

CHAPTER V

Summary And Conclusion

The summary and conclusions emerging from the foregoing analysis are presented below.

1. The total expenditure of Sangli Municipality during last two decades had steadily increased at an accelerated rate. The expenditure of Sangli Municipality rose from Rs. 65.98 lakhs in 1970-71 to Rs. 562.95 lakhs in 1986-87 recording total rise of 853.21%. The per capita municipal expenditure rose from Rs. 55.23 to Rs. 298.40 during the corresponding years.

Increase in the expenditure of Sangli Municipality may be attributed to the following reasons.

- (1) Growth of population.
- (2) Inflation ^{causing} ~~causing~~ increase in prices of various goods and services issued by the municipality.
- (3) Increase in the activities of the Municipality.
- (4) Industrialization and increase in the number of manufacturing labourer in the city.

2. The Sangli Municipality tried to improve environment by providing ingredients of decent human living. Here the municipality had incurred more and more expenditure by supplying more water to the public. The size of revenue expenditure incurred while supplying water to public was Rs. 7.25 lakhs in 1970-71 and it

3. The total expenditure made on health services by Sangli Municipality gradually increased from and reached the level of Rs. 176.54 lakhs in 1986-87.

Medical facilities available in this city are found adequate to some extent. As a result of the efforts of the Government and Municipal authorities together, the death rate declined from 24 per thousands of population in 1970-71 to 16 per thousands in 1980-81.

4. One of the main consequence of urbanization is the cropping up of slums. These slums constitute a health hazard to the people and the area around. In view of the above dangerous situation, authorities of Sangli Municipality incurred Rs. ~~25~~ 2.25 lakhs for rehabilitating the slums population or for providing amenities to them.

5. Revenue expenditure incurred on account of public work (construction and maintainance of roads buildings, markets etc.) increased rapidly. Among the public work undertaken the road entailed the major part of expenditure. This expenditure was Rs. 2.85 lakhs in 1970-71 and gradually increased to Rs. 47.21 lakhs in 1986-87.

6. Public institution was treated as an important items of expenditure Sangli Municipality had not only extended financial assistance to the schools but also developed number of facilities for furthering the cause of education. Expenditure on public education was Rs. 15.26 lakhs in 1970-71. The same further

increased and stood at Rs. 116.06 lakhs in 1986-87.

7. It seems that several miscellaneous functions (street lighting, development of markets, parks, gardens, fire-brigade, child welfare etc.) had been undertaken by Sangli Municipality. It was found that most of the revenue outlays on these was almost absorbed in street lighting alone. It may be noted that out of total revenue expenditure as large as 24% was incurred on public works. Expenditure on public education was about 40% of total revenue out of total revenue expenditure about 30% was incurred on health services. On slums 6% of the total revenue expenditure was incurred.

8. As the economic activities in the city had ~~increased~~ increased the municipality had to spend for extending public utility services needing huge capital investment. Several schemes of capital constructions were completed by the Sangli Municipality. Funds were tapped from different sources.

The size of capital expenditure made out of tax and non-tax sources was however around ^{8%}~~5%~~ of total in 1970-71. In 1986-87 the expenditure made on the capital works from these sources increased up to 18%.

9. During the period under review the Sangli Municipality raised loan funds to the tune of Rs. 217.78 lakhs. This shows increasing flow of loan funds for meeting capital outlays. No grant in aid was received from the State Government for Capital improvement

programmes of municipality. This had left no other alternatives for the municipality but to tap the maximum possible funds through borrowing and internal resources. The analysis further revealed that the proportion of funds derived from these sources varied widely from year to year. These wide fluctuations are basically due to.....

- (1) Restriction imposed on borrowing operations of the municipality;
- (2) No capital grants from the state government.
- (3) No norms do determine the proportion of capital spending. The growing current capital expenditure of Sangli municipality bestowed many benefits on the citizens. They are stated below.

(a) Supply of Water.

The average daily supply of water in Sangli was 2860 M.L.D.

- (b) As a result of medical aids available in Sangli City, a number of beds in hospitals increased up to 1720 in 1986-87. Number of Doctors and Nurses in Municipal hospital in 1986-87. In 1986-87 the Doctor - Population and Bed - Population ratios were 1:14511 and 1:4716. These ratios when calculated, explain some what fair state of affairs of medical services available in Sangli Municipality.

- (c) Efforts of municipal Government resulted in eradicating some of the important communicable diseases in the towns.

(d) Conservancy and sanitation which include scavenging and the removal and disposal of night soil and rubbish was provided increasingly. In the areas of municipality an organized sewerage system has been started of length of drainage in the city also rose considerably.

(e) Sangli Municipality had under taken measures to rehabilitate the slum population.

(f) New roads were constructed in the expanding city.

(g) There has been rapid increase in the number of primary educational institutions and students.

(h) Sangli Municipality had provided lighting, public parks, Gardens etc. public libraries and fire brigade facilities are provided.

10) Sangli Municipality has exploited almost all the sources of tax permitted under Maharashtra Municipal Act. The income of Sangli Municipality from the rates and taxes shows rising trends. The average annual rate of increase in the revenue was Rs. 42 lakhs.

11) Similarly the percentage increase of income from rates and taxes in 1986-87 over 1970-71 was also higher in Sangli i.e. 711.82%.

12) Consequently per capita incidence of tax had to registered higher and higher level and in 1986-87 it was ~~Rs. 450.81~~. Rs. 250.88

- 13) The income from octroi in Sangli Municipality is significantly large. The aggregate income from octroi registered 985.45% increase in 1986-87 over 1970-71. The proportion of octroi revenue to total tax revenue increased from 60% in 1970-71 to 75% in 1986-87.
- 14) Per capita incidence of octroi also rose and reached the level of Rs. 103.84 in 1986-87.
- 15) The revenue from tax on property reached the level of Rs. 62.46 lakhs in 1986-87.
- 16) Other taxes like professional tax, wheel and animal tax, service tax, tax on theaters etc. yielded small amounts of revenues.

The Sangli Municipality generated considerable non-tax revenues during our period of study. The average proportions of non-tax revenue to total revenue was 48% in the period of our study.

Municipal properties make significant contribution to the total non tax revenues. It comes to about 45%. The revenue from conservancy receipts amount to about 10% to 14% total property revenue of municipality. The annual receipts from market and slaughter houses have been very insignificant 8% to 12% or the total non tax receipts. The annual percentage contribution by fees and penalties was 0.34% to 1.27%. There is enough scope for increasing revenue from this source by revising schedule of rates and exercising.

Strict supervision over the collection staff, Sangli Municipality have a income from sources like water charges, power charges, net profits from the business enterprises etc. The income from this source was arround 6.24% to 17.78% of the non tax revenue. Similarly the annual percentage contribution from fines and panalities to the non-tax revenue was less than 2%.

As regards, the absolute total revenue from non tax sources in Sangli Municipality was near about Rs. 200 lakhs in 1986-87.

17. If the octroi nakas are increased and well staffed and proper supervision is made by the higher officers, revenue from this source will increase.

18. The property tax rate needs to be raised in view of the inflation of the rateable value of the properties.

19. The rents charged by municipality for its buildings etc also very low. They need to be revised so that additional revenue is yielded. Same hards goods regarded market places constructed by the Municipality.