.0

WS= Water Supply : 6.5

PHE= Public Health Engineering : 9.4

SL=Street Lighting : 3.3

AB= Administrative Buildings : 4.3

SWM= Solid Waste Management : 0.1

EM= Environment Monitoring : 0.1

ME= Malaria Eradication , Public Health, Hospital Services : 2.6

NMMT=Navi Mumbai Municipal Transport : 1.5

PE=Primary Education : 1.1

L=Loans : 2.3

SD=Security Deposits : 1.6

GTR=Government. Tax Refund : 9.9

C= Comparators' fund : 4.7

MD= Morbe Dam : 15.9

JNNRUM p= Jawaharlal Nehru National Urban Renewal Mission. : 5.4

JNNURM NMMT= : 4.6

O= Others : 6.7





- In revenue structure of the NMMC, the source of tax is dominant particularly cess and property tax.
- Among non tax revenue fees and service charges are included. The service of water supply (an average to total revenue from services 62.90 percent), road (15.41 percent), administrative services (9.78 percent) are important.
- Among total revenue collected from fees, town planning fees is significant and it accounted an average 94.72 percent during analysis period.
- Revenue structure is not changing significantly and corporation is also not self sufficient as loan has been taken in eight years of analysis.
- For the first six years of analysis, taxes refunded to the state government are included in the capital expenditure but afterward it has been mentioned separately.
- The proportion of revenue expenditure is decreasing during the analysis period.
- From revenue account 28.5 percent on water supply, 19.7 percent on administrative services and 12 percent money had spent on solid waste management.
- From capital account Morbe Dam and construction of the road are important Channels of expenditure.

This is the analytical study to understand the facts. It will expose the further study whether citizens are satisfied or not about efforts taken by NMMC to meet the needs of citizens. It will be undertaken in next step of this research work.

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