

# Gram Panchayat Finances in Andhra Pradesh

A Study of Major Panchayats in Andhra Pradesh



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## Appendix 1: Data Tables

## 1.0 Introduction

The worldwide trend towards decentralization in recent years was also very much evident in India. Although sporadic attempts were made in India to devolve greater powers to rural and urban local bodies, the impetus gathered momentum only after the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional amendments. Within the ambit of these amendments, different states have experimented in varied ways. While it may be premature and, perhaps, naïve to identify any of these efforts as the 'best' method, lessons can be drawn from these experiences to aid the process of decentralization elsewhere.

That decentralization is a complex and multi-faceted phenomenon is, perhaps, better known than understood. The concept of decentralization has three main dimensions - political, administrative and fiscal. These dimensions are interconnected and, hence, effective decentralization must be attuned towards these dimensions together. Appropriate political structures at the local level must not only be complemented with administrative capacity for service delivery but also must have adequate functional and financial autonomy to emerge as viable self-governing institutions.

Much literature on rural decentralization has emanated from India. However, it has largely concentrated on the political and administrative dimensions. Fiscal issues at the local level have received scant attention either due to lack of information/data or due to lack of emphasis. This paper is a small attempt to correct this anomaly. It tries to understand the management of finances at the lowest level of local governance, namely the Grama Panchayat (GPs), in the State of Andhra Pradesh (AP).

The study objectives were:

- To assess the level of financial autonomy of GPs in AP;
- To examine the sources of revenue and heads of expenditure of GPs in AP;
- To analyse the key differences, if any, in this regard across and within different regions; and
- To suggest ways by which GPs can become financially stronger entities

The data used in the analysis was collected for the period of 1995-2003 from 22 districts in AP. The study takes into account only the budgets of GPs and does not cover such schemes and programs taken up directly at the local level. Karimnagar was not included in the analysis for reasons of data insufficiency – data was available for only 4 out of 38 GPs. Hyderabad (23<sup>rd</sup> district) is excluded from the analysis as it is an urban district.

#### *Limitations of the Study*

It is necessary to outline the limitations of the study at the very outset so that necessary caution may be exercised in interpreting the study findings and recommendations.

Firstly, the study was confined to 1,101 notified GPs out of the total of 1,342 notified GPs<sup>1</sup>- the data for which was made available by the respective Zilla Parishads (ZPs). This included 127 notified GPs in Rayalaseema, 227 notified GPs in Telangana and 747 notified GPs in Circar/Coastal regions of the State. There are about and additional 20,000 smaller GPs but these are not included in the scope of the study. However, although limited to the erstwhile notified GPs which are comparatively richer than the majority of GPs, the findings from the

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<sup>1</sup> GPs with income in excess of Rs.40,000/- per annum were classified as notified and those with income of Rs.40,000 or less per annum were classified as non-notified – this classification was abandoned in 2002.

study may have much relevance to how *any* GP functions with respect to its civic duties reflected in the way it manages its finances.

Secondly, given the study mandate, the study concentrates on financial aspects at the GP level while providing limited inputs in the area of administration and politics. In addition to this work, studies such as 'Rural Decentralization in India' (World Bank, 2001), 'Inter-state Study on Rural Decentralization' (CGG, 2003) may be referred for a more holistic perspective.

Thirdly, the study does not provide linkages between financial management and delivery of basic services. A caution in this regard is in order – the quality of financial management should not be taken as a surrogate of the efficacy of service delivery at the local level.

The paper is organized in the following manner.

Before elaborating on the findings from the study, it may be worthwhile to understand the lowest tier of local governance in AP i.e. the Grama Panchayat, in greater detail. The next section i.e. Section 2 provides basic information on Grama Panchayats in Andhra Pradesh, the GP as a political and administrative unit and functional and financial devolution to PRIs in AP.

Section 3 of this document provides an overview of the Gram Panchayat finances across the three regions in AP. This section is segregated into two broad sub-sections – Revenue receipts & expenditure and Capital receipts & expenditure.

Given that capital receipts and expenditures at the local level are quite less in comparison with revenue receipts and expenditures, the latter is examined in

more detail. Section 4 and Section 5 of this document present the detailed analysis of Revenue Receipts and Revenue Expenditure respectively.

The study conclusions are given in Section 6 and key recommendations that emerge, thereof, are outlined in Section 7.

The basic compiled data tables are given in Appendix 1 which contains data tables averaged over 1995-96 and 2002-03 for districts within each region.

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## 2.0 GPs in Andhra Pradesh

### 2.1 Distribution and Numbers

The Grama Panchayats stand at the base of the three tier structure of local governance with the Zilla Parishad at the district level and the Mandal Parishad at the intermediate level. Along with 22 Zilla Parishads and 1095 Mandal Parishads, there are 21,943 Grama Panchayats in Andhra Pradesh covering a population of more than 55million people.

It is necessary to highlight the lack of a clear definition of what a GP is in Andhra Pradesh. Populations of GPs vary from 300 to more than 30,000. This does raise questions on the economic viability of smaller GPs. However, since this study looks only at the notified (and presumably larger) GPs, it will not be able to provide direct answers in this regard.

Table 1: No. of GPs/Notified GPs by Districts in Andhra Pradesh

DISTRICT	AREA (in sq km)	POPULATION 2001	Rural population 2001	No. of GPs	No. of Notified GPs
<b>COASTAL</b>	<b>92,906</b>	<b>3,15,70,722</b>	2,38,17,191	<b>8,328</b>	<b>787</b>
PRAKASAM <sup>1</sup>	17,626	30,54,941	25,88,232	955	63
NELLORE	13,076	26,59,661	20,56,027	943	44
GUNTUR	11,391	44,05,521	31,74,288	692	118
VISAKHA PATNAM	11,161	37,89,823	22,77,983	1,064	47
EAST GODAVARI	10,807	48,72,622	37,35,908	938	127
KRISHNA	8,727	42,18,416	28,52,769	942	153
WEST GODAVARI	7,742	37,96,144	30,48,686	839	202
VIZIANAGARAM	6,539	22,45,103	18,33,010	891	17
SRIKAKULAM	5,837	25,28,491	22,50,288	1,064	16
<b>RAYALASEEMA</b>	<b>67,299</b>	<b>1,34,60,253</b>	1,03,37,008	<b>3,150</b>	<b>131</b>
ANANTAPUR	19,130	36,39,304	27,19,225	866	31
KURNOOL	17,658	35,12,266	27,19,602	82	38
CUDDAPAH	15,359	25,73,481	19,72,994	821	21
CHITTOOR	15,152	37,35,202	29,25,187	1,381	41
<b>TELANGANA</b>	<b>114,892</b>	<b>3,06,96,566</b>	2,10,69,745	<b>9,277</b>	<b>345</b>
MAHABUBNAGAR	18,432	35,06,876	31,35,445	1,225	23
ADILABAD	16,128	24,79,347	18,23,004	1,754	27
KHAMMAM	16,029	25,65,412	20,57,364	1,100	21
NALGONDA <sup>2</sup>	14,240	32,38,449	28,08,991	1,013	48
WARANGAL <sup>3</sup>	12,875	32,31,174	26,10,383	882	46



KARIMNAGAR <sup>4</sup>	11,823	34,77,079	27,98,135	1,048	38
MEDAK	9,699	26,62,296	22,77,621	809	46
NIZAMABAD	7,956	23,42,803	19,20,270	863	75
RANGAREDDY	7,493	35,06,670	16,38,532	583	21
HYDERABAD	217	36,86,460			

Source: Directorate of Economics and Statistics, Hyderabad

<sup>1</sup> for Prakasam district only 33 out of 63 GPs gave information in the CGG survey

<sup>2</sup> for Nalgonda district only 16 out of 48 GPs gave information in the CGG survey

<sup>3</sup> for Warangal district only 26 out of 46 GPs gave information in the CGG survey

<sup>4</sup> for Karimnagar district only 4 out of 38 GPs gave information in the CGG survey (Not included)

The above table clearly shows that a large part of the state's population is rural in character.

Telangana has nine districts and is the largest in terms of area (114,892 sq. kms). Nizamabad has the highest number of notified GPs (75) while Rangareddy and Khammam have the smallest number with 21 notified GPs, with all others falling in between, Nalgonda (48) Warangal (46), Medak(46), Karimnagar(38), Adilabad (27), and Mahaboobnagar (23). Put together, Telangana has the largest number of GPs in the state (9,277), but comparatively fewer GPs whose income is more than Rs.40,000 per annum (345 notified GPs).

Rayalaseema is made of four districts. It has a total area of 67,299 sq km with 3,180 GPs. Chittoor has the highest number of notified GPs (41) followed by Kurnool (38), Ananthapur (31) and Cuddapah (21).

The Coastal area is the most populated in the State having a total population of 3.15 crores as per 2001 census. It has a total of 8,328 GPs in this region. West Godavari has the highest number of GPs (202), followed by Krishna (153), East Godavari (127), Guntur (118), Prakasam (63), Visakhapatnam (47), Nellore (44), Vizianagaram (17) and Srikakulam (16). These 9 districts put together have the highest number of GPs in the State with annual income greater than Rs.40,000/- (787).

## **2.2 GP as a Political Unit**

In AP, a Gram Panchayat has a minimum of 5 and a maximum of 21 members; a member is elected from a population of 200 and more. The election to the post of Sarpanch is direct, s/he is not chosen to power by the ward members. Reservation of seats to the marginalized sections, the SCs, the STs, women and the Backward Classes has been ensured at all the three tiers. 1/3 rd of seats are reserved for women, 1/3 rd for BCs, not less than 22.5% for the SCs and 6% for the STs. The term of membership is for five years.

Section 40 of the PR Act provides for the formation of the functional committees at the GP. Functional Committees can be formed for Water Supply, Sanitation, Family Planning, Education, and Communication and for “any other purpose of the Act” (S.40 (1)). The functional committees have been constituted but remain mostly non-functional.

## **2.3 GP as an Administrative Unit**

The Grama Panchayats are administratively supported by the Panchayat Secretaries. 16000 Panchayat Secretaries have been placed in the entire State. The Secretaries are from five different grades of administration placed at different GPs depending on the size of the GP and the magnitude of its function. The Secretary functions under the administrative control of the GP, in keeping with the spirit of the Constitutional Amendment. However, the Secretaries are simultaneously responsible to the revenue department for revenue functions. The job chart of the Secretary lists 64 `works'. Apart from assisting the GP in discharging its duties, s/he is expected to assist in the preparation of the village plans, prepare a list of households living below the poverty line, maintain lists of beneficiaries under various schemes and mobilise public participation. The day-to-day work of the Secretary is limited to inspecting and ensuring the functioning of the water works (water for drinking purposes), sanitation and streetlights, issuing of certificates, etc.

A key function of the Secretary is the management of GP funds. The Secretary, along with the Sarpanch, has cheque-signing power. The GP accounts are also maintained by the Secretary and all deposits and disbursements from the GP funds are done by him.

#### **2.4 Functional Devolution to GPs**

Sec.45 and Sec.46 of the Andhra Pradesh Panchayat Raj Act 1994 specify the obligatory and discretionary functions of the GP respectively. The obligatory functions broadly include: (i) communications – construction, repair and maintenance of roads and bridges, (ii) sanitation – cleaning of drains, streets, maintenance of public latrines and street lights, (iii) public health – taking up of preventive and remedial measures for various diseases, and (iv) water supply – digging and deepening of wells. The discretionary functions include providing education, health and recreation facilities.

Devolution of powers to GPs in AP has been weaker than in most other states<sup>2</sup>. Only 16 out of the 29 functions mentioned in the 11<sup>th</sup> Schedule have been transferred to GPs. The list of functions devolved to GPs is as given below<sup>3</sup>:

1. Agriculture including agricultural extension
2. Minor irrigation tanks
3. Social forestry, farm forestry
4. Khadi and village industries
5. Drinking water (rural water supply)
6. Roads, culverts, bridges, ferries and waterways
7. Non-conventional energy
8. Education including primary and secondary schools
9. Technical training and vocational education
10. Adult and non-formal education
11. Libraries
12. Cultural activities

<sup>2</sup> Interstate study on rural decentralization, CGG, 2004

<sup>3</sup> Functionary Manual, PR 138, Panchayat Raj & Rural Development, Dr.MCR Human Resource Development Institute of Andhra Pradesh, Hyderabad

13. Women and child development
14. Social welfare including welfare of handicapped and mentally retarded
15. Public distribution scheme
16. Maintenance of community assets

## 2.5 Financial Devolution to GPs

Effective decentralization necessitates the transfer of funds along with the transfer of functions and functionaries. The table below gives the actual financial devolution to GPs from the State during 1999-2000 and 2002-03.

Table 2: PRI funds given to State and the transfers made to the GP within the State in the years 1999-2003 (in Rs. lakhs)

	1999-2000	2000-01	2001-02	2002-03
<b>1.Compensation and assignments to local bodies and PRIs</b>	<b>12603.00</b>	<b>16429.00</b>	<b>24737.00</b>	<b>28438.00</b>
2.Assigned revenue transferred to GPs	2489.66	3304.77	2895.56	3944.95
3.State grants transferred to GPs	3486.31	6683.01	6187.65	6012.55
4.Central grants transferred to GPs	1142.11	1250.81	1507.42	2695.00
<b>Total Transfers (2+3+4)</b>	<b>7118.08</b>	<b>11238.59</b>	<b>10590.63</b>	<b>12652.5</b>

Source: Row 1 figures are taken from [www.rbi.org.in/index.dll/7](http://www.rbi.org.in/index.dll/7) (State Finances – A Study of Budgets of 2001-02)

Rows 2, 3, and 4 are the figures from the CGG survey, summed over all the notified GPs in the state, (to be taken as a rough estimate considering that the data is for 1101 out of 1342 notified GPs)

The total financial devolution to PRIs is low<sup>4</sup>. A paltry sum of 126 crores was transferred to GPs in 2002-03 out of a total fund of Rs. 284 crores for PRIs.

Overall, there has been an increase in the amount of funds transferred to GPs during 1999-2000 and 2002-03. This is true for all revenue sources – assigned revenue, state grants and central grants. State grants make up the major chunk of finances transferred and accounted for nearly one-half of the total transfers in 2002-03, followed by assigned revenues (30%) and central grants (20%).

<sup>4</sup> As compared to most other states (See World Bank Study on Rural Decentralization in India, Vol II, 2001, also see CGG Inter-State Study on Rural Decentralization, 2004)

Table 3: Proportion of funds transferred to the GP level (based on table 2)

<b>Prop transferred to GP out of total assignment to PRIs</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>
- Assigned Revenue	0.20	0.20	0.12	0.14
- State Grants	0.28	0.41	0.25	0.21
- Central Grants	0.09	0.08	0.06	0.09
<b>Total</b>	<b>0.56</b>	<b>0.68</b>	<b>0.43</b>	<b>0.44</b>

Overall, it is evident that the proportion of funds transferred to GPs out of the total funds for PRIs has declined from nearly 60% to less than 45% in recent years.

When the proportionate figures are taken for the funds transferred to GP, based on the figures in table 2, it is seen that assigned revenue in 1999-00 and 2000-01 has been around 20% and has actually fallen in 2001-02 (12%) and 2002-03 (14%). Grants (state *plus* central) also show a declining trend - it forms about 30% of the total funds transferred to the PRIs in 2002-03.

Given the nature of financial devolution to GPs, it would be interesting to examine the kind of revenue sources that augment this allocation, and the subsequent expenditure priorities of the GPs. This is attempted in the next section.

### 3.0 Overview of GP Finances

Section 74 in the Panchayat Raj Act of AP clearly provides for the constitution of the 'Grama Panchayat Fund' where all monies received by the GP would be pooled and disposed from. The GP fund is to be used to spend on all obligatory functions and any other discretionary functions that the GP assumes as well as own staff salaries (Sec 75). The four major heads under which the revenues come in are:

- (1) Own sources - mandatory taxes, optional taxes, fees and fines, rents and leases and other remunerative enterprises
- (2) Assigned - cess and surcharge collected
- (3) Grants - grants coming from state government and central government for specific schemes
- (4) Donations and contributions - voluntary funds donated by people

A GP has three compulsory taxes - house tax, kolagarum (a tax on the village produce sold by weight) and advertisement taxes and two optional taxes, namely, vehicle tax and tax on agricultural lands.

Among the various receipts, some funds are specially earmarked for expenditure on specific objects and which cannot be diverted for expenditure on any subject other than for which they are collected. These are:

- water tax levied u/s 254 of AP Public Health Act, 1939
- tax on agricultural lands levied u/s 60
- special tax levied u/s 71 of the Act
- loan funds
- special grants received from government, ZP and MP sanctioned for specific purposes
- receipts derived from sale of capital assets

- income from endowments and trusts
- deposits

The GP has an annual budget which is approved without any need for outside sanction. But the estimates need to be precise to the extent possible and provisions need to be made for obligatory charges. According to G.O.No.69 dated 29.2.2000, no GP can have a deficit budget or incur any item of expenditure which is not included in the budget. All allotments made in the budget lapses at the end of the year. In addition, a working balance of not less than 5% of estimate receipts has to be maintained.

A detailed analysis of GP finances is warranted to understand the financial position of GPs.

### **3.1 Revenue Receipts and Expenditures**

Revenue receipts and expenditure form a major part of the GP finances. While revenue receipts pertain to revenue from own sources, assigned revenue, Central/State grants and donations/contributions, revenue expenditure includes developmental/administrative spending.

#### ***3.1.1 Revenue Receipts***

The income of GPs varies between as little as Rs.5000/- per annum to more than Rs.10 lakhs per annum. A cursory examination of revenue receipts highlights key differences across the three socio-cultural regions in AP. The table below gives details of revenue receipts in each region during 1995-2003. The total receipts are figures summed up across the districts in the respective regions. The annual average per GP is the income of an average GP in the region.

Table 4: Revenue Receipts of GPs in AP (in Rs. Lakhs)

	Total Revenue Receipts (1995-2003)			Annual Average per GP (1995-2003)		
	Rayalaseema	Telangana	Coastal	Rayalaseema	Telangana	Coastal
Mandatory Taxes	4561.24	7241.24	23837.02	4.49	3.99	3.99
Optional Taxes	28.29	137.11	360.80	0.03	0.08	0.06
Non-Taxes - Fees and Fines	1380.22	4657.49	8351.23	1.36	2.56	1.40
Remunerative Enterprises	2490.14	2225.46	6937.93	2.45	1.23	1.16
Other Resources	42.16	70.68	454.53	0.04	0.04	0.08
<b>Own Sources Revenue Total</b>	<b>8502.06</b>	<b>14331.97</b>	<b>39941.52</b>	<b>8.37</b>	<b>7.89</b>	<b>6.68</b>
<b>Assigned Revenue</b>	<b>3301.19</b>	<b>3873.27</b>	<b>14345.48</b>	<b>3.25</b>	<b>2.13</b>	<b>2.40</b>
State Grants	5356.63	9962.78	20423.91	5.27	5.49	3.42
Central Grants	1422.29	3827.00	7901.62	1.40	2.11	1.32
<b>Grants Total</b>	<b>6778.92</b>	<b>13789.78</b>	<b>28325.53</b>	<b>6.67</b>	<b>7.6</b>	<b>4.74</b>
<b>Donations and Contributions</b>	<b>1130.85</b>	<b>711.46</b>	<b>1883.42</b>	<b>1.11</b>	<b>0.39</b>	<b>0.32</b>
<b>Total Revenue Receipts</b>	<b>19713.02</b>	<b>32706.48</b>	<b>84495.95</b>	<b>19.40</b>	<b>18.01</b>	<b>14.14</b>

Source: CCG

The coastal region accounts for a major chunk of the total revenue given the fact that a majority of notified GPs fall in this region. However, the picture changes when the annual average revenue per GP is taken into consideration. On an average, during the period 1995-2003, annual revenue per GP in Rayalseema was 19.40 lakhs, that in Telengana was 18.01 lakhs and that in Coastal Andhra was 14.14 lakhs.

### 3.1.2 Revenue Expenditure

Overall, across all the three regions, expenditures are lower than revenue. As with revenue receipts, revenue expenditure shows a similar pattern across different regions of AP. The average annual expenditure per GP is highest in Rayalseema (18.08 lakhs) followed by Telegana (15.70 lakhs) and Coastal Andhra (11.86 lakhs).



Table 6: Revenue Expenditure of GPs in AP (in Rs. Lakhs)

	Total Revenue Expenditures (1995-2003)			Annual Average per GP (1995-2003)		
	Rayalaseema	Telangana	Coastal	Rayalaseema	Telangana	Coastal
Administration	7719.21	12327.73	28719.16	7.60	6.79	4.81
Lighting	2262.41	3124.58	9010.95	2.23	1.72	1.51
Communications	1703.68	1458.07	6269.00	1.68	0.80	1.05
Sanitation & Public Health	1832.68	2359.97	6252.80	1.80	1.30	1.05
Other Amenities	43.21	158.57	838.24	0.04	0.09	0.14
Water Supply	1831.12	3057.98	5707.70	1.80	1.68	0.96
Developmental Activities	2703.10	5544.99	13319.60	2.66	3.05	2.23
Remunerative Enterprises	212.18	124.18	436.39	0.21	0.07	0.07
Miscellaneous	65.79	354.76	309.98	0.06	0.20	0.05
<b>Total Revenue Expenditure</b>	<b>18373.38</b>	<b>28510.83</b>	<b>70863.83</b>	<b>18.08</b>	<b>15.70</b>	<b>11.86</b>

Source: CCG survey

As is evident from the table below, expenditure on administration accounts for more than 40% of total revenue expenditure across all three regions. Differences on sectoral expenditure are not too wide at the overall regional level.

Table 7: Proportion of Total Revenue Expenditure (%)

	Proportion of Total Revenue Expenditure (1995-2003)		
	Rayalaseema	Telangana	Coastal
Administration	0.42	0.43	0.41
Lighting	0.12	0.11	0.13
Communications	0.09	0.05	0.09
Sanitation & Public Health	0.10	0.08	0.09
Water Supply	0.10	0.11	0.08
Developmental Activities	0.15	0.19	0.19

### 3.2 Capital Receipts and Expenditures

Capital receipts and expenditure show the accounts statement of loans, deposits and advances of a GP. Loans and deposits can be specified against specific activities that a GP would like to take up while advances could be more related to administrative expenses. Capital revenue grants and small investments made in bonds and buildings also show up as part of capital investments.

#### 3.2.1 Capital Receipts

Table 8: Capital Receipts of GPs in AP (in Rs. Lakhs)

	Total Capital Receipts (1995-2003)			Annual Average per GP (1995-2003)		
	Rayalaseema	Telangana	Coastal	Rayalaseema	Telangana	Coastal
<b>Loans</b>	11.50	1.75	24.03	0.01	0.00	0.00
<b>Deposits</b>	2022.65	538.03	4022.15	1.99	0.30	0.67
<b>Total Receipts Capital</b>	236.30	97.04	1544.36	2.23	0.35	0.94
- Advances	192.83	62.21	1301.21	0.19	0.03	0.22
- Grants	15.34	10.81	103.02	0.02	0.01	0.02
- Donations & Contributions	28.14	24.02	140.13	0.03	0.01	0.02

Source: CGG

The coastal region, in comparison with other regions, has higher amounts of loans, deposits and total capital receipts. Telengana region accounts for the lowest in this regard. Within each region, advances account for a major part of the total capital receipts as compared to grants and donations/contributions.

When these are averaged across the notified GPs in the regions, Rayalaseema emerges as the highest in terms of deposits and capital receipts, followed by Coastal region and Telengana.

### 3.2.2 Capital Expenditure

Table 7: Capital expenditures of the three regions in Rs. Lakhs

	Total Capital Expenditures (1995-2003)			Annual Average per GP (1995-2003)		
	Rayalaseema	Telangana	Coastal	Rayalaseema	Telangana	Coastal
Loans Repaid	30.25	15.89	12.71	0.03	0.01	0.00
Deposits	1454.74	631.47	3092.09	1.43	0.35	0.52
Advances	239.81	193.31	625.52	0.24	0.11	0.10
Lands and Buildings	7.09	68.99	48.59	0.01	0.04	0.01
Communications	15.75	35.16	138.02	0.02	0.02	0.02
Other items	230.88	23.11	103.45	0.23	0.01	0.02

Source: from CGG survey,

Deposits and advances account for a major part of the total capital expenditure in all the three regions. Although, in absolute terms, the Coastal area shows high capital expenditure across most heads, the average expenditure per GP is relatively higher in Rayalaseema.

The capital receipts are very small compared to the revenue receipts. Similarly capital expenditure is much less than revenue expenditure. It is evident that the GPs are more revenue units, dependent on what they get at any given point of time. Making provisions for capital investment would be a difficult task by raising loans or other funds. Hence it would be appropriate to consider only revenue receipts and expenditures in more detail. This is taken up in the next section.

## 4.0 Revenue Receipts – A Detailed Analysis

### 4.1 Revenue Receipts – By Region

The table below presents the revenue receipts of an average GP across the three regions in Andhra Pradesh.

Table 5: Revenue Sources as Proportion of Total Revenue (%)

	Rayalaseema	Telangana	Coastal
<b>Own Taxes</b>	<b>0.43</b>	<b>0.44</b>	<b>0.47</b>
<b>Assigned Revenue</b>	<b>0.17</b>	<b>0.12</b>	<b>0.17</b>
State Grants	0.27	0.30	0.24
Central Grants	0.07	0.12	0.09
<b>Grants Total</b>	<b>0.34</b>	<b>0.42</b>	<b>0.33</b>
<b>Donations and Contributions</b>	<b>0.06</b>	<b>0.02</b>	<b>0.02</b>

Source: CGG

In all the three regions own revenue forms more than 40% of the total revenue. However, the share of assigned revenue and grants are larger than the own revenue – accounting for more than 50% of total revenue. The proportion of grants out of total revenue is higher for Telangana as compared to Rayalaseema and Coastal areas.

Within regions there are key differences across districts – an analysis along these lines is presented below.

#### 4.1.1 Rayalaseema

Within Rayalaseema, annual average total revenue receipts per GP during 1995-2003 ranges from Rs. 13 Lakhs (Ananthapur) to Rs. 34 lakhs (Cuddapah). The annual average revenue receipts in Kurnool and Chittoor during this period are close to Rs. 18 lakhs each. (Refer Appendix 1)

Table 9: Share of various heads in total revenue receipts in Rayalaseema (Average 1995-2003)

	Cuddapah	Chittoor	Ananthapur	Kurnool
Own revenue	0.41	0.45	0.40	0.44
Assigned revenue	0.22	0.19	0.14	0.11
State grant	0.22	0.25	0.33	0.31
Central grant	0.06	0.07	0.09	0.09
Donations	0.09	0.05	0.04	0.04

The picture within districts in Rayalaseema is quite similar. Own revenue make up more than 40% while assigned revenue+grants account for more than 50% of total revenue. State grants are significantly more than grants from the Centre. Contribution of grants to total revenue is highest for Anathapur (42%), followed by Kurnool (40%), Chittor (32%) and Cuddapah (28%).

#### 4.1.2 Telengana

Annual average total revenue receipts per GP during 1995-2003 within the Telengana region varies from Rs. 30 lakhs (Khammam) to Rs 10 lakhs (Nizamabad). Mahboobnagar (Rs. 24 Lakhs) and Nalgonda (Rs 23 Lakhs) also have significantly higher revenue receipts. (Refer Appendix 1)

Table 10: Share of various heads in total revenue receipts in Telangana (Average 1995-2003)

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob Nagar	Khammam	Adilabad
Own revenue	0.46	0.43	0.45	0.36	0.42	0.33	0.45	0.33
Assigned	0.10	0.17	0.07	0.15	0.19	0.11	0.20	0.08
State grant	0.26	0.31	0.32	0.37	0.28	0.44	0.20	0.31
Central grant	0.14	0.07	0.15	0.08	0.09	0.09	0.13	0.27
Donations	0.04	0.02	0.02	0.03	0.02	0.02	0.02	0.00

Table 10 provides the share of revenue out of total revenue for various revenue heads. Own revenue sources make up more than 40% of the total revenue receipts in all districts except Nalgonda (36%), Mahboobnagar (33%) and Adilabad (33%). However, grants (state + central) as a proportion of total

revenue receipts are relatively higher in these districts (45%, 53% and 58% respectively) compared to other districts where grants account for 40% or less out of total revenue receipts. Khammam has the lowest share of grant out of total revenue receipts (33%).

### 4.1.3 Coastal Andhra

In the coastal region, annual average total revenue per GP is highest in Vizianagaram (Rs.19 lakhs) followed by Krishna (Rs.18.45 lakhs) and Srikakulam (Rs.18.06 lakhs). Per GP revenue is relatively lower in East Godavari (Rs. 9.9 Lakhs), Nellore (Rs. 11.3 Lakhs) and West Godavari (Rs. 11. 4 Lakhs).

Table 11: Share of various heads in total revenue receipts in Coastal Andhra (Average 1995-2003)

	Srika kulam	Vizia nagaram	Visaka patnam	E. Godavari	W. Godavari	Krishna	Guntur	Prakasam	Nellore
Own revenue	0.27	0.43	0.51	0.42	0.39	0.51	0.39	0.45	0.41
Assigned	0.18	0.17	0.16	0.19	0.22	0.15	0.19	0.20	0.16
State grant	0.42	0.27	0.19	0.27	0.25	0.27	0.29	0.20	0.22
Central grant	0.12	0.07	0.13	0.11	0.10	0.06	0.12	0.12	0.18
Donations	0.01	0.06	0.01	0.02	0.05	0.02	0.01	0.02	0.04

As compared to other regions in AP, the coastal region shows a greater degree of variance within on account of own sources of revenue. The share of revenue from own sources such as mandatory taxes, optional taxes, fees and fines, etc, ranges from a meagre 27% in Srikakulam to more than 50% in Krishna and Vishakapatnam. On the other hand, GPs in the districts in the coastal region have a greater proportion of assigned revenue (~ 20%) in their kitty, when compared to their counterparts in the other regions.

The proportion of grants out of the total revenue receipts is much lower for the GPs in the coastal districts when compared to those in other regions. In most districts in the coastal region, grants account for between 30%-40% of the total

revenue receipts. The only exception is Srikakulam (52%), where state grants accounted for 42% of total revenue receipts.

## 4.2 Revenue from Own Sources

### 4.2.1 Revenue from Own Sources - By Region

Revenue from own sources can be broadly categorized into (a) income from mandatory taxes (b) income from optional taxes (c) income from non-tax items like fees & fines and (d) income from remunerative enterprises.

Mandatory taxes account for 57% of the revenue from own sources - 51% in Telegana, 54% in Rayalseema and 60% in Coastal Andhra. GPs in Telengana generate significantly more through fees & fines (32%) as compared to those in Rayalseema (16%) and Coastal Andhra (21%). Remunerative enterprises contribute relatively more in Rayalseema (29%) than in Telengana (16%) or Coastal Andhra (17%).

Table 12: Share of various heads in own revenue in the three regions

	Rayalaseema	Telangana	Coastal	Overall
Mandatory Taxes	0.54	0.51	0.60	0.57
Optional Taxes	0.00	0.01	0.01	0.01
Non-Taxes - Fees and Fines	0.16	0.33	0.21	0.23
Remunerative Enterprises	0.29	0.16	0.17	0.19

### 4.2.2 Mandatory Taxes

Mandatory taxes are levied in the form of house taxes, Kolagaram or Katarusum, advertisement taxes and special taxes on services provided.

## Rayalseema

Table 13 gives details on the annual average revenue of a GP from mandatory taxes in Rayalseema.

Cuddapah has an annual average of Rs. 9.2 Lakhs per GP. This is much above the other three districts namely Chittoor (Rs. 4.0 Lakhs), Kurnool (Rs. 3.6 Lakhs) and Ananthapur (Rs. 2.5 Lakhs). House taxes make up a major part of revenue from mandatory taxes accounting for more than 70% of the revenue from mandatory taxes in each district.

Special taxes in the form of drainage tax, lighting tax and water tax account for 21% on an average in Rayalseema. Revenue through other taxes such as Kolagaram, taxes on advertisements, etc, is relatively smaller.

Table 13: Average Annual Revenue of a GP from mandatory taxes in Rayalseema (1995-2003) (In Rupees)

	Cuddapah	Chittoor	Ananthapur	Kurnool
(a) Mandatory Taxes				
1. House Tax	686684	305014	176048	271844
2. Kolagaram/Katarusum		1441		226
3. Tax on Advertisements	30	598	157	92
4. Special taxes				
i) Drainage Tax		16382	1746	12606
ii) Lighting Tax		13449	10786	8333
iii) Water Tax	153508	52296	48669	65241
5. Others	80401	14721	9186	6519
Mandatory Taxes Total	920624	403901	246591	364862

## Telengana

The annual average revenue per GP in Telengana from mandatory taxes is about Rs. 4 lakhs. Most districts report annual average revenue per GP from mandatory taxes to be between Rs 2-5 Lakhs range. Khammam is an outlier with Rs. 8.9 lakhs as revenue from mandatory taxes. (See Table 14 given below)



Table 14: Average Annual Revenue of a GP from mandatory taxes in Telengana (1995-2003) (In Rupees)

	Warangal	Ranga reddy	Nizama bad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
(a) Mandatory Taxes								
1. House Tax	218289	335387	165742	356224	409838	334419	730435	328117
2. Kolagaram/ Katarusum		520	2968	78	13875	257	107	65
3. Tax on Advertisements		264	71	153		10831	336	23
4. Special taxes								
i) Drainage Tax	10491	9217	12410	20363	1233	752	5777	991
ii) Lighting Tax	20373	9825	13631	14612	15929	5381	60637	11078
iii) Water Tax	44723	71872	24842	32823	18708	31522	70080	21854
5. Others	660	21855	3648	10564	4471	8006	26745	8439
Mandatory Taxes Total	294536	448941	223312	434817	464054	391169	893782	370567

House taxes in Telengana make up more nearly 83% of the total revenue from mandatory taxes. Adilabad (89%), Medak (88%), Mahboobnagar (85%) are districts with high proportion of house tax revenue.

Special taxes for drainage, lighting and water, contribute to revenue from mandatory taxes in few districts such as Warangal (26%), Nizamabad (23%) and Rangareddy (20%). Revenue from other taxes is negligible.

### Coastal Andhra

The annual average revenue per GP in Coastal Andhra from mandatory taxes is about Rs. 4.0 Lakhs, and is particularly higher in Visakapatnam (Rs. 6.5 lakh), Vizianagram (Rs. 4.5 lakh) and Prakasam (Rs. 4.4 Lakh). Table 15 gives details on the annual average revenue of a GP from mandatory taxes in Coastal Andhra.

Table 15: Average Annual Revenue of a GP from mandatory taxes in Coastal Andhra (1995-2003) (In Rupees)

	Srika kulam	Vizia nagram	Visaka patnam	E. Godavari	W Godavari	Krishna	Guntur	Prakasam	Nellore
(a) Mandatory Taxes									
1. House Tax	190351	335387	434514	218591	150029	346954	336170	393852	245871
2. Kolagaram/ Katarusum		520	57	4977	794	4967	922	655	99
3. Tax on Advertisements	500	264	68	1709	447	655	1587	665	148
4. Special taxes									
i) Drainage Tax	7648	9217	1011	369	3504	119	191		1327
ii) Lighting Tax	9554	9825	543	1272	3403	3947	100	3601	3
iii) Water Tax	28555	71872	212586	13924	27609	21365	25250	37287	42128
5. Others	47	21855	2484	2761	2954	8461	5352	3872	3205
Mandatory Taxes Total	236654	448941	651264	243602	188740	386468	369571	439931	292782

As in Rayalseema and Telengana, house tax in Coastal Andhra makes up most of the revenue from mandatory taxes accounting for, on an average, more than 80% of the total across all the districts. This is especially high in Krishna, Guntur, Prakasam and E. Godavari (almost 90% in each district).

On an average, about 15% of the total revenue from mandatory taxes comes from special taxes on drainage, lighting and water in the Coastal districts. This is higher in the north coastal districts of Visakapatnam (33%), Vizianagram (20%) and Srikakulam (19%).

#### 4.2.3 Optional Taxes

The contribution of optional taxes to total revenue receipts is minimal. This is true for all districts in all regions. (Refer Appendix 1 for details)

In Rayalseema, optional taxes are very negligible and account for just 0.3% of the total revenue receipts. In Kurnool, optional taxes account for just 0.32% of the total revenue – in other districts, they are much lower.

In Telengana, optional taxes account for 1.0% of the total average revenue per GP. In Nalgonda, optional taxes contribute to 1.1% of total revenue receipts. Land cess on vacant land makes up most of the optional taxes collected, particularly in Nalgonda, Warangal, Adilabad and Khammam. Vehicle tax is collected although they have negligible contribution.

As in Telengana, optional taxes as a percentage of total revenue receipts is relatively higher in Krishna (0.9%) and Visakapatnam (0.8%). Vehicle tax contributes to the revenue from optional taxes significantly in Visakapatnam, East Godavari and Krishna, while revenue from land cess on vacant land is relatively higher in Krishna, Guntur and Prakasam districts.

#### ***4.2.4 Non Tax Revenue***

Revenue from non-taxes mostly consists of different types of fees and fines such as:

- Licence fee
- Encroachment Fee
- Private Scavenging Fees
- Warrant and Distraint Fees
- Seignorage Fees for Quarrying
- Fees on Commercial Crop
- Fees on Numbering Vehicles
- Layout Fee
- Permission Fee for Buildings
- Fee on animals
- Penalties on Dogs & Pigs
- Cattle Shed/Cattle Pond
- Monthly Fee on Tap Connections
- Fines

## Rayalseema

The average annual income per GP from non-tax sources such as fees and fines during 1995-2003 was Rs. 1.36 Lakhs which was about 7% of the total revenue receipts of a GP and 16% of total own revenue. There is not much difference across districts in this region. (See table 16 given below)

Table 16: Revenue from Non-Tax Sources in Rayalseema (Annual Average per GP 1995-2003)

	Cuddapah	Chittoor	Ananthapur	Kurnool
Non-Taxes Total (Rs)	227659	127507	94494	125331
total rev receipts (Rs)	3416328	1761858	1297986	1769293
Non-Taxes as a percentage of total rev receipts	6.66	7.24	7.28	7.08

At the aggregate level, the primary sources of non-tax revenue for GPs in Rayalseema are:

- Monthly fee on tap connections (60%)
- Licence fee – Trades & Business (14%)
- Permission fees for buildings (11%)

There are minor differences across districts. Monthly fee on tap connections as a percentage of total non-tax revenue is relatively higher for GPs in Cuddapah (79%). Licence fees account for nearly 20% of total non-tax revenue in Kurnool while GPs in Ananthapur, on an average, get nearly 17% of their annual non-tax revenue from permission fee for buildings. (See Appendix 1 for more details)

## Telengana

As compared to Rayalseema, the average annual revenue per GP from non-tax sources during 1995-2003 was nearly Rs. 2.5 lakhs in Telengana. (After removing Khammam, due to its disproportionately high income from seignorage fee from

quarrying, the annual average revenue per GP falls would be close to Rs. 2 lakhs).

Table 17: Revenue from Non-Tax Sources in Telengana (Annual Average per GP 1995-2003)

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
Non Tax Total (Rs)	343099	135849	105753	262230	250250	298122	822201	92154
Total Revenue Receipts (Rs)	1689489	1940258	1032372	2356677	1525729	2443300	3047054	1642712
Non-Taxes as a percentage of total rev receipts	20.3	7.0	10.2	11.1	16.4	12.2	27.0	5.6

On an average, revenue from non-tax sources such as fees and fines account for 13.4% of total revenue receipts. In Khammam and Warangal, non-tax revenue as a proportion of total revenue is relatively higher when compared to other districts. (See table 17 above)

At the aggregate level, the primary sources of non-tax revenue for GPs in Telengana are:

- Monthly fee on tap connections (48%)
- Fee on animals (16%)
- Seignorage fee for quarrying (13%)
- Permission fee for buildings (9%)
- Licence fee – Trades & Business (9%)

However, there are key differences across districts. Seignorage fee for quarrying is, primarily, limited to the districts of Khammam, Warnagal and Adilabad where it accounts for 81%, 13% and 7% of the total non-tax revenue respectively. In Warangal and Mehboobnagar, GPs also depend on Fees on animals to a significant extent – they account for 41% of total non tax revenue in both these districts. However, monthly fee on tap connections remains the most significant source of non-tax revenue for GPs in most districts except in districts with heavy

quarrying activities like Khammam and Warangal. (See Appendix 1 for more details)

### Coastal Andhra

Annual revenue per GP in the Coastal region from non-tax sources during the period 1995-2003 stood Rs. 1.4 lakhs and accounted for 10% of total revenue receipts and 21% of own revenue. In Krishna district, revenue from non-tax sources (Rs. 3.7 lakhs per GP) accounted for nearly one-fifth of the total revenue receipts of a GP. (See Table 18 given below)

Table 18: Revenue from Non-Tax Sources in Coastal Andhra (Annual Average per GP 1995-2003)

	Srika kulam	Vizia nagram	Visaka patnam	E Godavari	W Godavari	Krishna	Guntur	Prakasam	Nellore
Non-Taxes Total (Rs)	88965	135849	53512	56747	101748	369542	59022	121573	109841
Total revenue receipts (Rs)	1806363	1940258	1602042	991342	1149300	1845451	1271072	1434970	1132217
Non-Taxes as a percentage of total rev receipts	4.9	7.0	3.3	5.7	8.9	20.0	4.6	8.5	9.7

At the aggregate level, the primary sources of non-tax revenue for GPs in Coastal Andhra are:

- Monthly fee on tap connections (36%)
- Licence fee – Trades & Business (28%)
- Permission fee for buildings (15%)
- Seignorage fee for quarrying (6%)

Across districts, there are wide variations on these heads of income. Monthly fee on tap connections contribute as much as 73% in West Godavari and 63% in Vizianagram to the annual total revenue from non-tax sources of GPs. In Krishna, East Godavari and Visakapatnam districts, permission fee for buildings account relatively more when compared to other districts – they contribute 46%, 26%, 21% respectively to the non-tax kitty of the GPs respectively. Though

seignorage fees are collected across all the districts in the coastal region, as a proportion of total non-tax revenue, they are relatively higher in Visakapatnam (17%) and Guntur (12%). Licence fees are a major source of non-tax revenue, especially in the districts of Nellore (49%), Prakasam (47%), Srikakulam (38%) and Guntur (36%). (See Appendix 1 for more details)

#### ***4.2.5 Remunerative Enterprises***

Remunerative enterprises are an important source of revenue for GPs in all the three regions. Their contribution to the own revenue of GPs varies from 29% in Rayalseema to 17% Coastal Andhra and 16% in Telengana.

Revenue from remunerative enterprises includes the following:

- Marketing Receipts
- Cart Stand Receipts
- Slaughter House Receipts
- Avenue Receipts
- Sale on Rubbish and Compost
- Fishery Rentals
- Income from lease of Govt. land
- Ferry Rents
- Receipts from sale of Pesticides, Etc.
- Income from Fairs & Festivals
- Sand Auctions
- Other receipts

#### **Rayalseema**

As is evident from the table below, remunerative enterprises contribute significantly to the total revenue receipts of a GP in Rayalseema. Barring Cuddapah, in the other districts of Rayalseema, remunerative enterprises make up nearly 15% of the total revenue receipts in a GP.

Table 19: Revenue from Remunerative Enterprises in Rayalseema (Annual Average per GP 1995-2003)

	Cuddapah	Chittoor	Ananthapur	Kurnool
Remunerative Enterprises Total (Rs)	242820	254903	177928	281475
Total rev receipts (Rs)	3416328	1761858	1297986	1769293
Remunerative enterprises as a percentage of total rev receipts	7.1	14.5	13.7	15.9

Within remunerative enterprises, the bulk of revenue is earned through:

- Marketing receipts (43%)
- Rents and produce of lands (20%)
- Cart stand receipts (8%) (predominantly in Chittoor)
- Fishery rentals (7%)

There are minor deviations observed in some districts. Chittoor earns almost 23% of the total revenue from remunerative enterprises through fishery rentals. Cart stand receipts account for nearly 12% of revenue from remunerative enterprises in Anathapur while slaughter house receipts make up 11% in Kurnool. Other receipts account for almost 15% in Cuddapah. (For more details, see Appendix 1)

### Telengana

On an average, remunerative enterprises account for nearly 7% of the total revenue receipts in Telengana and 16% of total own revenue. The average annual revenue from remunerative enterprises per GP during the period 1995-2003 was Rs. 1.23 Lakhs in Telengana. The table below gives the district wise details.



Table 20: Revenue from Remunerative Enterprises in Telengana (Annual Average per GP 1995-2003)

	Warangal	Ranga reddy	Nizam abad	Nalgonda	Medak	Mehboob nagar	Khammam	Adilabad
Remunerative Enterprises Total (Rs)	124654	245093	160238	122653	65850	112146	143202	55761
Total rev receipts (Rs)	1689489	1940258	1032372	2356677	1525729	2443300	3047054	1642712
Remunerative enterprises as a percentage of total rev receipts	7.4	12.6	15.5	5.2	4.3	4.6	4.7	3.4

The bulk of revenue from remunerative enterprises in Telengana is earned through:

- Marketing receipts (50%)
- Rents and produce of lands (17%)
- Fishery rentals (7%)
- Other receipts (12%)

Almost the entire revenue from remunerative enterprises in Nizamabad comes from marketing receipts (87%). In Khammam, 45% of total revenue from remunerative enterprises comes from rent and produce of lands. Fishery rentals in Warangal account for as much as 30% of total revenue from remunerative enterprises while sand auctions in Nalgonda yield nearly 19%. Appendix 1 provides more details.

### Coastal Andhra

On an average, remunerative enterprises account for nearly 8% of the total revenue receipts and 17% of own revenue in Coastal Andhra. The average annual revenue from remunerative enterprises per GP during the period 1995-2003 was Rs. 1.16 Lakhs in Coastal Andhra - ranging from nearly Rs. 2.5 lakhs per GP in Vizianagram to Rs. 0.57 lakhs per GP in Nellore.

Table 21: Revenue from Remunerative Enterprises in Coastal Andhra (Annual Average per GP 1995-2003)

	Sriakulam	Vizianagram	Visakapatnam	E Godavari	W Godavari	Krishna	Guntur	Prakasam	Nellore
Remunerative Enterprises Total (Rs)	155065	245093	96292	103382	146051	139861	61872	80925	57082
Total rev receipts (Rs)	1806363	1940258	1602042	991342	1149300	1845451	1271072	1434970	1132217
Remunerative enterprises as a percentage of total rev receipts	8.6	12.6	6.0	10.4	12.7	7.6	4.9	5.6	5.0

As compared to the other regions, in Coastal Andhra the revenue from remunerative enterprises is more varied with contributions from different sources. The main sources of revenue are:

- Marketing receipts (32%)
- Fishery rentals (20%)
- Rents and produce of lands (11%)
- Avenue receipts (6%) (mainly East and West Godavari)
- Income from lease of Govt. land (5%)
- Cart stand receipts (5%)
- Other receipts (13%)

Key differences can be observed across districts. Fishery rentals make up a major part of revenue from remunerative enterprises in Guntur (49%), West Godavari (46%) and Krishna (35%). Nearly 18% of revenue from remunerative enterprises in East and West Godavari comes from avenue receipts. Rent and produce of lands contribute almost one-fifth of total revenue from remunerative enterprises in Srikakulam, Vizianagram and Nellore. (For more details, see Appendix 1)

#### 4.2.6 Other Resources

Revenue from other sources makes up a negligible part of the total revenue receipts of a GP. (See Table 22 below)

Table 22: Revenue from Other Resources (Annual Average per GP 1995-2003)

	Rayalseema	Telengana	Coastal Andhra
Average annual revenue per GP from Other Resources (Rs in lakhs)	0.04	0.04	0.08
Revenue from other sources as a percentage of total revenue receipts (Rs)	0.2	0.2	0.5

As a percentage of total revenue receipts, other resources make up 0.2% in Rayalseema, 0.2% in Telengana and 0.5% in Coastal Andhra.

### 4.3 Assigned Revenue

Assigned revenue comes in the form of surcharge on stamp duty, entertainment tax and seignorage fees, etc.

On an average, assigned revenue accounts for 17% of the total revenue receipts of a GP in Rayalseema. During 1995-2003, the annual average assigned revenue per GP ranged from Rs 34.2 lakhs in Cuddapah to Rs. 13 lakhs in Ananthapur.

Table 23: Assigned Revenue in Rayalseema (Annual Average per GP 1995-2003)

	Cuddapah	Chittoor	Ananthapur	Kurnool
Assigned revenue (Rs)	747503	332467	177385	202627
Total rev receipts (Rs)	3416328	1761858	1297986	1769293
Assigned revenue as a percentage of total rev receipts	21.88	18.87	13.67	11.45

In Telengana, assigned revenue accounts for about 12% of the total revenue receipts of a GP. Districts like Medak (21%), Rangareddy (17%) have a relatively higher contribution of assigned revenue in their respective total revenue baskets while districts like Nizamabad (6%) and Adilabad (8%) have relatively lower proportion of assigned revenue out of total revenue receipts.

Table 23: Assigned Revenue in Telengana (Annual Average per GP 1995-2003)

	Warangal	Ranga reddy	Nizam abad	Nalgonda	Medak	Mehboob nagar	Khammam	Adilabad
Assigned revenue (Rs)	172210	324920	65679	324226	320842	284156	308035	134420
Total rev receipts (Rs)	1689489	1940258	1032372	2356677	1525729	2443300	3047054	1642712
Assigned revenue as a percentage of total rev receipts	10.19	16.75	6.36	13.76	21.03	11.63	10.11	8.18

The average annual revenue assigned to GPs in Coastal Andhra amounts to 17% of the total revenue receipts. It ranges from a high 22% in West Godavari to 15% in Krishna.

Table 24: Assigned Revenue in Coastal Andhra (Annual Average per GP 1995-2003)

	Srika kulam	Vizia nagram	Visaka patnam	E Godavari	W Godavari	Krishna	Guntur	Prakasam	Nellore
Assigned revenue (Rs)	321094	324920	251954	187387	257079	276698	241995	293338	175794
Total rev receipts (Rs)	1806363	1940258	1602042	991342	1149300	1845451	1271072	1434970	1132217
Assigned revenue as a percentage of total rev receipts	17.78	16.75	15.73	18.90	22.37	14.99	19.04	20.44	15.53

In all the three regions, surcharge on stamp duty and entertainment tax account for a major part of the total assigned revenue. Surcharge on stamp duty contributed 73% in Telengana, 77% in Rayalseema and 80% in Coastal Andhra out of total assigned revenue. In addition, entertainment tax makes up 13% in Telengana, 15% in Rayalseema and 9% in Coastal Andhra.

#### 4.4 Grants

Grants to the GPs come from the State and from the Centre. The annual average grants per GP was highest for Telengana (Rs. 7.6 lakhs) followed by Rayalseema (Rs. 6.67 lakhs) and Coastal Andhra (Rs. 4.74 lakhs).

Table 25: Total Grants and their Composition across Regions

	Rayalseema	Telengana	Coastal Andhra
<b>Total grants - Annual Average per GP (Rs lakhs)</b>	<b>6.67</b>	<b>7.6</b>	<b>4.74</b>
<b>Total grants as a percentage of total rev receipts (%)</b>	<b>34</b>	<b>42</b>	<b>34</b>
State grants as a percentage of total grants (%)	79	72	72
Central grants as a percentage of total grants (%)	21	28	28

As a percentage of total revenue receipts, grants make up a significant proportion. Out of the total revenue receipts, grants account for 34% in Rayalseema, 42% in Telegana and 34% in Coastal Andhra.

The State component of the total grants is much more than the central component. It is highest in Rayalseema (79%) followed by Telengana & and Coastal Andhra (72% each).

Table 26: Composition of Grants (%)

	Rayalseema	Telengana	Coastal Andhra
<b>State Grants</b>			
- Salary grant for provincialised staff	80	78	69
- Compensation	8	11	13
- Grant per capita/Others	12	11	18
<b>Central Grants</b>			
- Central Finance Commission Grants	22	21	24
- JRY/JGSY/SGRY/other schemes	78	79	76

As is evident from the table below, a high proportion of state grants come in the form of salary grants for provincialised staff, while more than three-fourth of the central grants are linked to schemes.

### Rayalseema

Within Rayalseema, the annual average grants per GP ranges from Rs. 9.52 lakhs in Cuddapah to Rs. 5.48 lakhs in Ananthapur. They account for more than 40% of total revenue receipts in Ananthapur and Kurnool and about 30% in Chittoor and Cuddapah.

Table 27: Total Grants and their Composition - Rayalseema

	Cuddapah	Chittoor	Ananthapur	Kurnool
Total grants - Annual average per GP (Rs)	952587	552079	548687	708239
State grants as a percentage of total grants	79	79	79	78
Central grants as a percentage of total grants	21	21	21	22
Total grants as a percentage of total rev receipts	28	31	42	40

The ratio of state to central grants is similar across all the four districts.

### Telengana

Unlike in Rayalseema, wide intra-region disparities are observed in Telengana. The average annual total grants per GP during 1995-2003 varied from Rs. 12.8 lakhs in Mehboobnagar to Rs. 4.5 lakhs in Nizamabad. As a percentage of total revenue receipts, total grants accounted for as high as 59% in Adilabad to only 27% in Khammam.

Table 28: Total Grants and their Composition - Telengana

	Warangal	Ranga reddy	Nizam abad	Nalgonda	Medak	Mehboob nagar	Khammam	Adilabad
Total grants - Annual average per GP (Rs)	683645	667216	451513	1107278	697829	1285776	827493	967498
State grants as a percentage of total grants	65	79	69	83	78	84	72	53
Central grants as a percentage of total grants	35	21	31	17	22	16	28	47
Total grants as a percentage of total rev receipts	40	34	44	47	46	53	27	59

The composition of grants also varied across districts. While State grants made up a huge chunk of the total grants in Mehboobnagar (84%), in Adilabad they accounted for 53% of total grants.

### Coastal Andhra

As in Telengana, wide intra-region disparities are also observed in Coastal Andhra. The average annual total grants per GP during 1995-2003 varied from Rs. 9.8 lakhs in Srikakulam to Rs. 3.7 lakhs in East Godavari. As a percentage of total revenue receipts, total grants amounted to as high as 55% in Srikakulam while they were less than one-third in Visakapatnam and Prakasam.

Table 29: Total Grants and their Composition - Coastal Andhra

	Srika kulam	Vizia nagram	Visaka patnam	E Godavari	W Godavari	Krishna	Guntur	Prakasam	Nellore
Total grants - Annual average per GP	985104	667216	513982	371582	396681	602912	519738	458487	451905
State grants as a percentage of total grants	77	79	59	71	72	81	71	62	54
Central grants as a percentage of total grants	23	21	41	29	28	19	29	38	46
Total grants as a percentage of total rev receipts	55	34	32	37	35	33	41	32	40

While State grants made up a huge chunk of the total grants in Krishna (81%), Vizianagram (79%) and Srikakulam (77%), they were relatively lower in Nellore (54%), Visakapatnam (59) and Prakasam (62%).

#### 4.5 Donations and contributions

Donations and Contributions make up the remaining revenue receipts. The annual average revenue per GP from donations and contributions ranged from Rs. 1.11 lakhs (5.7% of total revenue receipts) in Rayaseema to Rs. 0.32 lakhs (2.2% of total revenue receipts) in Coastal Andhra.

Table 30: Donations and Contributions

	Rayalaseema	Telengana	Coastal
Donations and Contributions - Annual average per GP (Rs lakhs)	1.11	0.39	0.32
Donations and Contributions as a percentage of total rev receipts	5.7	2.2	2.2

Given in the table below are districts within each region having high and low donations as a percentage of total revenue receipts.

Table 31: Donations and Contributions - High & Low Classification of Districts

	Rayalaseema	Telengana	Coastal
Donations and Contributions as a percentage of total rev receipts			
- High	Cuddapah (9.0%) Chittoor (5.0%) Kurnool (4.5%)	Rangareddy (5.7%)	Vizianagram (5.7%), West Godavari (4.6%)
- Low	Ananthapur (3.6%)	Adilabad (0.4%), Khammam (1.5%), Nizamabad (2%), Mehboobnagar (2.1%)	Vishakapatnam (0.7%) Srikakulam (0.8%) Guntur (1.1%) East Godavari (1.8%) Krishna (1.8%)



## **5.0 Revenue Expenditure – A Detailed Analysis**

### **5.1 Revenue Expenditure – By Region**

Section 75 of the GP Act specifies the purposes to which the Grama Panchayat fund may be applied – this includes all objects expressly declared obligatory or discretionary by the Act or any other rules that may be framed.

The major heads under revenue expenditure are administration expenses, obligatory activities including lighting, communications, sanitation and public health, water supply, and discretionary activities such as provision of other amenities, specific developmental activities and remunerative enterprises.

The state government has given the weightage for important components of a GP expenditure vide GO Ms No.69 dated 29.2.2000 as follows:

Establishment - 30%

Sanitation - 15%

Street lighting - 15%

Water supply - 15%

Roads and drains - 20%

Miscellaneous - 5%.

From Table 22 it is seen that administration costs are more than 40% of all the expenses in all the three regions. The G.O clearly states that 65% of total expenditure is to be towards the obligatory functions of a GP. But the data reveals that only 40% is spent on sanitation, street lighting, water supply and roads & drains taken together. Remunerative enterprises and other amenities have nothing spent on them.

Table 32: Share of expenditures in total revenue expenditures in the three regions

	Rayalaseema	Telangana	Coastal
Administration	0.42	0.43	0.41
Lighting	0.12	0.11	0.13
Communications	0.09	0.05	0.09
Sanitation & Public Health	0.10	0.08	0.09
Other Amenities	0.00	0.01	0.01
Water Supply	0.10	0.11	0.08
Developmental Activities	0.15	0.19	0.19
Remunerative Enterprises	0.01	0.00	0.01

### 5.1.1 Rayalaseema

The average annual total revenue expenditure per GP varies from Rs. 32.1 lakhs in Cuddapah to Rs. 11.9 lakhs in Anathapur. The average expenditure per GP in Chittoor and Kurnool is Rs. 16.9 lakhs and Rs. 16.2 lakhs respectively.

Table 33: Proportion of various heads in total revenue expenditures in Rayalaseema

	Cuddapah	Chittoor	Ananthapur	Kurnool
Administrative expenses	0.39	0.39	0.48	0.44
Obligatory Expenditure	0.44	0.47	0.35	0.38
Development activities	0.16	0.12	0.16	0.16
Remunerative Enterprises	0.01	0.02	0.00	0.01

Administrative expenses which is inclusive of salaries forms nearly 40 to 50% of the total expenditure in Rayalaseema, ranging from 48% in Ananthapur to 39% in Chittoor and Cuddapah. The later two districts also show higher spends on obligatory activities, 47% and 44% respectively. Expenditure on development activities make up about 15% of total revenue expenditure in all districts.

### 5.1.2 Telengana

The annual average total revenue expenditure per GP varies from Rs. 22.5 lakhs in Khammam to Rs. 8.1 lakhs in Nizamabad. Mehboobnagar and Nalgonda are other districts where the annual average revenue expenditure per GP exceeds Rs. 20 lakhs per year.

Table 34: Proportion of various heads in total revenue expenditures in Telangana

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
Administrative expenses	0.40	0.42	0.49	0.48	0.37	0.44	0.38	0.44
Obligatory Expenditure	0.33	0.42	0.32	0.38	0.43	0.32	0.48	0.21
Development activities	0.26	0.15	0.18	0.13	0.17	0.19	0.12	0.33
Remunerative Enterprises	0.00	0.01	0.00	0.01	0.00	0.00	0.01	0.00

The table above gives details of the proportion of total revenue expenditure that various expenditure heads account for in Telengana districts.

Administrative expenses as a percentage of total revenue expenditure range from 37% in Medak to 49% in Nizamabad. Nalgonda (48%), Mehboobnagar (44%) and Adilabad (44%) also show relatively higher proportion of administrative expenses, as compared to other districts in Telengana.

Spending on obligatory functions is relatively higher in Khammam (48%), Medak (48%) and Rangareddy (42%) and relatively lesser in Adilabad (21%), Nizamabad (32%) and Nalgonda (32%). Expenditure on development activities does not exceed 20% of total revenue expenditure except in Adilabad (33%) and Warangal (26%).

### 5.1.3 Coastal Andhra

As compared to Rayalseema and Telengana, the annual revenue expenditure (similar to revenue receipts) per GP in Coastal Andhra is relatively lower. It varies from Rs. 18.1 lakhs in Vizianagram to Rs. 9 lakhs in East Godavari. In most districts of Coastal Andhra, the annual average revenue expenditure per GP is between Rs. 11-15 lakhs.

Table 35: Proportion of various heads in total revenue expenditures in coastal region

	Srika kulam	Vizia nagram	Visaka patnam	E Godavari	W Godavari	Krishna	Guntur	Prakasam	Nellore
Administrative expenses	0.51	0.42	0.37	0.46	0.42	0.35	0.43	0.29	0.42
Obligatory Expenditure	0.25	0.42	0.36	0.34	0.39	0.44	0.36	0.44	0.33
Development activities	0.18	0.15	0.25	0.17	0.17	0.17	0.19	0.25	0.23
Remunerative Enterprises	0.05	0.01	0.00	0.01	0.00	0.01	0.00	0.00	0.00

As in other regions, there is high variance among districts in Coastal Andhra with regard to administrative expenses. While in Prakasam administrative expenses account for 29% of total revenue expenditure, it is more than 50% in Srikakulam. Prakasam also spends the most, in relative terms, on obligatory functions (44%) and development activities (25%). Districts with higher administrative expenses such as Srikakulam, East Godavari, Nellore, etc., show relatively lower spending on obligatory/development activities.

## 5.2 Administrative Expenses

The following expenses are included under the administrative expenses.

- Salary and Allowances
  - Provincialised Staff
  - Non-Provincialised staff
  - Part-timers and others
- Contribution to Pension Fund
- Contingencies
- Honorarium to Sarpanches
- Travelling Allowances
- Cost of electoral rolls
- Law charges
- Interest on and re-payment of debt
- Repairs to buildings
- Other Miscellaneous expenses

Salaries and allowances account for a major proportion of the total revenue expenditure of a GP in each region. It is highest in Telengana (88%), followed by

Coastal Andhra (82%) and Rayalseema (81%) with almost one-half of the revenue expenditure meeting the salary requirements of the provincialised staff.

Table 36: Share of various heads in total administrative expenses

	Rayalseema	Telengana	Coastal
Administrative Expenses			
Salaries and allowances	81%	88%	82%
- Provincialised Staff	49%	57%	51%
- Non-Provincialised Staff	23%	14%	22%
- Part-timers and others	9%	17%	9%
Contingencies	5%	4%	5%
Others	10%	8%	11%

### Rayalseema

In Rayalseema, salary and allowances as a proportion of total administrative expenses is lowest in Cuddapah (72%) and highest in Ananthapur (87%).

Table 37: Share of various heads in total administrative expenses in Rayalseema (percentage)

	Cuddapah	Chittoor	Ananthapur	Kurnool
Administrative Expenses				
1. Salaries and allowances	72.2	82.4	87.3	85.7
- Provincialised Staff	44.6	41.8	57.8	58.9
- Non-Provincialised Staff	19.2	30.8	15.6	19.7
- Part-timers and others	8.5	9.8	13.9	7.0
2. Contribution to Pension Fund	2.8	2.9	2.3	4.6
3. Contingencies	6.1	6.5	5.3	4.0
4. Others	18.8	8.2	5.1	5.7

While salary for provincialised staff makes up close to 60% of total administrative expenses in Ananthapur (58%) and Kurnool (59%), it is relatively lower in Cuddapah (45%) and Chittoor (42%). In Chittoor, salary and allowances for non-provincialised staff accounts for nearly one-third of the total administrative expenses (31%). Cuddapah and Chittoor also report higher expenditure on others/miscellaneous expenses.

## Telengana

As compared to Rayalseema, salary and allowances make up a larger proportion of total administrative expenses in Telengana. It accounts for more than 90% of total administrative expenses in Nalgonda (93%), Adilabad (93%) and Khammam (90%).

Table 38: Share of various heads in total administrative expenses in Telengana (percentage)

	Warangal	Ranga reddy	Nizama bad	Nalgonda	Medak	Mehboob nagar	Khammam	Adilabad
Administrative Expenses								
1. Salaries and allowances	86.5	81.3	84.5	93.0	89.0	87.8	89.9	92.7
- Provincialised Staff	57.0	49.3	56.4	68.0	53.2	59.9	51.4	54.4
- Non-Provincialised Staff	10.5	22.5	11.1	2.5	12.1	9.0	17.4	27.2
- Part-timers and others	19.0	9.4	17.0	22.5	23.7	18.9	21.1	11.0
2. Contribution to Pension Fund	2.4	3.2	1.5	0.7	0.8	2.4	0.4	0.7
3. Contingencies	2.4	5.4	4.1	2.0	2.7	3.6	3.0	2.3
4. Others	8.7	10.1	10.0	4.3	7.6	6.2	6.7	4.3

Salary for provincialised staff makes up the bulk of total salary and allowances – they are relatively higher in districts like Nalgonda (68%), Mehboobnagar (60%), Warangal (57%) and Nizamabad (56%). Contingencies account for 2-5% of total administrative expenses across districts in Telengana. Others/miscellaneous expenses are relatively higher in Rangareddy and Nizamabad (10% each).

## Coastal Andhra

In most districts of Coastal Andhra, salary and allowances make up more than 80% of total administrative expenses except in West Godavari (77%) and Prakasam (79%).

Salary for provincialised staff as a proportion of total administrative expenses is highest in the districts of Guntur (60%), Krishna (58%) and Prakasam (54%).

Table 39: Share of various heads in total administrative expenses in Coastal (percentage)

	Srika kulam	Vizia nagram	Visaka patnam	E Godavari	W Godavari	Krishna	Guntur	Prakasam	Nellore
Administrative Expenses									
1. Salaries and allowances	87.3	81.3	86.7	87.5	76.7	79.9	83.0	79.0	87.9
- Provincialised Staff	42.7	49.3	40.0	49.0	48.2	58.2	59.5	53.6	45.3
- Non-Provincialised Staff	37.9	22.5	35.1	30.4	19.7	15.1	7.4	17.6	27.2
- Part-timers and others	6.7	9.4	11.5	8.1	8.8	6.6	16.1	7.8	15.3
2. Contribution to Pension Fund	2.6	3.2	2.3	2.4	2.9	3.9	2.6	2.4	2.6
3. Contingencies	4.2	5.4	4.4	3.3	3.8	3.9	8.0	6.1	3.0
4. Others	5.9	10.1	6.6	6.7	16.5	12.2	6.4	12.4	6.6

In some districts, salary for non-provincialised staff accounts for a substantial portion of the total administrative expenses. These are Srikakulam (38%), Visakapatnam (35%) East Godavari (30%), Nellore (27%) and Vizianagram (23%)

Other/miscellaneous expenses are relatively higher in West Godavari (17%), Krishna (12%), Prakasam (12%) and Vizianagram (10%).

### 5.3 Expenditure on Obligatory Functions

Expenditure on obligatory functions is captured under the following accounting heads:

- Lighting: this includes electricity consumption charges, purchase of street lighting material, and other related expenditure
- Communications: this includes maintenance of roads, choultries and rest houses, and other related expenditure
- Sanitation and public health: this includes expenditure on public conservancy, maintenance of drains, private scavenging, etc.
- Water supply: this includes consumption charges, repairs to pipe lines, etc.
- Other amenities such as playgrounds & parks, reading rooms & libraries, etc.

The table below gives details on the share of various heads out of total revenue expenditure across the three regions.

Table 40: share of obligatory expenses to total revenue expenditure in the three regions

	Totals (1995-2003)		
	Rayalaseema	Telangana	Coastal
Lighting	0.12	0.11	0.13
Communications	0.09	0.05	0.09
S & Ph	0.10	0.08	0.09
Water Supply	0.10	0.11	0.08
Total	0.41	0.35	0.39

Expenditure on obligatory functions are highest in Rayalaseema – 41% of total revenue expenditure is spent by an average GP in this region on lighting, communications, sanitation and water supply compared to 39% in the Coastal region and 35% in Telangana.

Across all the three regions, lighting is the preferred expenditure priority followed by water supply and sanitation.

### Rayalaseema

In Rayalaseema, the proportion spent on various obligatory heads varies individually across the districts. Chittoor and Cuddapah spend 46% and 44% of total revenue expenditure on obligatory functions like lighting, communications, sanitation and water supply while Ananthapur and Kurnool spend 36% and 39% respectively. The table below provides the details.

Table 41: Share of obligatory expenses to total revenue expenditure in Rayalaseema

	Cuddapah	Chittoor	Ananthapur	Kurnool
Lighting	0.09	0.18	0.15	0.09
Communications	0.14	0.05	0.03	0.13
S & Ph	0.12	0.10	0.08	0.09
Water Supply	0.09	0.13	0.10	0.08
Total	0.44	0.46	0.36	0.39



For lighting and water supply, Chittoor has spent the highest (18% and 13% respectively) followed by Ananthapur (15% and 10%). Cuddapah (14%) and Kurnool (13%) spend relatively higher proportions on communications.

Within each expenditure head, the main sub-heads of spending pertained to the following:

Table 42: Sub-heads of expenditure on obligatory functions in Rayalseema

	Sub-heads
Lighting	<ul style="list-style-type: none"> <li>• Purchase of street lighting material (more than 70% in Cuddapah, Chittoor and Ananthapur, 60% in Kurnool)</li> <li>• Electricity charges make up the rest</li> </ul>
Communications	<ul style="list-style-type: none"> <li>• Almost entire amount spent on maintenance of roads</li> </ul>
S & Ph	<ul style="list-style-type: none"> <li>• Public conservancy (35-50% across the districts)</li> <li>• Maintenance of drains (~ 30%, only 12% in Anathapur)</li> </ul>
Water Supply	<ul style="list-style-type: none"> <li>• More than 50% in each district on repairs to pipe lines and motors</li> <li>• Other items include consumption charges (high in Kurnool - 21%) and bleaching powder charges</li> </ul>

## Telengana

In Telengana, the proportion spent on various obligatory heads is given in the table below.

Table 43: Share of obligatory expenditures in total expenditure in Telengana

	Warangal	Ranga reddy	Nizam abad	Nalgonda	Medak	Mehboob nagar	Khammam	Adilabad
Lighting	0.13	0.12	0.10	0.15	0.09	0.07	0.18	0.09
Communications	0.03	0.09	0.03	0.03	0.09	0.03	0.12	0.03
S & Ph	0.05	0.10	0.08	0.08	0.12	0.08	0.10	0.02
Water Supply	0.12	0.10	0.11	0.12	0.12	0.14	0.08	0.06
Total	0.33	0.41	0.32	0.38	0.42	0.32	0.48	0.20

As compared to Rayalseema, GPs in Telengana allocate a lesser proportion of revenue expenditure towards obligatory functions. In particular, districts such as Adilabad (20%), Nizaabad (32%), Mehboobnagar (32%) and Warangal (33%) have less than a third of total revenue expenditure on obligatory functions.

Water supply and Lighting seem to be the priority areas for spending for GPs in most districts of Telengana.

Table 44: Sub-heads of expenditure on obligatory functions in Telengana

	Sub-heads
Lighting	<ul style="list-style-type: none"> <li>• Purchase of street lighting material make up more than 60%-70% across different districts (In Adilabad, it is 91%)</li> <li>• Electricity charges make up the rest</li> </ul>
Communications	<ul style="list-style-type: none"> <li>• Almost entire amount spent on maintenance of roads</li> <li>• Expenditure on choultries and rest houses also evident in Warangal and Adilabad.</li> </ul>
S & Ph	<ul style="list-style-type: none"> <li>• Maintenance of drains accounts for about 40-50% of total expenditure on sanitation and public health</li> <li>• Public conservancy contributes 25-40% (relatively lower in Mehboobnagar and Adilabad)</li> <li>• Private scavenging accounts for a significant proportion (~20%) in Khammam and Rangareddy</li> </ul>
Water Supply	<ul style="list-style-type: none"> <li>• More than 50% in each district spent on repairs to pipe lines and motors</li> <li>• Other items include consumption charges (high in Medak- 25%) and bleaching powder charges</li> </ul>

### Coastal Andhra

In most districts of coastal Andhra, expenditure on obligatory functions viz. lighting, communications, sanitation and water supply, make up anywhere between 35-45% of the total expenditure. The sole exception is Srikakulam which has obligatory expenditures amounting to a meagre 25% of total expenditure.

The table below gives details on expenditure on obligatory functions by GPs in Coastal Andhra.

Table 45: Share of obligatory expenditures in total expenditure in Coastal Andhra

	Srika kulam	Vizia nagram	Visaka patnam	E Godavari	W Godavari	Krishna	Guntur	Prakasam	Nellore
Lighting	0.12	0.12	0.16	0.12	0.14	0.10	0.12	0.16	0.13
Communications	0.04	0.09	0.02	0.06	0.09	0.17	0.06	0.03	0.02
S & Ph	0.06	0.10	0.13	0.10	0.06	0.08	0.06	0.18	0.10
Water Supply	0.03	0.10	0.05	0.05	0.11	0.08	0.12	0.07	0.08
Total	0.25	0.41	0.36	0.33	0.40	0.43	0.36	0.44	0.43

In almost all districts, expenditure on lighting exceeds 10% of total revenue expenditure. GPs in Vishakapatnam and Prakasam spend, on an average, 16% of total revenue expenditure on lighting.

While expenditure on communications varies between 2%-6% across districts, it is relatively higher in Krishna (17%), West godavari (9%) and Vizianagram (9%). Expenditure on sanitation and public health, as a proportion of total revenue expenditure, exceeds 10% in Prakasam (18%) and Visakapatnam (13%). Similarly, expenditure on water supply is relatively higher in Guntur, West Godavari and Vizianagram - 12%, 11% and 10% of total revenue expenditure respectively.

The main sub-heads of expenditure is given in the table below:

Table 46: Sub-heads of expenditure on obligatory functions in Coastal Andhra

	Sub-heads
Lighting	<ul style="list-style-type: none"> <li>• Purchase of street lighting material make up more than 50%-65% across different districts</li> <li>• Electricity charges make up the rest</li> </ul>
Communications	<ul style="list-style-type: none"> <li>• Almost entire amount spent on maintenance of roads</li> </ul>
S & Ph	<ul style="list-style-type: none"> <li>• Public conservancy makes up the bulk of expenditure and varies between 50-80% across districts</li> <li>• Maintenance of drains and private scavenging accounts for the rest</li> </ul>
Water Supply	<ul style="list-style-type: none"> <li>• Repairs and Consumption charges make up the bulk of expenditure.</li> <li>• Others account for a significant proportion (~50%) in Guntur, Prakasam and Srikakulam</li> </ul>

#### 5.4 Expenditure on Development Activities

A GP also spends on developmental activities over and above the expenditure made on obligatory functions. This is accounted for through the sub-head given below:

- For works(State Grants & Own Sources)
  - Gram Panchayat Funds
  - State Government Grants
  - State Finance Commission Grants
  - Other Funds
- For works (Central Grants)
  - Union Finance Commission Grants
  - JRY/JGSY/SGRY Grants
  - Other Funds
- Social Education
- Agriculture and Animal Husbandry
- Women Welfare Activities
- Other Developmental Activities

Table 47 gives us a general picture of what is spent on developmental activities as a proportion of own sources and grants received and as a proportion of total revenue expenditure.

Table 47: Proportion spent on developmental activities

	Annual Average per GP (1995-2003) in lakhs		
	Rayalaseema	Telangana	Coastal
Developmental Activities	2.66	3.05	2.23
% of Grants & Own revenue	0.18	0.20	0.20
% of Total Revenue Expd	0.19	0.15	0.19

On an average, a GP spends about Rs. 3 lakhs in Telengana per annum on development activities compared to Rs. 2.7 lakhs in Rayalseema and Rs. 2.2 lakhs in Coastal Andhra. This amounts to about one-fifth of the total revenue from grants and own sources as well as out of total revenue expenditure.

## Rayalseema

The primary avenues for expenditure on development activities are works undertaken at the local level and these account for more than 90-95% of the total spending on development activities. These are funded by (a) state grants and own sources and (b) central grants such as JRY, SGRY, etc.

Table 48: Expenditure on developmental activities in Rayalseema

	Cuddapah	Chittoor	Ananthapur	Kurnool
Developmental Activities:				
For works				
- State Grants & Own Sources	53.2	43.6	39.7	38.9
- Central Grants	46.2	52.5	59.3	60.9
Social Education	0.0	0.3	0.9	0.0
Agriculture and Animal Husbandry	0.0	0.0	0.0	0.0
Women Welfare Activities	0.0	0.4	0.0	0.0
Other Developmental Activities	0.5	3.2	0.1	0.2

In Rayalseema, works undertaken with central grants account for nearly 60% of total expenditure on development activities in Ananthapur and Kurnool. In Chittoor and Cuddapah, this is 53% and 46% respectively. Works undertaken with funds from State grants and own sources make up the rest. Spending on social education, agriculture, women welfare, etc. are negligible.

## Telengana

Similar to that evident in Rayalseema, GPs in all Telengana districts spend on development activities through works funded by state grants or central grants. However, compared with Rayalseema, works undertaken through central grants account for a higher proportion of expenditure on development activities as compared to works undertaken through state grants and own sources.

Table 49: Expenditure on developmental activities in Telengana

	Warangal	Ranga reddy	Nizam abad	Nalgonda	Medak	Mehboob nagar	Khammam	Adilabad
Developmental Activities:								
For works								
- State Grants & Own Sources	32.7	44.7	13.0	26.7	48.9	29.2	31.0	16.6
- Central Grants	64.0	54.0	85.4	64.2	49.1	59.3	62.8	83.2
Social Education	0.0	0.2	0.2	0.0	0.1	0.4	0.6	0.0
Agriculture and Animal Husbandry	0.0	0.0	0.1	0.0	0.0	0.2	0.3	0.0
Women Welfare Activities	0.0	0.1	0.0	0.0	0.1	0.1	0.2	0.0
Other Developmental Activities	3.4	1.0	1.4	9.0	1.8	10.9	5.1	0.2

In most districts, works funded through central grants account for anywhere between 50%-65% of the total expenditure on development activities. In Nizamabad and Adilabad, they account for 85% and 83% respectively. Other development activities as a proportion of total expenditure on development activities is negligible except in Mehboobnagar (11%) and Nalgonda (9%).

### Coastal Andhra

Similar to that in Telengana, most of the expenditure (> 50% in every district) on development activities is accounted for in the form of works undertaken through central grants. Within this region, this is relatively higher in districts such as Guntur (71%), East Godavari (73%) and Nellore (76%).

Table 50: Expenditure on developmental activities in Rayalseema

	Srika kulam	Vizia nagram	Visak patnam	E Godavari	W Godavari	Krishna	Guntur	Prakasam	Nellore
Developmental Activities:									
- For works (State Grants & Own Sources)	31.6	44.7	37.5	29.0	38.9	35.8	26.8	39.1	23.9
- For Works (Central Grants)	68.3	54.0	61.5	72.6	58.9	50.3	71.0	59.4	75.7
- Social Education	0.0	0.2	0.0	0.2	0.0	0.3	0.3	0.2	0.0
- Agriculture and Animal Husbandry	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0
- Women Welfare Activities	0.0	0.1	0.0	0.1	0.0	10.7	0.2	0.1	0.1
- Other Developmental Activities	0.1	1.0	1.0	1.5	2.2	2.7	1.7	1.2	0.3

Expenditure on works funded by state grants & own sources make up the remaining portion of expenditure on development activities considering that expenditure on other activities is negligible. The only exception is Krishna district where women welfare activities account for nearly 11% of total expenditure on development activities.

### **5.5 Expenditure on earmarked funds**

Within different expenditure heads, there are specific earmarked funds. These are funds collected for a specific purpose (reflects in the revenue receipts) and which can be spent on a similar expenditure head. Funds spent on water supply are illustrative of this. Water tax collected through special taxes on houses under mandatory taxes is an earmarked receipt which has to be spent only on water supply again. Similarly donations for tap connections are an earmarked receipt.

#### *Earmarked funds for Water Supply*

Earmarked funds for water supply are raised in the form of:

- Monthly fee on tap connections
- Special water tax on houses
- Donations for tap connections

As shown in the table below, the average annual earmarked funds per GP for water supply is highest in Rayalseema (Rs. 2.6 lakhs) followed by Telengana (Rs. 1.59 lakhs) and Coastal Andhra (Rs. 1.02 lakhs).

However, while Telengana and Coastal Andhra show expenditure on water supply more or less matching earmarked receipts for water supply (106% and 93% respectively), a little more than two-third of the total earmarked receipts are spent on water supply in Rayalseema.

Table 51: Ear-marked Funds collected and total exp. on water supply in Rs.lakhs

	Annual Average per GP		
	Rayalaseema	Telangana	Coastal
Monthly Fee on Tap Connections	.85	.92	.40
Special tax on houses – water tax	.71	.33	.35
Donation for Tap Connections	1.04	.34	.27
Total earmarked funds	2.6	1.59	1.02
Exp. On Water Supply	1.80	1.68	.95
% of earmarked funds spent on water supply	69.2	105.7	93.1

In Rayalaseema (see table below), only GPs in Chittoor (108%) show expenditure matching the total earmarked funds collected for water supply. GPs in Cuddapah, with earmarked receipts totaling Rs. 6.37 lakhs per annum spend less than one-half on water supply. In Ananthapur and Kurnool, expenditure on water supply as a percentage of revenue sums available is 76% and 63% respectively.

Table 52: Ear-marked Funds collected and total exp. on water supply in Rayalaseema (Rs.lakhs)

	Annual Average per GP			
	Cuddapah	Chittoor	Ananthapur	Kurnool
Monthly Fee on Tap Connections	1.80	.77	.53	.67
Special tax on houses- Water Tax	1.54	.52	.49	.65
Donations For Tap Connections	3.03	.72	.47	.76
Total	6.37	2.01	1.49	2.08
Expenditure on Water Supply	2.93	2.18	1.13	1.3
% of earmarked funds spent on water supply	46.0	108.5	75.8	62.5



Table 53: Ear-marked Funds collected and total exp. on water supply in Telengana (Rs.lakhs)

	Annual Average per GP							
	Warangal	Ranga reddy	Nizama bad	Nalgonda	Medak	Mehboob nagar	Khammam	Adilabad
Monthly Fee on Tap Connections	1.13	.85	.68	1.06	1.5	1.11	.75	.55
Donations For Tap Connections	.56	1.04	.20	.79	.35	.45	.30	.03
Special tax on houses- Water Tax	.45	.72	.25	.33	.18	.32	.70	.22
Total	2.14	2.61	1.13	2.18	2.03	1.88	1.75	0.8
Expenditure on Water Supply	1.75	1.80	.93	2.48	2.32	3.12	1.76	.99
% of earmarked funds spent	81.8	69.0	82.3	113.8	114.3	166.0	100.6	123.8

In Telengana, with the exception of Rangareddy (69%), Warangal (82%) and Nizamabad (82%), all other districts incur annual expenditure on water supply in excess of the revenue sums available through monthly fees, water tax and donations.

Table 54: Ear-marked Funds collected and total exp. on water supply in Coastal Andhra (Rs.lakhs)

	Annual Average per GP								
	Srika kulam	Vizia nagram	Visaka patnam	E Godavari	W Godavari	Krishna	Guntur	Prakasam	Nellore
Monthly Fee on Tap Connections	0.20	.85	.18	.18	.74	.42	.24	.27	.34
Donations For Tap Connections	0.09	1.04	.09	.13	.45	.30	.12	.30	.29
Special tax on houses- Water Tax	0.29	.72	2.13	.14	.28	.21	.25	.37	.42
Total	0.58	2.61	2.4	0.45	1.47	0.93	0.61	0.94	1.05
Expenditure on Water Supply	.40	1.80	.60	.48	1.23	1.16	1.31	.94	.89
% of earmarked funds spent	69.0	69.0	25.0	106.7	83.7	124.7	214.8	100.0	84.8

In Coastal Andhra, some districts such as Vishakapatnam (25%), Vizianagram (69%) and Srikakulam (69%) show expenditure on water supply much less than revenue collected for the purpose, while some districts such as Guntur (215%) and Krishna (125%) spend much more than the earmarked receipts available for water supply.

*Jawahar Grama Samruddhi Yojana*

One of the major receipts under central grants comes through Jawahar Grama Samruddhi Yojana. This is a specific grant given for creation of durable productive community assets.

Table 55: The Receipts and Expenditures under Jawahar Grama Samruddhi Yojana in the three regions (Rs. Lakhs)

	Totals (1995-2003)			Annual Average per GP (1995-2003)		
	Rayalaseema	Telangana	Coastal	Rayalaseema	Telangana	Coastal
Receipts	1103.47	3015.17	6001.99	1.09	1.67	1.00
Expenditures	1019.47	2899.75	5924.67	1.00	1.59	0.99
Expd as a percentage of total receipts	92	96	99			

Under this scheme, about 8% of the receipts in Rayalaseema and 4% in Telengana have not been spent.

Within each region, there are some districts which have a significant amount of the revenue sums unspent under this scheme, the details of which are given in the table below:

Table 56: Districts with expenditure shortfalls under the JGSY scheme (Rs, Lakhs)

	Districts
Rayalaseema	<ul style="list-style-type: none"> <li>• Chittoor (11%)</li> <li>• Kurnool (11%)</li> </ul>
Telangana	<ul style="list-style-type: none"> <li>• Nizamabad (22%)</li> <li>• Khammam (18%)</li> </ul>
Coastal Andhra	<ul style="list-style-type: none"> <li>• Srikakulam (13%)</li> <li>• East Godavari (10%)</li> <li>• Vishakapatnam (10%)</li> </ul>

## 6.0 Conclusions

### Fiscal decentralization

#### 1. *There is weak fiscal decentralization in AP.*

- a. The AP Government has effectively transferred 16 functions, funds relating to 5 functions and functionaries relating to 2 functions, although it has decided in principle to transfer 29 functions as listed in the Eleventh Schedule of the 73<sup>rd</sup> Amendment.
- b. The total financial devolution to GPs is low – both in absolute and relative terms. In 2002-03, 126 crores was transferred to GPs out of a total of 284 crores for PRIs. The proportion of funds transferred to GPs out of the total funds for PRIs has declined from nearly 60% in 1999-00 to less than 45% in 2002-03.
- c. In relative terms, grants to GPs as a proportion of total funds transferred to PRIs have declined from 37% in 1999-00 to 30% in 2002-03 while assigned revenue has dropped from 20% in 1999-00 to 14% in 2002-03.

### Fiscal Autonomy of GPs

#### 2. *Notified GPs in AP enjoy a relatively higher degree of fiscal autonomy.*

- a. The fiscal autonomy ratio defined as the ratio between average own income of a GP and total expenditure incurred stands at 0.47 – which suggests that on an average 47% of the total expenditure (43% of total revenue) of a GP is financed through own revenue sources.
- b. As compared to GPs in other states, GPs in AP enjoy a higher degree of fiscal autonomy. The Eleventh Finance Commission (EFC) estimates the following for all the three tiers of PRIs in AP during the period 1990-98.

<i>Item</i>	<i>Andhra Pradesh (in Rs)</i>	<i>Average for 23 States (in Rs)</i>
Per Capita Total Revenue	329	191
Per Capita Total Expenditure	330	207
Per Capita Own revenue	20	08
Per Capita Expenditure on Core Services	39	15

- c. Resource mobilization of a GP Panchayat is significantly more than its counterpart at the all India level. Average annual own revenue of a GP in AP during 1990-98 was Rs. 37,206 compared to Rs. 17,033 at the all India level (Source: EFC).
- d. Own revenue forms 43% of total revenue receipts in Rayalseema, 44% in Telengana and 47% in Coastal Andhra.
- e. Mandatory taxes account for nearly 60% of the revenue from own sources across the three regions - the rest comes from fees and fines and remunerative enterprises. House taxes make up a major part of revenue from mandatory taxes accounting for more than 70% of the revenue from mandatory taxes in Rayalseema and more than 80% in Telengana and Coastal Andhra.
- f. Revenue from non-tax sources such as fees and fines are relatively higher in Telengana (33% of own revenue) as compared to that in Coastal Andhra (21%) and Rayalseema (16%). Monthly fees on tap connections and licence fees are the most important heads of revenue.

- g. Remunerative enterprises are also an important source of revenue. Their contribution to the own revenue of GPs varies from 29% in Rayalseema to 17% Coastal Andhra and 16% in Telengana. Market receipts, fishery rentals and land rent are important sources of income under this head.
- h. However, there are wide differences across districts on their revenue base. The average annual revenue per GP in Rayalseema varied from Rs. 34 lakhs in Cuddapah to Rs. 13 Lakhs in Ananthapur. In Telengana, it ranged from Rs. 30 lakhs in Khammam to Rs 10 lakhs in Nizamabad while in Coastal Andhra it ranged from Rs.19 lakhs in Vizianagaram to Rs. 9.9 Lakhs in East Godavari.

### **Revenue Dependence**

3. *Given the higher resource mobilization capacity of GPs, revenue dependence, defined as the share of grants from higher levels of government in total revenue receipts, is relatively lower.*
- a. Grants from the State and the Centre account for a little more than one-third of the total revenue receipts for notified GPs in AP. Along with assigned revenue, they make up nearly 50% of total revenue of a notified GP.
- b. The proportion of grants out of total revenue is higher for Telangana (42%) as compared to Rayalaseema (34%) and Coastal areas (33%). Assigned revenue accounts for 17% of the total revenue receipts of a GP in Rayalseema, 12% each in Telengana and Coastal Andhra.

- c. The annual average grants per GP was highest for Telengana (Rs. 7.6 lakhs) followed by Rayalseema (Rs. 6.67 lakhs) and Coastal Andhra (Rs. 4.74 lakhs).
- d. State grants are significantly more than Central grants and account for 30% of total revenue in Telengana, 27% in Rayalseema and 24% in Coastal Andhra.
- e. A high proportion of state grants come in the form of salary grants for staff – this varies from nearly 80% in Rayalseema and Telengana to about 70% in Coastal Andhra. Central grants are largely linked to schemes.

### **Revenue Portfolio**

4. *The following items contribute more than 70% of the total revenue receipts of GPs in AP.*

1. Salary grant (State Government grant)	- 20%
2. House Tax (Mandatory taxes)	- 18%
3. Surcharge on stamp duty (Assigned revenue)	- 12%
4. SGRY/JGSY/JRY funds (Central Govt. grant)	- 7%
5. Monthly fee on tap connections	- 3%
6. Market Receipts (Remunerative enterprises)	- 3%
7. Water tax – Special Tax on House Tax (MT)	- 2%
8. Donations for tap connections	- 2%
9. Licence fees	- 2%
10. Fishery rentals	- 2%

### **Expenditure on Core/Obligatory Services**

5. *Expenditure on obligatory functions is much lower than the prescribed limit of 65% of total expenditure.*
- a. Expenditure on obligatory functions as a proportion of total expenditure is 41% in Rayalseema, 40% in Coastal Andhra and 36% in Telengana.
  - b. The key areas of spending as a proportion of revenue expenditure is given below:
 

1. Street lighting	- 12%
2. Sanitation and public health	- 9%
3. Water supply	- 9%
4. Communications	- 8%
  - c. Expenditure on other development activities makes up 18% of total revenue expenditure and is reflected in the works undertaken through central/state grants.
6. *A larger proportion of expenditure than prescribed (30%) is incurred on administrative heads by GPs in all the three regions.*
- a. On an average, administrative expenditure stands at nearly 42% of total revenue expenditure. Administrative expenditure as a proportion of total revenue expenditure is 43% in Telengana, 42% in Rayalseema and 41% in Coastal Andhra.
  - b. Out of the total expenditure on administrative heads, salaries and allowances account for 88% in Telengana, 82% in Coastal Andhra and 81% in Rayalseema.

7. *In some districts funds collected for specific purposes are not fully spent on the earmarked activities.*
- a. Earmarked receipts for water supply are not fully utilized in most districts of Rayalseema, Rangareddy, Warangal and Nizamabad in Telengana and Vishakapatnam, Vizianagram and Srikakulam in Coastal Andhra.
  - b. Funds under the Jawahar Grama Samruddhi Yojana have expenditure shortfalls in Chittoor and Kurnool in Rayalseema, Nizamabad and Khammam in Telengana and Srikakulam, East Godavari and Vishakapatnam in Coastal Andhra.

### **Capital Receipts & Capital Expenditure**

8. *As compared to revenue receipts and expenditure, capital receipts and expenditure are relatively much smaller.*
- a. Capital receipts and expenditure make up just about 5% each of the total receipts and total expenditure respectively of an average GP in AP.
  - b. Average annual total capital receipt and expenditure per GP is highest in Rayalseema as compared to the Coastal region and Telengana.
  - c. Within each region, advances account for a major part of the total capital receipts as compared to grants and donations/contributions. Deposits and advances account for a major part of the total capital expenditure in all three regions.



## Status of Districts

9. The diversity in the nature of revenue and expenditure profile across districts in AP is given in the table below.

Region/District	Revenue Receipts			Revenue Expenditure	
	Fiscal Autonomy	Revenue Dependence	Assigned Revenue	Expenditure on Core Services	Administrative Expenditure
<b>Rayalseema</b>					
- Cuddapah	M	L	H	M	M
- Chittoor	M	L	H	M	M
- Kurnool	M	M	L	L	H
- Ananthapur	M	M	L	L	H
<b>Telengana</b>					
- Warangal	M	M	L	L	M
- Rangareddy	M	L	M	M	M
- Nizamabad	M	H	L	L	H
- Nalgonda	L	H	M	M	H
- Medak	M	H	H	M	M
- Mehboobnagar	L	H	L	L	H
- Khammam	M	L	L	M	M
- Adilabad	L	H	L	L	H
<b>Coastal Andhra</b>					
- Srikakulam	L	H	M	L	H
- Vizianagaram	M	L	M	M	M
- Visakapatnam	H	L	M	L	M
- East Godavari	M	M	H	L	H
- West Godavari	M	M	H	M	M
- Krishna	H	L	M	M	L
- Guntur	M	M	H	L	M
- Prakasam	M	L	H	M	L
- Nellore	M	M	M	L	M

H: High      M: Medium      L: Low

- a. As is evident, within each region the following districts have relatively weaker financially position.
- Kurnool and Anathapur in Rayalseema
  - Nizamabad, Mehboobnagar and Adilabad in Telengana
  - Srikakulam in Coastal Andhra

## 7.0 Recommendations

### 1. *Greater fiscal and functional decentralization*

It is to the credit of GPs that, inspite of weak financial support from the State, they have managed to generate significant level of own resources. This, however, does not take away from the fact that greater financial devolution to GPs is desirable. In comparison to other states such as Kerala, West Bengal, Maharashtra and Karnataka, financial devolution in AP is significantly lower. The limited number of functions transferred to PRIs has resulted in greater departmental control at the local level. Although the Government of Andhra Pradesh has announced the devolution of all 29 functions mentioned in the Eleventh Schedule, the complementary devolution of funds and functionaries is yet to take place.

#### *Activity Mapping in Karnataka*

Karnataka has undertaken an activity mapping which has tried to define the functions at every tier.

Although the task of determining who should do what is a complicated one and requires some amount of subjective assessment of the capabilities of each tier, such an exercise is a prerequisite for effective decentralization. Activity mapping of functions devolved will not only enable clarity in the nature of functions that are devolved to different tiers and clear demarcation of functions between them but would also ensure better prioritization, better use of funds and better targeting. To facilitate this, it is necessary that the GP budget be linked to the activities that the GP has to undertake and this must be reflected through an activity based accounting system.

For more information, see CGG study “Inter-State Study on Rural Decentralisation” (2004).

In a multi-tier government system with sharing revenue pattern, the local government at the grassroots may be required to be fed from below to a certain extent. However, the level of financial support extended to local governments must be commensurate with the degree of functional autonomy granted. Therefore, the functions taken up by local governments from State departments must be complemented with due funds out of the departmental budgets.

Certain regions may require greater financial support due to their backwardness/lack of development. It is evident from the analysis that GPs that are financially weaker, i.e. with lower annual average revenue and/or higher revenue dependency such as Ananthapur, Adilabad, Nizamabad and Srikakulam, may require greater financial support. In addition to this, incentives must be provided to GPs to augment their own income through tax and non-tax sources. A portion of the funds transferred to GPs should be in 'matching grant'<sup>5</sup> form linking it to revenue generated through own sources, thereby providing an incentive to GPs to augment their revenue sources.

Revenue to GPs also accrues through assigned revenue from higher levels of government. These are taxes and cess collected by the state from the local level which is passed on to local governments after deduction of collection/administrative charges. Though there is an element of distributive/welfare utility in the allocation of assigned revenue, attempt should be made to reduce the centralized structure of tax collection and distribution by making the appropriate PRIs responsible for tax collection at the local level. This can be easily done for certain types of fees collected such as seignorage fees, profession tax, etc. This would not only ensure better compliance but also help reduce the transaction costs by cutting down the distance of revenue flow.

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<sup>5</sup> Tamil Nadu has experimented in this regard with house tax matching grants. These have yielded positive results.

## *2. Revenue Augmentation*

With or without additional financial support from the State, the GPs in AP should endeavour to maintain and further enhance their fiscal autonomy by generating more revenue through direct tax and non-tax sources.

### Direct Tax

House tax is the most important source of own revenue for Panchayats in AP. It accounts for almost 4/5<sup>th</sup> of own revenue and 1/5<sup>th</sup> of total revenue receipts. Even then, the incidence and collection of house tax is much lower than potential yields. To augment revenue from direct taxes, it is necessary to undertake the following:

- Method of valuation: Area based assessment of house tax should be adopted in place of the capital value/annual value method currently used. This would facilitate self-assessment of tax liability, make the system more transparent and simple, minimize discretion and ensure equity between classes of tax payers.
- Regular revision of tax rates: It was initially prescribed that general revision of tax assessments would be carried out once every five years. Later a flat rate of 5% increase every year over the tax payable on the base year specified 2000-01 was suggested. However, without normalization and standardization of assessments, the incidence of over and under valuation of property could be quite high.

As observed by the study team in a sample of 9 Panchayats, a general revision increased the tax demand by as much as 67% over a five year period. A 5% flat rate would have yielded a compounded increase of

27.5%. Therefore, periodic revisions of tax assessments with the provision of appeal by tax payers must be instituted at the local level.

- Better tax collection: The increase in tax demand must be complemented by collection efficiency. This can be done by providing adequate financial incentives linked to collection efficiency. The collection machinery must also be strengthened. In addition to this, exemptions granted to groups and individuals and to certain types of properties must be withdrawn – this would ensure a wider tax net.

The APPR Act has provided for the compulsory imposition of certain taxes. However, in many Panchayats these are either not imposed or not collected.

- Kolagaram i.e. tax on village produce sold in the village and tax on advertisements is not imposed in most Panchayats.
- The yield from special taxes on houses on lighting, drainage and water are much lesser than the minimum rates prescribed as a proportion of house tax and the expenditure incurred on them.

Tax imposition and collection, in this regard, must be suitably strengthened.

*Area Based Property Tax System in Maharashtra*

Maharashtra is the first state in the country which has introduced a system of area based property tax system in the rural local bodies i.e. in the jurisdiction of GPs. With the changed system, there has been an increase in the tax demand. The tax demand based on the old system was Rs. 147.56 crores in 1999-2000, while under the new system it went up to 359.25 crores in 2000-01. Secondly, the assessment of tax is less arbitrary now and is approved by a committee that consists of the Deputy Engineer (works), Sarpanch, Extension Officer (panchayat) and Gram Sevak.

The table below provides the area based tax structure used in Maharashtra.

Sl. No.	Type of Building	Rate of Taxation per Square Foot (in Paise)					
		A		B		C	
		Min	Max	Min	Max	Min	Max
1.	Hut or Mud Houses						
	i) Roof of grass	5	40	10	60	15	75
	ii) Roof of sheet or Mangalorian tiles	10	60	15	75	20	90
2.	Bricks or stone house built in clay	20	75	25	120	30	150
3.	Pucca house in stone, brick and line or cement						
	i) Roof of sheet or Mangalorian tiles	30	100	40	150	50	180
	ii) RCC Slab	40	150	50	175	60	200
4.	New RCC Type house	80	250	90	300	100	400
5.	Royal houses built up by marble or granite	120	350	140	400	160	500

### Non-Tax and Other Sources

Augmenting other sources of revenue such as non-tax sources, optional taxes and revenue from remunerative enterprises can further provide cushion to the revenue from mandatory taxes. In the current dispensation, avenues for non-tax revenue are not explored and exploited fully. There is need for a greater emphasis on taxation of services and levy of user charges. There is much untapped potential for revenue generation from licence fees, seignorage fees, pilgrimage fees, etc. In addition, revenue from remunerative enterprises can be further augmented by enhancing the revenue from marketing receipts, fishery rentals, land rents, etc.

### ***3. Better expenditure management***

While revenue augmentation would enable GPs to have access to a greater body of funds, utilization of the funds must first and foremost be directed towards developmental activities at the local level. The following recommendations are suggested to achieve the above.

- Increasing spending on obligatory functions: The spending on obligatory functions such as water supply, communications, sanitation and lighting are about 40% - much less than the prescribed limit of 65%. Spending in these areas need to be significantly enhanced. This is largely due to two key factors.
  - High administrative expenses eat into the revenue basket of GPs.
  - Tied grants allow little flexibility to GPs. Apart from catering to the salary requirements, grants finance development works linked to particular schemes.
  - Spending on grants show up under 'developmental activities' - a portion of this spending is in areas linked to the obligatory functions such as roads, drainage, etc. To that extent, spending on 'obligatory functions' may not be reflected fully in the GP accounts.

- Sectoral spending: The State also prescribes limits to the spending on sectoral areas. Key questions need to be answered in this regard:
  - Should the State specify spending proportions by each sectoral area? Or should these be decided at the local level?
  - What should be the proportion of expenditure in different sectoral areas?
  - Should spending proportions specified by sectoral areas vary from region to region?

The answers to these questions should be based on scientific enquiry rather than on conjecture.

- ‘Tax for spending and spend for taxed’: There are also discrepancies observed in earmarked funds/receipts. In some cases such as water supply, expenditure falls short of the revenue generated for the purpose. Simultaneously, it is also observed that receipts from special taxes on house tax such as lighting, drainage, etc., do not meet the actual expenditure incurred on them. There is clearly a need to make GPs follow the ‘tax for spending and spend for taxed’ philosophy.
- Reining in administrative costs: Administrative costs as a proportion of total revenue expenditure are more than 40%. This is significantly more than the prescribed limit of 30%.
  - Rationalization of staffing pattern: More than 80% of the administrative costs (nearly 90% in Telengana) are accounted for by salaries to provincialised staff, non-provincialised staff and part-timers. A thorough review must be undertaken to assess the staffing pattern and suggest ways in which it can be rationalized.



#### ***4. Building financial transparency and accountability***

Increasing decentralization of funds, functions and functionaries necessitate enhanced transparency and accountability mechanisms at the local level to ensure efficiency in service delivery, prevent elite capture and avoid rent-seeking.

The following measures are of utmost importance for building financial transparency and accountability:

- Proper maintenance of accounts is a basic first step towards building transparency and accountability in GPs.
  - Revised accounting codes must be put in place. Accounting codes and manuals are laid down in Departmental and Functionary Manuals. However, many of these manuals are out of date and therefore do not reflect modern practices in accounting concepts, accounts structures and audit methodologies. A fundamental weakness of the manuals is that they do not prescribe accounting formats for PRIs. Maharashtra is currently undertaking a revision of accounting codes and procedures for PRIs – a similar attempt is called for in AP.
  - Local bodies account for their transactions on a cash basis. Due to this, information about *expenditure “incurred”, and revenue “earned”* is not reflected, as cash accounting reflects only that “paid” and “received”. Secondly, cash accounting incentivises *dysfunctional behaviours*: the “March rush”, expenditure in advance of need, inappropriate expenditure undertaken without proper due diligence, etc. Thirdly, the financial position of local bodies is

inadequately reflected, as there is no balance sheet. Accrual basis of accounting should be adopted instead.

- Level of competence of staff in financial functions in the PRIs is generally extremely low. In the GPs, the Panchayat Secretary often lacks the time and skill for discharging proper accounting functions. The post of a functionary/accountant with proper training at the Panchayat level (or for a group of smaller Panchayats) can be created to facilitate proper accounting and auditing.
- Timely audit of accounts is an equally important dimension in building accountability at the local level.
  - The general problems that are cited for the delay in completion of audit are non-availability of accounts, lack of manpower for undertaking audit, delay in issuing audit reports, etc. These need to be rectified at the earliest.
  - The internal quality assurance process of the State Audit Department provides limited opportunity for consistency checks between districts. This process can be strengthened in two ways:
    - The quality assurance process should be complemented by an independent review of audit processes and outputs that may identify inaccuracies and inconsistencies.
    - Secondly, the district audit officers and the assistant audit officers must be made more accountable.

- There is generally very poor compliance with audit objections and few GPs respond to audit objections. The State Audit Department has no powers to ensure this. Linking the release of grants to erring GPs to the completion of audit and to the settlement of audit objections is a step that can be considered.
- The possibility of concurrent audit may be examined and if possible enforced as monthly audit of vouchers may be a better preventive measure against misutilisation of funds.
- Financial audit of GPs must be complemented by an examination of the stock and asset registers as well as physical verification of assets.
- Maintenance of accounts and auditing of GPs must be backed by strong control and reporting mechanisms.
  - The functionary manual of the PR Department does not contain clear roles, functions and responsibilities of all the staff engaged in the processing of financial transaction and accounts maintenance, making the task of holding staff accountable all the more difficult.
  - The accounting control environment should include appropriate sanctions and penalties being imposed in the case of accounts irregularities or improprieties being detected.
  - An appropriate financial reporting system must be instituted at the district level that links and consolidates the monthly statement of revenue and expenditure of GPs with monthly deposits and withdrawals from the treasury and monthly audit reports.

*The Karnataka Local Fund Authorities Fiscal Responsibility Bill, 2003*

The State Government has recently introduced the Fiscal Responsibility Bill for local bodies. This Bill intends to ensure the local bodies a more transparent and accountable. The salient features of this Bill are:

1. Medium Term Fiscal Plan with a four year rolling target to be laid before the legislature every year along with the annual budget
2. Measures for Fiscal Transparency
3. Measures for Compliance
4. Publication of MTFP, the annual budget, annual accounts and the annual report

Such a Fiscal Responsibility Bill holds much relevance for Andhra Pradesh. However, this Bill must be preceded by a Fiscal Responsibility Act at the State level. While Karnataka has already passed the Fiscal Responsibility Act in 2002, Andhra Pradesh is yet to enact such an Act.

For more information, see CGG study “Inter-State Study on Rural Decentralisation” (2004).

- Last but not the least is the need to strengthen ‘voice’ mechanisms at the Panchayat level.
  - The Gram Sabha should be the forum for finalizing tax rates. This would ensure better compliance in tax payment.
  - Every Panchayat should submit in each meeting of the Gram Sabha the statement of accounts and report of expenditure incurred by it.

- In case of financial irregularities, the Gram Sabha can make enquiry through the BDO and the BDO should submit a report to the Gram Sabha within a specified period.
- Annual account statement of the Village Panchayat should be sent to taxpayers under joint signatures of Sarpanch and Secretary, with a copy to the BDO and CEO.
- Beneficiary committees for supervision of work and functional committees in sectoral areas have been provided for in the APPR Act. These must be activated.

The 73<sup>rd</sup> Amendment is, potentially, a radical instrument for changing the process of governance – from a centralized top-down delivery structure to a decentralized one. Such a change can only take place when local governments have effective control of funds, functions and functionaries and use them judiciously for all-round development, while governments at the higher level create the right kind of incentives and disincentives to make this possible.

Of critical importance is the adequacy and use of funds at the grassroots level. It is in this regard that this study assumes significance. Although restricted to notified GPs in Andhra Pradesh, the study holds relevance to all GPs, in AP and in other states. The study findings and the recommendations, if implemented, can go a long way in making GPs what they ought to be – institutions of self-governance.

## **Appendix 1: Data Tables**

**APPENDIX - 1****Annual Average GP Picture – Receipts and Expenditures (Revenue and Capital accounts)**

Rayalaseema

Table 1: Revenue receipts - Annual Average per GP (1995-2003)

	Cuddapah	Chittoor	Ananthapur	Kurnool
(a) Mandatory Taxes				
MT1. House Tax	686684.30	305014.15	176047.59	271844.06
MT2. Kolagaram or Katarusum		1440.63		226.17
MT3. Tax on Advertisements	29.76	598.40	156.80	91.56
MT4. Special taxes on Houses				
i) Drainage Tax		16382.46	1745.71	12606.10
ii) Lighting Tax		13448.65	10785.87	8333.49
iii) Water Tax	153508.34	52295.84	48669.35	65241.29
MT5. Others	80401.30	14720.51	9186.00	6519.37
Mandatory Taxes Total	920623.70	403900.63	246591.34	364862.04
(b) Optional Taxes				
OT1. Vehicle Tax	29.76	874.08		31.87
OT2. Tax on Agricultural land for a	619.05	13.40		130.09
OT3. Land cess on Vacant Land	11.90	475.29	284.86	569.15
OT4. Others	1000.00	441.86	109.93	4941.10
Optional Taxes Total	1660.71	1804.63	394.79	5672.22

Table 1 contd.

	Cuddapah	Chittoor	Ananthapur	Kurnool
(c) Non-Taxes - Fees and Fines				
NT1.Licence fee (D&O Trades & Business)	22156.73	17692.06	12258.89	24394.31
NT2.Encroachment Fee		812.08	4500.66	5678.71
NT3.Private Scavenging Fees		15.63	333.54	15.25
NT4.Warrant and Distraint Fees		305.81	14.96	24.61
NT5.Seigniorage Fees for Quarrying	2976.19	4134.28	1085.47	5714.82
NT6.Fees on Commercial Crop		562.50		100.44
NT7.Fees on Numbering Vehicles		379.15	496.70	
NT8.Layout Fee	1461.31	6184.13	3080.78	976.01
NT9.Permission Fee for Buildings	17074.86	14762.22	15987.19	7368.35
NT10.Fee on animals brought for	690.48	3442.13	719.38	6155.94
NT11. Penalties on Dogs & Pigs		466.62		26.86
NT12. I) Cattle Shed		833.95	13.91	21.13
ii) Cattle Pond		40.36	2275.22	1605.58
NT13. Monthly Fee on Tap Connections	179659.18	76560.98	53430.85	66635.02
NT14. Fines	3639.83	1314.77	296.87	6614.20
Non-Taxes - Fees and Fines Total	227658.58	127506.66	94494.42	125331.25



Table 1 contd.

	Cuddapah	Chittoor	Ananthapur	Kurnool
(d) Remunerative Enterprises				
RE1.Marketing Receipts	113533.95	104049.34	69404.12	127697.67
RE2.Cart Stand Receipts	16162.32	15597.11	20814.42	16921.12
RE3.Slaughter House Receipts	1199.26	3254.30	1288.84	31936.76
RE4.Avenue Receipts	13400.89	5282.88	9510.30	2436.86
RE5.Sale on Rubbish and Compost	1721.73	2988.61	1819.51	1074.59
RE6.Fishery Rentals	10380.95	57267.84	2635.13	2861.61
RE7.Income from lease of Govt.,	196.43	311.84	21577.79	29.38
RE8.Ferry Rents		3947.14	2113.66	3972.66
RE9.Rent and produce of lands	50014.23	33148.49	45601.13	61317.18
RE10.Receipts from sale of Pesticides,		7957.31	116.07	430.77
RE11.Income from Fairs & Festivals	65.48	2197.56	1604.96	190.59
RE12.Sand Auctions		4446.17	1441.96	620.00
RE13.Other receipts	36144.75	14454.30	10637.07	31985.56
Remunerative Enterprises Total	242819.98	254902.89	177927.90	281474.75
Other Resources	14613.10	1042.35	5400.56	1688.59
Gen Rev Total	1407376.07	789157.15	524809.01	779028.84
assigned revenue	747502.73	332467.40	177384.88	202627.47
state grants	751577.60	435911.89	434753.62	552826.68
central grants	201009.26	116167.41	113933.34	155412.78
total grants	952586.85	552079.30	548686.96	708239.46
donations & contributions	308862.50	88154.09	47104.74	79397.07
total rev receipts	3416328.15	1761857.94	1297985.60	1769292.83

Table 2: Revenue expenditure Annual Average per GP (1995-2003)

	Cuddapah	Chittoor	Ananthapur	Kurnool
<b>A. Administration:</b>				
1. Salaries and allowances of				
a) Provincialised Staff	558279	275603	327775	422377
b) Non-Provincialised Staff	240485	203040	88337	141329
c) Part-timers and others	106002	64661	79108	50363
OEA2. Contribution to Pension Fund	35626	19271	13004	32990
OEA3. Contingencies	76389	42875	30274	28506
OEA4. Honorarium to Sarpanches	1492	4166	3360	4606
5. Travelling allowance				
(i) Sarpanch	77	1815	1158	2195
(ii) Establishment	5817	5151	3716	5694
OEA6. Cost of Electoral Rolls	215	635	596	103
OEA7. Law charges	1150	4885	2710	1755
OEA8. Interest on and re-payment of debt	39	3969	21	74
OEA9. Repairs to buildings	37009	4594	4777	8625
OEA10. Other Misc. expenses	190262	28795	12548	17927
Ordy Expd Administration Total	1252843	659460	567384	716545
<b>B. Lighting:</b>				
OEB1. Electricity Consumption Charges	81488	81866	42677	55009
OEB2. Purchase of Street Lighting Material	193284	216757	132733	81528
OEC3. Any other	5488	9575	3972	1940
Ordy Expd Lighting Total	280260	308199	179382	138478
<b>C. Communications:</b>				
OEC1. Roads Maintenance	442216	84950	31212	202935
OEC2. Choultries and Rest Houses		203		445
OEC3. Any other	60	3395	1118	738
Ordy Expd Communications Total	442276	88548	35184	204118

Table 2 contd.

	Cuddapah	Chittoor	Ananthapur	Kurnool
<b>D. Sanitation and Public Health:</b>				
(1) Public Conservancy				
(i)Contingencies	156021	90786	45670	51120
(2) Private Scavenging				
(i) Contingencies	60542	31910	10526	26547
(3) Maintenance of Drains	149627	43734	11015	44882
OES(4) Any other	29637	6210	22840	17832
Ordy Expd S & Ph Total	395827	172640	90050	140382
<b>E. Other Amenities:</b>				
OEOA1. Radio Maintenance	135	740	550	170
OEOA2. Reading Rooms and Libraries	1100	1382	1576	739
OEOA3. Parks and Play Grounds	1193	1274	54	2084
OEOA4. Any other	369	1072	2427	943
Ordy Expd Other Amenities Total	2797	4468	4606	3935
<b>F. Water Supply:</b>				
1. Payment of Current Consumption	17227	28532	11614	27593
2. Bleaching Powder Charges	23426	20164	13953	11017
3. Repair to Motors	76858	67048	24970	38622
4. Repair to Pipe Lines	67060	61055	49227	36826
OEWS5. Others	108245	40809	13104	16111
Ordy Expd Water SupplyTotal	292816	217608	112868	130169

Table 2 contd

	Cuddapah	Chittoor	Ananthapur	Kurnool
G. Developmental Activities:				
1. For works(State Grants & Own Sources)				
a) Gram Panchayat Funds	267425	79257	75422	87596
b) State Government Grants	7899	653	94	
c) State Finance Commission Grants		703		1513
d) Other Funds		5929	97	13228
2. For Works(Central Grants)				
a) Union Finance Commission Grants	83363	20403	35329	47841
b) JRY/JGSY/SGRY Grants	155530	83693	77494	107931
c) Other Funds	95	119	49	4680
3. Social Education		498	1804	61
4. Agriculture and Animal Husbandry		38		84
5. Women Welfare Activities	238	853	7	3
6. Other Developmental Activities	2536	6319	151	442
Developmental Activities Total	517086	198463	190447	263378
H. Remunerative Enterprises:				
1. Maintenance of Markets	7223	16890	2124	9480
2. Maintenance of Cart Stands		4320	1	17
3. Maintenance of Slaughter Houses	54	823		1476
4. Maintenance of Avenues		4350	9	1154
5. Fishery rental paid		462	332	2301
6. Average lease amounts paid to		193	27	
7. Maintenance of Ferries		916	854	100
8. Storage of Pesticides, Fungicides and		116		
9. Other items	16131	2636	297	7916
Remunerative Enterprises Total	23408	30706	3645	22444
Miscellaneous:	11792	7883	3774	4157
Total Ordinary/Revenue Expenditure	3219103	1687974	1187339	1623606

## Telangana

Table 3: Revenue receipts- Annual Average per GP (1995-2003)

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
<b>(a) Mandatory Taxes</b>								
MT1.House Tax	218288.79	335387.33	165742.15	356224.05	409837.50	334419.39	730435.45	328116.94
MT2.Kolagaram or Katarusum		519.63	2968.25	78.13	13875.00	257.11	107.39	64.81
MT3.Tax on Advertisements		264.47	70.91	152.89		10831.00	336.17	23.15
MT4. Special taxes on Houses								
i) Drainage Tax	10490.93	9217.36	12410.02	20363.47	1233.33	752.06	5776.67	990.74
ii) Lighting Tax	20373.01	9825.22	13630.57	14611.56	15929.17	5380.86	60636.60	11077.78
iii) Water Tax	44722.80	71871.98	24842.40	32823.24	18708.33	31522.17	70080.32	21853.92
MT5. Others	660.30	21855.23	3648.13	10563.88	4470.83	8006.48	26745.25	8439.25
<b>MT-Total (a)</b>	<b>294535.83</b>	<b>448941.21</b>	<b>223312.43</b>	<b>434817.20</b>	<b>464054.17</b>	<b>391169.07</b>	<b>893781.68</b>	<b>370566.59</b>
<b>(b) Optional Taxes</b>								
OT1. Vehicle Tax		289.51	434.07	1039.06	350.00	202.38	77.28	192.51
OT2. Tax on Agricultural land for a		144.49		1203.13			208.77	
OT3. Land cess on Vacant Land	5566.98	584.02	2921.78	11169.93		4240.91	2616.95	4027.78
OT4. Others	5101.10	1766.72	1267.18	12853.27	33.33	10808.17	388.08	344.47
<b>OT-Total (b)</b>	<b>10668.08</b>	<b>2784.74</b>	<b>4623.02</b>	<b>26265.39</b>	<b>383.33</b>	<b>15251.46</b>	<b>3291.08</b>	<b>4564.76</b>

Table 3 contd

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
(c) Non-Taxes - Fees and Fines								
NT1.Licence fee (D&O Trades & Business)	15793.82	19190.87	12104.20	21244.52	25516.67	14115.95	21203.58	13044.12
NT2.Encroachment Fee		2864.48	1813.07	156.25			3113.10	
NT3.Private Scavenging Fees		82.90	15.34			509.39	39.76	
NT4.Warrant and Distraint Fees		106.79	31.87	39.06	520.83	1472.73		240.74
NT5.Seigniorage Fees for Quarrying	43642.74	4442.62	469.55	2305.60	175.00	2.29	663531.05	6657.41
NT6.Fees on Commercial Crop		206.43	59.37			10.27	5178.57	
NT7.Fees on Numbering Vehicles		228.92	30.00			154.68		
NT8.Layout Fee	158.08	3130.56	588.56	9771.83	7129.17	9628.99	7533.38	636.63
NT9.Permission Fee for Buildings	17650.67	13064.44	13020.11	36731.18	41600.00	20598.20	19864.96	5243.51
NT10.Fee on animals brought for	141301.47	3150.37	4891.56	41472.27	16370.83	122558.52	443.22	11723.35
NT11. Penalties on Dogs & Pigs		154.79			4950.00	13.69		
NT12. I) Cattle Shed	905.02	271.88	484.76	41031.56	54.17	11719.51	13501.33	9037.15
ii) Cattle Pond	8213.36	982.11	1317.65	2810.84	1879.17	4577.09	11666.08	4762.57
NT13. Monthly Fee on Tap Connections	112569.17	84969.20	68304.25	106565.16	150866.67	111018.58	75323.30	54548.53
NT14. Fines	2864.80	3002.54	2623.02	101.27	1187.50	1741.76	803.11	60.19
<b>NT-Total</b>	<b>343099.13</b>	<b>135848.91</b>	<b>105753.31</b>	<b>262229.53</b>	<b>250250.00</b>	<b>298121.64</b>	<b>822201.43</b>	<b>92154.47</b>

Table 3 contd

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
<b>(d) Remunerative Enterprises</b>								
RE1.Marketing Receipts	53753.70	103752.56	140344.82	45429.16	38737.50	35212.06	40756.38	37566.16
RE2.Cart Stand Receipts	384.62	17372.08	685.83		1104.17	381.30	42.63	
RE3.Slaughter House Receipts	370.92	10707.58	901.50	1878.14	1458.33	3509.50	512.10	754.63
RE4.Avenue Receipts	320.14	6686.51	311.88	7996.28	154.17	35.71		
RE5.Sale on Rubbish and Compost	8.17	1940.21	315.98	451.95	3358.33	889.10	183.99	712.96
RE6.Fishery Rentals	37134.88	21168.32	563.27	7824.45	733.33	1932.78	5204.64	27.78
RE7.Income from lease of Govt.,	143.27	5108.93	148.33	234.38	2637.50	961.61	291.67	1236.11
RE8.Ferry Rents		2866.59	52.99		4.17	9250.02	10779.65	69.17
RE9.Rent and produce of lands	11570.49	44816.97	8227.49	23864.81	4312.50	24826.18	63718.61	6734.79
RE10.Receipts from sale of Pesticides,	2523.23	2657.33		2091.52	0.00	47.62		
RE11.Income from Fairs & Festivals		899.99	1.21		958.33	7275.20	1002.67	106.48
RE12.Sand Auctions	1425.48	1584.18	785.48	23409.92	66.67	7260.53	1470.16	5205.74
RE13.Other receipts	17018.77	25531.41	7898.79	9472.51	12325.00	20564.24	19239.41	3346.76
<b>RE-Total (d)</b>	<b>124653.68</b>	<b>245092.65</b>	<b>160237.57</b>	<b>122653.13</b>	<b>65850.00</b>	<b>112145.86</b>	<b>143201.92</b>	<b>55760.58</b>
<b>(e) Other Resources</b>	<b>711.98</b>	<b>4149.56</b>	<b>523.71</b>		<b>5254.17</b>	<b>4695.18</b>	<b>3488.63</b>	<b>11217.59</b>
<b>Gen Rev Total</b>	<b>773668.69</b>	<b>836817.07</b>	<b>494450.04</b>	<b>845965.25</b>	<b>785791.67</b>	<b>821383.21</b>	<b>1865964.74</b>	<b>534263.99</b>
<b>AR-Total (B)</b>	<b>172210.09</b>	<b>324920.41</b>	<b>65679.03</b>	<b>324225.98</b>	<b>320841.67</b>	<b>284156.30</b>	<b>308035.26</b>	<b>134419.95</b>
<b>State Grants -Total (a)</b>	<b>444870.41</b>	<b>527227.11</b>	<b>313727.77</b>	<b>914623.85</b>	<b>546470.83</b>	<b>1076540.55</b>	<b>595002.23</b>	<b>516724.26</b>
<b>Central Grants</b>	<b>238774.79</b>	<b>139988.95</b>	<b>137785.41</b>	<b>192654.20</b>	<b>151358.33</b>	<b>209235.94</b>	<b>232490.43</b>	<b>450773.93</b>
<b>GrantsTotal</b>	<b>683645.20</b>	<b>667216.06</b>	<b>451513.18</b>	<b>1107278.05</b>	<b>697829.17</b>	<b>1285776.49</b>	<b>827492.66</b>	<b>967498.19</b>
<b>Donations and contributions</b>	<b>59965.01</b>	<b>111304.56</b>	<b>20729.45</b>	<b>79207.96</b>	<b>42108.33</b>	<b>51984.46</b>	<b>45561.27</b>	<b>6529.57</b>
<b>Total Revenue Receipts</b>	<b>1689488.99</b>	<b>1940258.10</b>	<b>1032371.70</b>	<b>2356677.24</b>	<b>1846570.84</b>	<b>2443300.47</b>	<b>3047053.93</b>	<b>1642711.71</b>

Table 4: Revenue expenditure - Annual Average per GP (1995-2003)

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
<b>A. Administration:</b>								
1. Salaries and allowances of								
a) Provincialised Staff	336373.39	374580.14	225494.78	657329.84	364420.83	574361.99	434983.60	378860.39
b) Non-Provincialised Staff	61805.75	171256.72	44214.39	24367.11	83079.17	86092.98	147017.13	189573.20
c) Part-timers and others	112204.67	71488.97	67818.67	217378.59	162433.33	181759.95	178290.60	76767.93
OEA2. Contribution to Pension Fund	14060.89	24272.09	5883.48	6832.31	5195.83	23310.73	3222.85	4838.33
OEA3. Contingencies	14146.36	41114.71	16188.90	19693.90	18537.50	34966.08	25466.03	15731.81
OEA4. Honorarium to Sarpanches	2475.73	4360.32	4271.68	2341.09	5466.67	4840.60	2142.56	1689.81
5. Travelling allowance								
(i) Sarpanch	2250.83	1479.16	1641.75	2139.59	1008.33	1174.91	918.49	4251.20
(ii) Establishment	16267.06	5190.76	2964.36	3603.23	2779.17	11584.04	7037.16	4847.22
OEA6. Cost of Electoral Rolls	1228.00	396.76	734.38	475.23	1158.33	6626.90	1848.95	1550.93
OEA7. Law charges	1191.43	2845.80	763.01	2244.22	1570.83	2103.48	3323.29	1178.62
OEA8. Interest on and re-payment of debt	192.31	1282.86	336.67			489.79	895.03	
OEA9. Repairs to buildings	7199.82	12265.77	10636.04	5233.94	5195.83	8318.14	16894.33	1911.11
OEA10. Other Misc. expenses	20576.67	49131.63	18709.28	25138.58	34604.17	24029.43	23929.30	14704.26
Ordy Expd Administration Total	589972.89	759765.12	399657.36	966777.63	685450.00	959659.01	845969.32	695904.82
<b>B. Lighting:</b>								
OEB1. Electricity Consumption Charges	34840.30	64530.70	15097.76	47365.12	31000.00	59792.19	164790.10	8591.96
OEB2. Purchase of Street Lighting Material	145414.21	152783.38	60395.36	243044.39	141104.17	94746.89	228557.92	134022.32
OEC3. Any other	13839.76	5364.36	4157.00	7633.81	2366.67	2353.28	10785.27	4393.66
Ordy Expd Lighting Total	194094.27	222678.44	79650.11	298043.32	174470.83	156892.36	404133.30	147007.94
<b>C. Communications:</b>								
OEC1. Roads Maintenance	40056.51	165856.26	24393.70	58675.07	159158.33	61324.92	257647.60	27127.76
OEC2. Choultries and Rest Houses	3933.65	193.64	541.35			53.18	6004.37	5643.52
OEC3. Any other	1919.94	1635.18	3460.27	7322.79	3787.50	7970.97	6516.02	6576.34
Ordy Expd Communications Total	45910.11	167685.08	28395.32	65997.86	162945.83	69349.08	270167.99	39347.62



Table 4 contd

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
<b>D. Sanitation and Public Health:</b>								
(1) Public Conservancy		816.93						
(i)Contingencies	24148.12	77923.91	13033.98	34820.35	65275.00	23855.30	59080.88	5858.02
(2) Private Scavenging		21.65						
(i) Contingencies	9105.64	34759.76	6779.70	14463.57	6970.83	6464.01	46520.36	4099.61
(3) Maintenance of Drains	29607.68	53709.59	27037.29	76781.60	118133.33	87756.82	105077.18	22356.48
OES(4) Any other	7647.75	13150.08	15259.27	31337.84	30866.67	44247.86	21975.96	5953.70
<b>Ordy Expd S &amp; Ph Total</b>	<b>70509.19</b>	<b>180381.93</b>	<b>62110.24</b>	<b>157403.36</b>	<b>221245.83</b>	<b>162323.99</b>	<b>232654.38</b>	<b>38267.82</b>
<b>E. Other Amenities:</b>								
OEOA1. Radio Maintenance	683.78	406.20	426.13	457.91	2220.83	3249.95	5153.16	148.15
OEOA2. Reading Rooms and Libraries	567.76	1179.90	764.38	914.06	120.83	3396.54	1274.79	576.17
OEOA3. Parks and Play Grounds	613.60	1217.47	435.61	664.06	966.67	6497.63	9442.54	537.04
OEOA4. Any other	2724.80	1449.27		10642.97	1366.67	14436.13	5042.60	2439.81
<b>Ordy Expd Other Amenities Total</b>	<b>4589.94</b>	<b>4252.84</b>	<b>1626.12</b>	<b>12679.01</b>	<b>4675.00</b>	<b>27580.24</b>	<b>20913.08</b>	<b>3701.17</b>

Table 4 contd

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
<b>F. Water Supply:</b>								
1. Payment of Current Consumption	8164.79	22434.46	6180.86	30708.15	58262.50	20709.48	14986.48	1125.00
2. Bleaching Powder Charges	31036.55	15486.33	16023.93	37671.00	26058.33	37672.33	24998.89	29868.99
3. Repair to Motors	46089.60	50583.73	28870.75	26266.93	31370.83	93168.18	47222.78	30999.32
4. Repair to Pipe Lines	54149.38	53388.75	19068.44	116128.06	66591.67	83790.95	60191.36	22651.77
OEWS5. Others	35400.74	38334.59	23166.04	37521.88	50245.83	76341.66	28730.43	13944.44
Ordy Expd Water SupplyTotal	174841.05	180227.86	93310.01	248296.02	232529.17	311682.61	176129.95	98589.52
<b>G. Developmental Activities:</b>								
1. For works(State Grants & Own Sources)						14165.38		
a) Gram Panchayat Funds	104494.62	110925.81	14437.44	58710.17	121875.00	97594.64	79453.67	84737.71
b) State Government Grants	18083.49	1532.48	1752.83		33566.67		1041.67	717.59
c) State Finance Commission Grants		662.11	832.33	10843.75	0.00	1190.48		
d) Other Funds	892.24	5742.32	1703.33		604.17	5347.42	5690.15	115.74
2. For Works(Central Grants)					0.00			
a) Union Finance Commission Grants	31085.01	41937.69	34034.92	37308.84	37166.67	74975.43	34265.30	101097.70
b) JRY/JGSY/SGRY Grants	205641.84	100341.93	89328.71	129877.95	119295.83	165523.85	137392.78	328465.78
c) Other Funds	5163.13	1427.42	43.33		70.83	83.81	3236.29	
3. Social Education	15.25	572.32	267.75		245.83	1439.70	1600.28	
4. Agriculture and Animal Husbandry		36.42	107.24	23.44	70.83	750.88	916.67	41.67
5. Women Welfare Activities		310.69	53.48	0.00	470.83	476.19	523.35	
6. Other Developmental Activities	12693.81	2563.56	1985.57	23477.70	5716.67	44010.65	14316.70	1009.26
Developmental Activities Total	378069.39	266052.74	144546.94	260241.84	319083.33	405558.42	278436.85	516185.45

Table 4 contd

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
<b>H. Remunerative Enterprises:</b>								
1. Maintenance of Markets	2769.24	9744.51	424.15	1506.07	754.17	3181.86	3349.61	412.04
2. Maintenance of Cart Stands	712.17	1365.83	68.33		770.83	130.95	1650.54	64.81
3. Maintenance of Slaughter Houses		698.09	253.93	140.63	108.33	708.73	660.12	101.85
4. Maintenance of Avenues	96.15	1708.36	174.10		8.33	160.71	45.49	
5. Fishery rental paid		888.91	11.68	156.25		122.11	8335.09	23.15
6. Average lease amounts paid to		66.74			20.83		5.36	
7. Maintenance of Ferries		505.80	22.59	85.94	8.33	86.82	651.04	
8. Storage of Pesticides, Fungicides and		36.42	86.67		4.17	483.54	11.33	
9. Other items	2668.38	5869.39	1315.73	18494.51	862.50	4914.17	1972.26	1222.22
<b>Remunerative Enterprises Total</b>	<b>6245.94</b>	<b>20884.05</b>	<b>2357.19</b>	<b>20383.39</b>	<b>2537.50</b>	<b>9788.89</b>	<b>16680.83</b>	<b>1824.07</b>
<b>Miscellaneous:</b>	<b>18208.65</b>	<b>6475.45</b>	<b>1321.26</b>	<b>4298.07</b>	<b>58333.33</b>	<b>55974.23</b>	<b>602.30</b>	<b>31217.59</b>
<b>Total Ordinary/Revenue Expenditure</b>	<b>1482441.4</b>	<b>1808403.52</b>	<b>812974.54</b>	<b>2034120.5</b>	<b>1861270.8</b>	<b>2158808.82</b>	<b>2245687.99</b>	<b>1572046.01</b>

## Coastal

Table 5: Revenue receipts - Annual Average per GP (1995-2003)

	Srikakulam	Vizianagaram	Visakapatnam	E.Godavari	W.Godavari	Krishna	Guntur	Prakasam	Nellore
(a) Mandatory Taxes									
MT1.House Tax	190350.62	335387.33	434514.23	218590.69	150029.25	346953.66	336169.54	393851.59	245871.25
MT2.Kolagaram or Katarusum		519.63	56.52	4976.51	794.05	4967.08	921.64	654.72	99.43
MT3.Tax on Advertisements	500.00	264.47	67.93	1709.22	447.00	655.42	1587.35	665.00	147.73
MT4. Special taxes on Houses						0.00			
i) Drainage Tax	7647.63	9217.36	1010.87	369.21	3503.51	118.55	190.64		1327.42
ii) Lighting Tax	9554.40	9825.22	543.48	1271.79	3403.48	3947.09	100.34	3601.28	2.84
iii) Water Tax	28554.98	71871.98	212586.20	13924.12	27609.17	21365.20	25249.52	37286.55	42127.99
MT5. Others	46.88	21855.23	2484.27	2760.75	2953.96	8460.88	5351.57	3871.69	3205.47
MT-Total (a)	236654.49	448941.21	651263.51	243602.30	188740.43	386467.88	369570.60	439930.83	292782.13
(b) Optional Taxes									
OT1. Vehicle Tax	4.59	289.51	12720.63	2518.44	553.74	8705.17	31.98	378.79	172.33
OT2. Tax on Agricultural land for a	8.09	144.49		161.33	8.54	52.31	23.95	131.44	
OT3. Land cess on Vacant Land	103.91	584.02	79.62	985.24	929.83	5639.10	3110.18	7065.07	406.25
OT4. Others	399.05	1766.72	16.30	350.77	1031.19	3004.17	384.12	64.39	742.82
OT-Total (b)	515.64	2784.74	12816.55	4015.78	2523.29	17400.74	3550.23	7639.69	1321.40

Table 5 contd

	Srikakulam	Vizianagaram	Visakapatnam	E.Godavari	W.Godavari	Krishna	Guntur	Prakasam	Nellore
(c) Non-Taxes - Fees and Fines									
NT1.Licence fee (D&O Trades & Business)	33561.25	19190.87	9687.50	11029.57	8916.40	134384.46	11617.95	57479.14	53218.61
NT2.Encroachment Fee	7705.85	2864.48	2464.85	1085.65	2794.26	1620.72	2128.26	3583.94	7491.71
NT3.Private Scavenging Fees	554.69	82.90		892.21	125.68	293.22	0.00		1252.84
NT4.Warrant and Distraint Fees	416.45	106.79	22.44	12.36	15.81	670.15	33.36	534.17	135.00
NT5.Seigniorage Fees for Quarrying	3445.49	4442.62	8810.21	4233.26	4442.12	5895.89	7005.57	9530.53	855.94
NT6.Fees on Commercial Crop	7297.41	206.43		383.26	400.94	5035.32	160.42	5910.98	
NT7.Fees on Numbering Vehicles	378.04	228.92	162.42	2560.38	414.87	652.54			3565.34
NT8.Layout Fee		3130.56	1546.20	1134.03	2182.69	3758.86	1955.80	6156.51	5592.27
NT9.Permission Fee for Buildings	10722.04	13064.44	10984.42	14730.48	5482.12	169830.69	4804.38	7579.74	3313.55
NT10.Fee on animals brought for	199.47	3150.37	137.74	1330.26	388.75	1516.54	183.33	860.52	48.94
NT11. Penalties on Dogs & Pigs		154.79		1.39	50.73	1450.55			153.55
NT12. I) Cattle Shed	285.69	271.88	14.48	36.43	47.18	75.99	68.54	110.84	14.20
ii) Cattle Pond	171.99	982.11	1904.95	373.11	725.87	195.50	6294.08	103.47	36.93
NT13. Monthly Fee on Tap Connections	19867.65	84969.20	17577.89	18449.06	74493.54	41603.17	23649.72	26786.72	33528.75
NT14. Fines	4358.63	3002.54	198.41	495.39	1266.86	2558.31	1120.85	2936.76	633.52
NT-Total	88964.64	135848.91	53511.51	56746.83	101747.81	369541.91	59022.25	121573.31	109841.15

Table 5 contd

	Srikakulam	Vizianagaram	Visakapatnam	E.Godavari	W.Godavari	Krishna	Guntur	Prakasam	Nellore
(d) Remunerative Enterprises									
RE1.Marketing Receipts	77003.70	103752.56	55564.74	37040.01	23646.26	15121.00	3426.23	22181.44	25727.77
RE2.Cart Stand Receipts	11898.89	17372.08	5927.61	4849.51	2084.19	3421.50	773.67	6832.95	1617.22
RE3.Slaughter House Receipts	2004.67	10707.58	786.17	1877.51	423.80	256.40	112.85	881.52	3943.18
RE4.Avenue Receipts	1167.52	6686.51	2103.02	18049.75	26386.67	15768.13	1623.08	1312.03	215.91
RE5.Sale on Rubbish and Compost	2005.55	1940.21	74.44	1028.01	137.48	386.76	5963.25	250.02	164.35
RE6.Fishery Rentals	7394.96	21168.32	1644.76	16278.82	67119.01	49487.91	30309.15	8729.37	3521.00
RE7.Income from lease of Govt.,	1054.69	5108.93	10191.58	2079.76	5566.00	7775.54	9560.90	5689.39	555.27
RE8.Ferry Rents		2866.59	5.43	3052.64	9904.66	5635.86	734.40	76.89	
RE9.Rent and produce of lands	37643.31	44816.97	10907.69	3771.57	1733.95	4768.56	2762.17	6890.91	12263.24
RE10.Receipts from sale of Pesticides,		2657.33	547.55	32.36	30.58	1841.91	1.53	75.76	22.73
RE11.Income from Fairs & Festivals	463.33	899.99		120.51	1205.97	1316.16	63.56	364.56	471.59
RE12.Sand Auctions	85.90	1584.18	3237.76	1992.60	1050.85	6570.88	868.16	4.17	2132.01
RE13.Other receipts	14342.73	25531.41	5301.50	13209.25	6761.75	27510.50	5673.48	27635.72	6447.69
RE-Total (d)	155065.25	245092.65	96292.25	103382.27	146051.16	139861.12	61872.43	80924.72	57081.96
(e) Other Resources	5037.43	4149.56	11089.69	7129.49	4180.97	18859.75	906.81	64.78	2251.59
Gen Rev Total	486237.45	836817.07	824973.51	414876.68	443243.66	932131.40	494922.30	650133.34	463278.23
assigned revenue	321093.81	324920.41	251954.26	187387.12	257079.06	276698.15	241995.10	293338.05	175793.59
state grants	759672.50	527227.11	300980.17	263837.46	285995.87	489714.01	370974.90	285807.03	243459.72
central grants	225431.05	139988.95	213001.97	107744.45	110685.35	113198.45	148763.36	172680.41	208444.97
grants total	985103.55	667216.06	513982.14	371581.91	396681.22	602912.46	519738.25	458487.44	451904.68
donations and contributions	13928.58	111304.56	11132.13	17496.44	52295.87	33709.30	14415.93	33010.80	41240.04
total revenue receipts	1806363.38	1940258.10	1602042.03	991342.15	1149299.80	1845451.31	1271071.58	1434969.62	1132216.54

Table 6: Revenue expenditure - Annual Average per GP (1995-2003)

	Srikakulam	Vizianagaram	Visakapatnam	E.Godavari	W.Godavari	Krishna	Guntur	Prakasam	Nellore
<b>A. Administration:</b>									
1. Salaries and allowances of		99.41						14041.67	9207.39
a) Provincialised Staff	332856.44	374580.14	195291.07	203630.82	233836.96	307310.63	277460.99	221046.69	216294.33
b) Non-Provincialised Staff	295178.66	171256.72	171379.61	126584.82	95708.82	79982.41	34479.88	72486.66	129769.24
c) Part-timers and others	52370.55	71488.97	55903.92	33783.34	42682.57	34869.24	74886.40	18310.14	63906.70
OEA2. Contribution to Pension Fund	20611.34	24272.09	11041.31	10073.97	14011.38	20509.07	11993.58	10062.29	12229.82
OEA3. Contingencies	32580.13	41114.71	21635.77	13880.28	18647.74	20770.98	37364.68	25172.42	14281.63
OEA4. Honorarium to Sarpanches	3789.05	4360.32	4597.92	3987.93	54168.83	5375.00	4786.36	2464.46	3940.34
5. Travelling allowance						0.00			
(i) Sarpanch	664.82	1479.16	934.04	1924.42	1630.02	4806.22	3264.76	1074.76	4156.53
(ii) Establishment	3356.43	5190.76	3411.33	4551.20	5598.71	6423.61	4284.02	5174.63	4025.94
OEA6. Cost of Electoral Rolls	2156.95	396.76	21.74	488.01	504.28	11617.47	879.16	1913.02	813.54
OEA7. Law charges	2264.45	2845.80	1264.64	1451.52	1842.58	2621.13	1031.94	1880.26	2142.17
OEA8. Interest on and re-payment of debt		1282.86	350.54	168.03	132.14	2669.20	191.53	454.92	212.98
OEA9. Repairs to buildings	8075.62	12265.77	5500.54	2760.68	3636.41	4730.06	1892.90	3656.06	442.14
OEA10. Other Misc. expenses	25644.52	49131.63	16299.78	12624.04	12598.87	26409.08	13622.14	34546.10	15576.16
<b>OEA-Total (A)</b>	<b>779548.95</b>	<b>759765.12</b>	<b>487632.20</b>	<b>415909.05</b>	<b>484999.31</b>	<b>528094.09</b>	<b>466138.33</b>	<b>412284.08</b>	<b>476998.93</b>
<b>B. Lighting:</b>									
OEB1. Electricity Consumption Charges	58927.70	64530.70	70576.95	39032.23	47559.79	61281.70	45691.99	75173.93	46894.46
OEB2. Purchase of Street Lighting Material	105018.95	152783.38	122989.67	61203.98	106014.39	88630.01	84443.92	103373.71	96116.16
OEC3. Any other	19558.17	5364.36	16346.96	7792.38	8300.33	6501.47	4984.98	47353.80	4820.55
<b>OEL-Total (B)</b>	<b>183504.83</b>	<b>222678.44</b>	<b>209913.57</b>	<b>108028.59</b>	<b>161874.50</b>	<b>156413.18</b>	<b>135120.89</b>	<b>225901.44</b>	<b>147831.17</b>
<b>C. Communications:</b>									
OEC1. Roads Maintenance	58069.65	165856.26	24669.86	51104.98	93104.21	253383.80	63796.17	30139.02	18963.49
OEC2. Choultries and Rest Houses	913.81	193.64	1057.07	1566.52	752.58	1145.51	18.58	11102.27	59.66
OEC3. Any other	1373.87	1635.18	1250.58	2833.35	5774.32	4533.69	1518.16	599.13	1652.83
<b>OEC-Total ( C )</b>	<b>60357.32</b>	<b>167685.08</b>	<b>26977.51</b>	<b>55504.85</b>	<b>99631.11</b>	<b>259063.00</b>	<b>65332.91</b>	<b>41840.42</b>	<b>20675.98</b>

Table 6 contd

	Srikakulam	Vizianagaram	Visakapatnam	E.Godavari	W.Godavari	Krishna	Guntur	Prakasam	Nellore
<b>D. Sanitation and Public Health:</b>									
(1) Public Conservancy		816.93						42472.65	54855.11
(i)Contingencies	75504.48	77923.91	133528.86	58445.99	33818.93	75226.77	52641.81	119092.64	37576.59
(2) Private Scavenging		21.65				0.00			
(i) Contingencies	324.22	34759.76	20205.61	12518.59	7751.00	14712.85	2404.94	28126.83	10386.06
(3) Maintenance of Drains	19483.94	53709.59	12771.52	10730.73	16288.63	15112.03	7236.91	14528.41	11132.10
OES(4) Any other	2015.70	13150.08	8452.93	9158.13	8055.19	14623.59	4298.80	55258.92	5008.44
<b>OES- Total (D)</b>	<b>97328.34</b>	<b>180381.93</b>	<b>174958.91</b>	<b>90853.43</b>	<b>65913.76</b>	<b>119675.24</b>	<b>66582.46</b>	<b>259479.45</b>	<b>118958.30</b>
<b>E. Other Amenities:</b>									
OEOA1. Radio Maintenance	2621.25	406.20	106.62	1320.54	384.88	8871.93	1231.32	780.49	1377.84
OEOA2. Reading Rooms and Libraries	3383.84	1179.90	431.03	3242.08	3315.12	11190.44	9465.89	4287.96	2623.68
OEOA3. Parks and Play Grounds	404.93	1217.47	2233.32	743.93	1491.20	12434.82	615.21	481.44	2369.32
OEOA4. Any other	2300.68	1449.27	383.15	1116.94	2951.05	5640.50	2076.46	3024.58	1832.76
<b>OEOA-Total (E)</b>	<b>8710.70</b>	<b>4252.84</b>	<b>3154.11</b>	<b>6423.50</b>	<b>8142.24</b>	<b>38137.69</b>	<b>13388.88</b>	<b>8574.47</b>	<b>8203.59</b>
<b>F. Water Supply:</b>									
1. Payment of Current Consumption	9839.90	22434.46	11679.40	9874.02	12117.60	19745.22	5164.33	22482.47	7671.79
2. Bleaching Powder Charges	1418.84	15486.33	15019.25	4996.79	28781.37	17798.23	11374.55	8670.45	7623.87
3. Repair to Motors	1677.55	50583.73	7303.47	8800.88	30842.17	11487.45	10707.60	7386.74	25374.43
4. Repair to Pipe Lines	10442.14	53388.75	13071.45	9574.38	20945.54	33695.50	28029.76	10203.41	24065.36
OEWS5. Others	16439.51	38334.59	13122.32	15208.37	30081.26	33163.73	75520.39	45416.06	24192.21
<b>OEWS-Total (F)</b>	<b>39817.93</b>	<b>180227.86</b>	<b>60195.88</b>	<b>48454.44</b>	<b>122767.95</b>	<b>115890.13</b>	<b>130796.64</b>	<b>94159.14</b>	<b>88927.65</b>



Table 6 contd

	Srikakulam	Vizianagaram	Visakapatnam	E.Godavari	W.Godavari	Krishna	Guntur	Prakasam	Nellore
<b>G. Developmental Activities:</b>									
1. For works(State Grants & Own Sources)								397.73	9880.68
a) Gram Panchayat Funds	72060.07	110925.81	114442.47	36335.47	70944.38	83003.38	45544.36	126580.93	52292.06
b) State Government Grants	15265.79	1532.48	2653.06	846.92	4338.03	1355.34	410.88		747.16
c) State Finance Commission Grants	1437.65	662.11	3536.75	4870.11	1583.70	1334.78	2352.40	6698.47	
d) Other Funds	36.20	5742.32	2489.39	2837.93	1399.42	6418.35	8201.91	3189.39	107.95
2. For Works(Central Grants)						0.00			
a) Union Finance Commission Grants	42348.80	41937.69	56007.16	37419.29	26342.25	34354.66	42637.00	31806.60	45284.83
b) JRY/JGSY/SGRY Grants	149786.16	100341.93	145072.86	71584.09	90735.61	88541.64	105372.91	161467.32	148643.03
c) Other Funds		1427.42	679.35	3258.17	1581.23	6425.03	1696.53	14566.87	5877.88
3. Social Education		572.32	2.04	259.44	70.94	771.98	565.09	731.74	28.41
4. Agriculture and Animal Husbandry	11.72	36.42		71.30		499.63	30.47	98.48	
5. Women Welfare Activities		310.69	8.15	169.14	64.87	27491.97	493.09	360.98	184.66
6. Other Developmental Activities	175.78	2563.56	3355.08	2359.88	4376.21	6844.29	3568.48	4278.03	914.77
<b>Total (G)</b>	281122.16	266052.74	328246.32	154619.74	201436.63	257041.06	210873.10	350176.56	263961.44

Table 6 contd

	Srikakulam	Vizianagaram	Visakapatnam	E.Godavari	W.Godavari	Krishna	Guntur	Prakasam	Nellore
<b>H. Remunerative Enterprises:</b>									
1. Maintenance of Markets	77003.70	9744.51	548.91	3040.09	709.86	692.92	56.85	428.03	3673.30
2. Maintenance of Cart Stands		1365.83	13.59	49.94	160.52	573.59		481.06	
3. Maintenance of Slaughter Houses		698.09	97.83	144.34	83.98	287.07			
4. Maintenance of Avenues	117.19	1708.36	127.72	1595.48	345.13	1053.60	352.49	56.97	31.25
5. Fishery rental paid		888.91		474.74	208.68	166.91	7.27	476.14	53.98
6. Average lease amounts paid to		66.74		329.89	526.95	4405.39	133.73	185.61	28.99
7. Maintenance of Ferries		505.80		179.01	647.59	198.65	425.70		
8. Storage of Pesticides, Fungicides and		36.42		17.42	20.52	48.14	8.03	11.36	
9. Other items	2292.40	5869.39	1467.78	7602.81	1497.18	4034.29	748.75	93.56	713.07
<b>Total (H)</b>	79413.29	20884.05	2255.82	13433.71	4200.41	11460.56	1732.82	1732.73	4500.59
<b>I. Miscellaneous:</b>	6010.39	6475.45	10032.58	4532.29	3355.57	7022.73	4363.58	9696.25	3511.36
<b>Total Ordinary/Revenue Expenditure</b>	1535813.89	1808403.52	1303366.91	897759.60	1152321.49	1492797.69	1094329.59	1403844.53	1133569.01

## Section II

## Capital side

Table 7: Rayalaseema Annual Average per GP (1995-2003)

	Cuddapah	Chittoor	Ananthapur	Kurnool
CAPITAL RECEIPTS				
Loans		3437.50		168.92
B. Deposits:				
CRD1. Contractors deposits	264292.24	138632.97	100479.76	171312.39
CRD2. Inferior and menial servants Provident	2678.57	991.75		2016.44
CRD3. Library Cess	54422.11	23161.32	12869.19	18994.02
CRD4. Suspense Account	470.24	346.98	1118.89	2577.04
CRD5. Any other	10606.96	13025.22	24408.04	8983.46
Capital Revenue Deposits Total	332470.12	176158.24	138875.87	203883.34
C. Advances				
CRA1. Advances recovered	30151.57	11318.24	14795.56	21070.91
CRA2. Refund of permanent advance	858.22	559.10	1202.32	1854.10
Capital Revenue Advances Total	31009.79	11877.35	15997.88	22925.01
Capital Revenue Grants		1326.53	4931.75	15.66
Capital Revenue Donations & Contributions	273.81	321.88	10199.22	233.11
Total Receipts Capital	363753.72	193121.49	170004.72	227226.04
Grand Total Receipts	3780081.87	1954979.44	1467990.32	1996518.87
Opening Balance (O.B)	712119.60	334314.22	215026.76	124444.33
Grand Total including O.B	4492201.47	2289293.65	1683017.08	2120963.20

Table 8: Capital expenditure Annual Average per GP (1995-2003)

CAPITAL EXPENDITURE	Cuddapah	Chittoor	Ananthapur	Kurnool
A. Loans Repaid		3850.00		6058.73
B. Deposits:				
1. Contractors deposits	210593.96	108598.12	46394.09	129692.29
2. Inferior and menial servants Provident	2678.57	3355.56		1742.81
3. Library Cess refunded or paid to local	46175.76	18464.11	9204.00	17459.40
4. Suspense Account	17.86	1377.63	1040.18	5557.36
5. Any other	2339.88	806.25	2015.71	2774.40
Capital Expenditure Deposits Total	261806.04	132601.67	58653.97	157226.26
C. Advances:				
1. Advances recoverable	36429.40	14315.31	21009.29	20069.85
2. Permanent advance	2041.67	932.03	5524.78	63.26
3. Any other	59.52	1297.34	281.25	1392.41
Capital Expenditure Advances Total	38530.59	16544.68	26815.32	21525.52
Lands and Buildings		715.91	802.97	1015.20
Communications		4134.38	458.85	172.20
Other items of Capital Expenditure	128218.75	4156.47	879.46	67.57
Total Capital Expenditure	428555.38	162003.09	87610.58	186065.48
Grand Total Expenditure	3647658.60	1849976.90	1274949.75	1809671.15
Closing Balance (C.B)	675006.95	531505.18	210033.90	140741.83
Grand Total including C.B	4322665.55	2381482.09	1484983.65	1950412.98

Table 8 contd

	Cuddapah	Chittoor	Ananthapur	Kurnool
Investments, if any				
<b>a) Bonds</b>		109.38	10781.25	1013.51
b) Buildings				
<b>D) Infrastructure</b>				
a) Social				
b) Economic				
<b>Total Value of Investments</b>		109.38	10781.25	1013.51

## Telangana Annual Average per GP (1995-2003)

Table 9:

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
<b>CAPITAL RECEIPTS</b>								
<b>A. Loans</b>		1131.89	6.67	242.97	233.33	323.98	172.62	
<b>B. Deposits:</b>								
CRD1. Contractors deposits	3786.92	158481.59	8996.34	3022.08	5029.17	3879.36	12014.02	449.07
CRD2. Inferior and menial servants Provident	158.65	899.83	35.00			2774.81		
CRD3. Library Cess	13123.41	24664.84	10126.41	23196.90	29429.17	18364.02	44683.02	15614.75
CRD4. Suspense Account		1184.52	3.44	495.46	491.67	2158.27	207.74	78.70
CRD5. Any other	822.10	13849.02	189.16	1960.94	4670.83	443.10	14686.34	1897.81
<b>CRD-Total (B)</b>	17891.09	199079.80	19350.35	28675.38	39620.83	27619.56	71591.12	18040.33
<b>C. Advances</b>								
CRA1. Advances recovered	3104.92	17855.78	664.64	1314.84	912.50	3664.64	6435.01	1412.04
CRA2. Refund of permanent advance		1123.26	101.23	554.69	300.00	497.16	290.48	1648.15
<b>CRA-Total (C)</b>	3104.92	18979.04	765.87	1869.53	1212.50	4161.80	6725.48	3060.19
<b>CR D. Grants</b>		1509.68			104.17		2463.95	
<b>CR E. Donations &amp; Contributions</b>	7502.48	2769.32	221.01	263.90		1110.21	2375.00	
<b>Total Receipts Capital</b>	28498.49	223469.72	<b>20343.90</b>			33215.55	83328.17	21100.51
<b>Grand Total Receipts</b>	1717987.47	2163727.82	1052715.60			2476516.02	3130382.10	1663812.22
<b>Opening Balance (O.B)</b>	95775.84	274228.04	19735.46	37562.38	415941.67	397654.73	336772.55	128736.33
<b>Grand Total including O.B</b>	1813763.31	2437955.86	1072451.05			2874170.75	3467154.65	1792548.56

## Annual Average per GP (1995-2003)

Table 10

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
<b>CAPITAL EXPENDITURE</b>								
<b>A. Loans Repaid</b>		2977.74	161.33		1037.50	397.68	2659.79	
<b>B. Deposits:</b>								
1. Contractors deposits	8729.58	116341.09	956.97	2770.80	5025.00	4662.06	11335.61	250.00
2. Inferior and menial servants Provident	120.19	2007.53	832.36	452.03	3208.33	3935.69	4642.86	481.48
3. Library Cess refunded or paid to local	12002.26	20655.50	8017.06	23625.33	24850.00	20395.84	40493.84	7749.79
4. Suspense Account	675.61	2285.26	170.39	5310.12		213.60	89988.39	259.26
5. Any other	1169.66	1893.54	1519.84	0.78	575.00	1143.84	19973.51	537.04
<b>Total ( B )</b>	22697.30	143182.93	11496.62	32159.06	33658.33	30351.02	166434.21	9277.56
<b>C. Advances:</b>								
1. Advances recoverable	6687.41	20849.86	3818.23	3621.84	7087.50	14440.17	23535.24	3487.62
2. Permanent advance	1602.64	1867.64	70.60		1675.00	6234.26	783.45	472.22
3. Any other	1141.67	886.12	147.63	507.81	1529.17	1164.36	19973.51	462.96
<b>Total ( C )</b>	9431.72	23603.62	4036.46	4129.66	10291.67	21838.79	44292.20	4422.81
<b>D. Lands and Buildings</b>		698.28	1529.30	546.88	13479.17	1182.38	7008.44	
<b>E. Communications</b>	9006.47	1550.35	283.64	234.38	841.67	330.95	6646.25	90.01
<b>F. Other items of Capital Expenditure</b>		22724.23	1317.00	1562.50	1300.00	4235.62	102.64	1296.30
<b>Total Capital Expenditure</b>	41135.50	194737.16	18824.35			58336.43	227143.52	15086.68
<b>Grand Total Expenditure</b>	1519999.37	2003140.68	831798.89			2217145.26	2472831.51	1587132.69
<b>Closing Balance (C.B)</b>	189589.86	335482.42	16832.34	96530.17	439920.83	175129.19	353569.17	131124.94
<b>Grand Total including C.B</b>	1709589.23	2338623.09	848631.23			2392274.45	2826400.68	1718257.63

Table 10 contd

	Warangal	Ranga reddy	Nizamabad	Nalgonda	Medak	Mahaboob nagar	Khammam	Adilabad
Investments, if any								
<b>a) Bonds</b>		2706.69	1.00			1788.43		27.78
b) Buildings			9174.19	153403.33				
<b>D) Infrastructure</b>								
a) Social			125.00			232.74		
b) Economic			25.07					
<b>Total Value of Investments</b>		2706.69	9325.25			2021.17		27.78



## Coastal Annual Average per GP (1995-2003)

Table 11

	Srikakulam	Vizianagaram	Visakapatnam	E.Godavari	W.Godavari	Krishna	Guntur	Prakasam	Nellore
<b>CAPITAL RECEIPTS</b>									
<b>A. Loans</b>	12250.00	1131.89		21.97	148.80	391.33	66.48		56.82
<b>B. Deposits:</b>									
CRD1. Contractors deposits	80671.47	158481.59	49623.61	36568.38	32899.97	49297.37	27172.51	61292.09	51095.87
CRD2. Inferior and menial servants Provident	9280.72	899.83	145.53	775.72	337.78	2104.91	833.51	822.73	304.01
CRD3. Library Cess	16728.20	24664.84	23185.70	13239.61	12444.67	25107.77	17665.90	32328.11	17233.13
CRD4. Suspense Account	5460.43	1184.52	97.83	824.54	276.75	925.71	819.79	2783.38	105.11
CRD5. Any other	8091.20	13849.02	2084.11	1147.09	1525.72	4924.09	2111.14	4357.39	120.67
<b>CRD-Total (B)</b>	120232.02	199079.80	75136.77	52555.34	47484.88	82359.85	45117.46	101583.69	68858.78
<b>C. Advances</b>									
CRA1. Advances recovered	16821.46	17855.78	4630.68	69949.05	6890.43	10913.83	4754.42	3351.46	48.30
CRA2. Refund of permanent advance	195.31	1123.26	375.00	153.19	443.49	216.09	500.54	632.58	763.52
<b>CRA-Total (C)</b>	17016.77	18979.04	5005.68	70102.24	7333.93	11129.92	5254.96	3984.04	811.82
<b>CR D. Grants</b>		1509.68		2065.91	1626.76	2130.54	2333.26		443.18
<b>CR E. Donations &amp; Contributions</b>	437.50	2769.32	879.08	2060.43	3235.70	1170.53	514.44	8302.47	3928.98
<b>Total Receipts Capital</b>	149936.29	223469.72	81021.53	126805.90	59830.07	97182.18	53286.59	113870.20	74099.57
<b>Grand Total Receipts</b>	1956299.67	2163727.82	1683063.56	1118148.04	1209129.87	1942633.49	1324358.18	1548839.82	1206316.12
<b>Opening Balance (O.B)</b>	341950.56	274228.04	220008.68	97708.56	64055.76	2244895.63	146706.09	381363.75	279977.49
<b>Grand Total including O.B</b>	2298250.24	2437955.86	1903072.24	1215856.60	1273185.63	4187529.12	1471064.26	1930203.58	1486293.61

## Annual Average per GP (1995-2003)

Table 12 :

	Srikakulam	Vizianagaram	Visakapatnam	E.Godavari	W.Godavari	Krishna	Guntur	Prakasam	Nellore
<b>CAPITAL EXPENDITURE</b>									
<b>A. Loans Repaid</b>	78.13	2977.74		38.19	361.24	88.38	625.00	432.95	59.66
<b>B. Deposits:</b>									
1. Contractors deposits	48697.20	116341.09	33641.15	39074.71	30130.70	34841.33	18960.50	46530.21	21564.17
2. Inferior and menial servants Provident	465.63	2007.53	324.24	691.65	1897.59	3950.17	861.49	1255.41	25.57
3. Library Cess refunded or paid to local	11047.43	20655.50	18876.32	9053.11	10359.87	19241.79	13583.00	26679.30	10382.11
4. Suspense Account	9407.81	2285.26	725.73	813.03	546.60	1606.84	3090.89	5548.63	455.87
5. Any other	7984.28	1893.54	2819.10	2214.27	2511.55	3727.31	1713.81	1288.04	280.40
<b>Total ( B )</b>	77602.34	143182.93	56386.54	51846.77	45446.31	63367.44	38209.68	81301.58	32708.11
<b>C. Advances:</b>									
1. Advances recoverable	20245.41	20849.86	5809.05	8790.47	8075.72	8451.99	5679.80	8780.13	9938.35
2. Permanent advance	591.23	1867.64	66.03	366.23	1036.76	874.19	295.32	546.97	333.52
3. Any other	1127.40	886.12	339.41	209.16	1638.02	1277.62	2002.13	1035.98	1191.76
<b>Total ( C )</b>	21964.04	23603.62	6214.49	9365.86	10750.50	10563.51	7977.25	10363.09	11463.64
<b>D. Lands and Buildings</b>	168.92	698.28		307.58	112.64	526.18	383.81	4621.21	4809.66
<b>E. Communications</b>	252.34	1550.35		3859.88	4458.06	428.00	396.31	486.59	1355.11
<b>F. Other items of Capital Expenditure</b>		22724.23	1407.91	2047.95	2300.39	1850.18	659.91		1971.59
<b>Total Capital Expenditure</b>	100065.77	194737.16	64008.94	67466.23	63429.15	76823.68	48251.95	97205.43	52367.77
<b>Grand Total Expenditure</b>	1635879.67	2003140.68	1367375.84	965225.82	1215750.63	1569621.37	1142581.54	1501049.97	1185936.78
<b>Closing Balance (C.B)</b>	339642.46	335482.42	246961.45	87904.90	71410.24	787209.84	194034.27	397796.98	264775.51
<b>Grand Total including C.B</b>	1975522.13	2338623.09	1614337.30	1053130.72	1287160.87	2356831.22	1336615.81	1898846.95	1450712.30

Table 12 contd

	Srikakulam	Vizianagaram	Visakapatnam	E.Godavari	W.Godavari	Krishna	Guntur	Prakasam	Nellore
Investments, if any									
<b>a) Bonds</b>		2706.69		15.15	1219.51	288.85			
b) Buildings						91.47	1001.42	378.79	
<b>D) Infrastructure</b>									
a) Social									
b) Economic							25000.00		
<b>Total Value of Investments</b>		2706.69		15.15	1219.51	380.32	26001.42	378.79	