

The Mumbai Municipal Corporation Act, 1888.

Municipal Budget.

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History of Budget .

- Historically, the word 'Budget' is derived from the French Word '**Bougette**', the bag in which the Minister carried the papers and counts necessary for his statement.
- With the passage of time, the word '**Budget**' came to refer the documents than the bag itself.
- The term came to be used from 1760.

Definition of Budget.

- A Budget is an **estimate of anticipated income and expenditure** of a particular period generally **one year** from the April to March.
- A Budget thus refers to a statements showing expected, anticipated of estimated income and expenditure for the ensuing period, usually a year.

Definition of Budget.

- A Budget referred to a statement showing **expected, anticipated or estimated income & expenditure for ensuing financial year**, starting from 1st April & ending on 31st March of next year.
- It contains for ready reference of financial account of previous years, **actual of last 3 years, budget estimate & revised estimates of current year & budget estimates of ensuing year.**

Objective of Budget.

- The objective of the Budget is to **raise adequate resources and spend them on the services & amenities** as determined, directed, sanction & adopted by the Legislative i.e. Corporation.
- It is **direction given by the Legislative** i.e. Corporation to Executive Wing i.e. Municipal Corporation who has to **execute the plan & policies within limits given** by Legislative i.e. Corporation.

Municipal Budget.

- A Budget, therefore, becomes both **description of fiscal policies** of Municipality and **financial plans** corresponding to them.
- Municipality prepare '**Revenue Budget**' for maintaining existing services, operation & maintenance, while '**Capital Budget**' for creation of new assets i.e. infrastructure so as to increase the capacity to provide better services with increase in quantity & quality of services.

Evaluation of Mumbai Municipality.

- 1888 – Bombay Municipal Corporation Act.
Budget A – Main Budget. Part I – General. In 1976 Part –II – Hospital & Health.
- 1933 – City of Bombay Improvement Trust Act, 1933. 1st Oct. 1933 – Improvement Trust was merged with B. M. C.
- **Budget B – Improvement.** 1. City Improvement 2. Slum Clearance – City. 3. Slum Clearance – Suburbs. 4. Slum Improvement.

Evaluation of Mumbai Municipality.

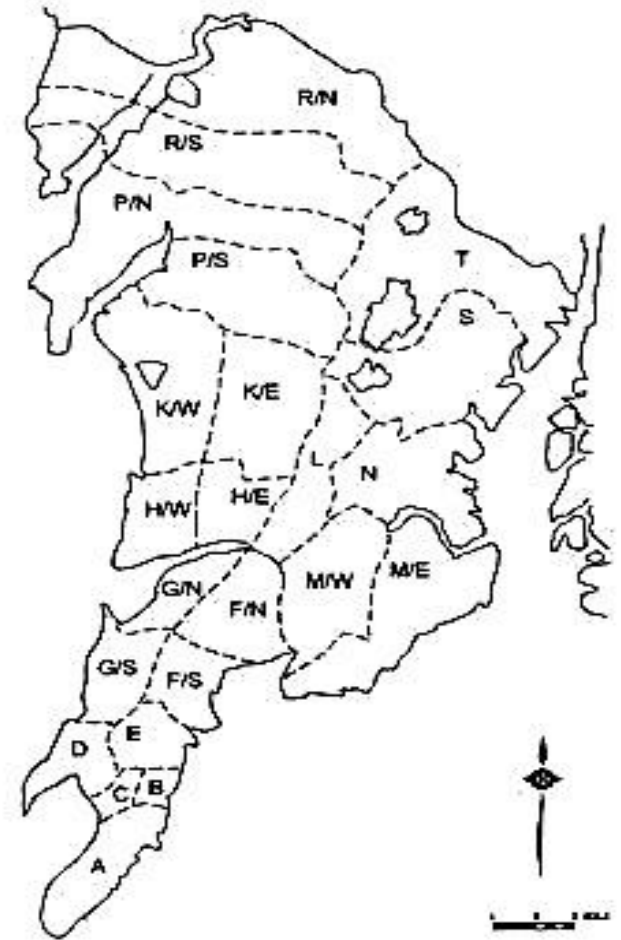
- 7th Aug. 1947 – B E S & T Co. Ltd. Was Municipalised. **Budget C** – BES&T Undertaking
- 1950 – Suburbs were merged with the Corp. **Budget D** – For Suburbs.- **H, K, L, M, N.**
- 1950 **Budget E** – Education.
- 1957 – Extended Suburbs were merged with Corporation. **Budget F.- P, R, S, T.**
- 1974 – **Budget G** – Water Supply & Sewerage Disposal.
- 19th Apr 1998 to 29th Apr 1999 -**Mayor in Council.**

Budget – Fund Code.

Fund	Code.	Budget Particular.
10		Budget A – Main Budget. Div. I – City.
	11	Part I – General. Div. II – Wes. Sub.
	12	Part II – Health Budget. Div. III – Eas. Sub.
20		Budget B – Improvement.
	21	Improvement Scheme.
	22	Slum Clearance.
	23	Slum Improvement.
30		Budget E – Primary Education.
40		Budget G – Water Supply & Sewerage Disposal.
50		Tree Authority.
60		Provident Fund.
70		Pension Fund.

A Glimpse of Mumbai.

- Area - 437 Sq.Km
- Population - 1.2 Crores
- Employees - 1.05 Lakhs
- Annual Budget - Rs 19,500 Crores
- No. of Wards - 24
- No of Hospitals-25
- No of Beds-16000
- No of Schools - 1200
- No of School Children - 5 lakhs
- Garbage – 8,000 tons/ day
- Pre-1950 – City only up to G and F Wards (Mumbai City district)
- 1950 – H, K, L, M, N Wards added (Suburbs)
- 1957 – P, R, S and T Wards added (Extended suburbs)



Statutory Provision.

- The Mumbai Municipal Corporation Act, 1888 under Chapter VII – Revenue & Expenditure title ‘Annual Budget Estimate’ under **Sec. 125 to 134** the necessary various provision are made in respect of Budget.

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Discussion in Ward Committee.

- After the 74th CAA, the Ward Committees are formed in which in addition to Elected Councilors the representative of NGO & CBO are also nominated.
- Thus E.R. along with people representative will be consulted regarding priorities of works to be carried out in ward area. It is necessary to know what people want, what is people need.

Discussion in Ward Committee

- As per **Sec. 50TT (7) (b)** in the function of Ward Committee, these Ward Committee will consider and make (in Oct) **recommendations** on the proposals regarding estimates of expenditure pertaining to the ward under different heads of account of the budget before being forwarded to the Commissioner.

Prepare Estimate of I & E.

- **Sec. 125.** The Municipal Commissioner on or before each 5th February prepare and lay before Standing Committee Budget A- Main, Budget-B Improvement.
- **Sec. 126A.** The General Manager on or before each 10th October prepare and lay before B. E. S. & T. Committee Budget C – B. E. S. & T. Undertaking.

Prepare Estimate of I & E.

- **Sec. 126 C.** The Municipal Commissioner on or before each 5th February prepared and lay before the Education Committee Budget E – Education.
- **Sec. 126 E.** The Municipal Commissioner on or before each 5th February prepared and lay before the Standing Committee Budget G – Water Supply & Sewerage Disposal.

Budget should includes.

- The **Actual** of income & expenditure i.e. account of last 3 years.
- **Revised Budget Estimate** of income & expenditure of current year i.e. actual of first 8 months from 1st April to 30th November and estimate of last 4 months from 1st December to 31st March

Budget should includes.

- **Estimate of income & expenditure** of ensuing year and estimate of closing balance of current financial year.
- **Proposal of taxes, fee & charges** to be levy for next ensuing year.
- **Establishment schedule** – Number of Schedule post with it's grade & allowances with estimates of Establishment Expenditure.

Budget should includes.

Sec. 126G. Service Report with financial subsidiary / assistance on following basic services –

- a) Water supply & disposal of Sewerage,
- b) Scavenging, Transportation and disposal wastes – Solid Waste Management,
- c) Municipal (Public)Transport, &
- d) Street lighting.

Whether these activities are provided with financial subsidy. If so from which sources the services are subsidized. Detail about local beneficiary of these services.

Budget should includes.

- **Section 63 B** – Before 31st July every year M. C. should submit **Environment Status Report** with present status of air pollution before Corporation in manner specified by State Govt.'s Maharashtra Pollution Control Board.
- **Gender Budget** – Allocation for Women & Child Welfare works.
- List of Capital Works to be carried out various departments – **Outcome Budget**.

Framing of Budget. Sec 126.

- **Standing Committee** shall frame budget subject to such **modification and additions** therein or thereto as they shall think fit.
- **Standing Committee** can obtain such further detailed information and explanation from Municipal Commissioner.
- St. Com. Shall provide for payment, as they fall due, of all sum of installments of principal and interest on loan.

Balance Budget.

- While framing budget St. Com. Shall allow for a cash balance at the end of the said year. i. e. Maintain **Statutory Minimum Surplus Cash Balance** in every budget.
- **Sec. 126(2)(d)** – Budget A- Rs. One lakh.
- **Sec. 126 B (c)** – Bud. C –BEST – Rs. One lakh.
- **Sec. 126 D (2) (b)** – Education – Rs. Twenty thousand.

Framing authority and time limit.

- **Sec. 126** – St. Com. Shall frame Budget A, B. Mun. Com. shall print finally St. Com. Approved budget and not later than 1st March forward copy their of to the usual or last known local place of each councilors.
- **Sec. 126 F** – St. Com. Shall frame Budget G - W S S D. Mun. Secretary shall print and forward to each councilors on or before 1st March.

Edu. & B E S T Budget through St. Com.

- **Sec. 126 D (3)** – Edu. Com. shall frame Budget E and forward to St. Com. on or before 1st March, who shall prepare report to the Corporation. Mun. Secretary shall print and forward to each Councilors.
- **Sec. 126 B** –BEST Com. Frame.- General Manager lay before St. Com. on or before 1st December, who will lay prepare report to the Corporation. Mun. Secretary shall print and forward to each councilors nor later than 31st December.

Fixing rate of taxes, fares & charges

- **Sec. 128** – The Corporation shall on or before the 20th March determine, subject to the limitation and condition's, prescribed the rate of taxes, fee, charges and fares in respect of BEST and articles on which octroi shall be levied , in next ensuing official year.

Final adoption of Budget estimates.

- **Sec. 129** – The **Corporation** subject to modification as they think fit **shall adopt** final budget estimates of all Budgets.
- The Budget as adopted by the Corporation is **final Budgets** and Municipal Commissioner will implements the same and work within these frame works.

Budget Authority & Time Limit.

Type of Budget.	Preparation.	Framing.	Adoption.
A – Main Budget Part I – General. Part II – Health.	125(1) Municipal Commissioner on or before each 5 th February.	126 Standing Committee subject to modification & addition not later than 1 st March.	128 The Corporation on or before 20 th March determine rate of taxes, fee charges.
B – Improvement.	125(2) Municipal Commissioner on or before each 5 th February.	126 Standing Committee subject to modification & addition not later than 1 st March.	129 The Corporation subject to modification adopt final Budget Estimates of all Budgets.

Budget Authority & Time Limit.

Type of Budget.	Preparation.	Framing.	Adoption.
C – Brihan Mumbai Electric Supply & Transport Undertaking. B E S T	126 A – General Manager on or before each 10 th October.	126 B – BEST Com. subject to modification & addition lay before St. Com. who with report to Corporation Before 31 st December.	128 – The Corporation on or before 20 th March determine fares & charges in respect of BEST.
E – Education . Primary Education.	126 C – Municipal Commissioner on or before 5 th February.	126 D (3) – Education Com. subject to modification & addition lay before St. Com. who with report to Corporation before 1 st March	129.– The Corporation subject to modification adopt final Budget Estimate of all Budgets.

Budget Authority & Time Limit.

Type of Budget.	Preparation.	Framing.	Adoption.
G – Water Supply & Sewerage Disposal. W. S. & S. D.	126 E – Municipal Commissioner on or before each 5 th February.	126 F – Standing Committee subject to modification & addition not later than 1 st March.	128 – The Corporation d on or before 20 th March determine rate of taxes, fee. Charges.
Tree Authority.			129 – The Corporation subject to modification adopt final Budget Estimates of all Budgets.

Additional Grant.

- **Sec. 131** – On the recommendation of St. Com. in respect of municipal fund and B E S T Committee in respect of BEST Fund, the Corporation from time to time during an official year increase the amount of any budget , or make additional budget grant for the purpose of meeting any special or unforeseen requirement arising during the said year subject to maintaining minimum surplus cash balances.

Unexpended budget grant.

- **Sec. 132** - If the whole or any portion of budget grant remains unexpended at the close of the year and if the amount thereof has not been taken into account in the opening balance, entered in the budget estimates of any of the next two following years, the St. Com., Edu. Com. Or B E S T Com. as the case may be sanction the expenditure during the next two year for the same purpose for which the budget grant was made.

Reductions and transfer.

- **Sec. 133.-** Gives authority for reductions & transfer of budget grants.
- Mun. Com. up to Rs. 5000/-.
- St. Com. can reduce and transfer up to Rs. 15000/- from one budget grant to another budget grant.
- The Corporation on recommendation St. Com. Can allow transfer.
- Transfer from one budget to another budget is not allowed.

Re-adjustment of Income & Expenditure.

- **Sec. 134.** – If at shall at any time during the official year appear to the Corporation, upon the recommendation of St. Com. or B E S T Com. , that income is not sufficient to meet expenditure and balance will be less than minimum surplus cash balance, it shall be incumbent of the Corporation to sanction forthwith any measure which shall be necessary for proportioning the year income to the expenditure.

Budget – Fund Code.

- Budget 'A' – Main Budget.

- Fund Code 11 – General Budget.
- Fund Code 12 – Health Budget.

Div. I – City. A, B, C, D, E, F/S, F/N, G/N, G/S.

Div. II – Wes. Sub. H/W, H/E, K/W, K/E, P/S, P/N, R/S, R/C, R/N.

Div. III – Eas. Sub. L, M/W, M/E, N, S, T.

Budget – Fund Code.

- **Budget ‘B’ – Slum Budget.**
 - Fund Code 21 – Improvement Scheme.
 - Fund Code 22 – Slum Clearance.
 - Fund Code 23 – Slum Improvement.
- **Budget ‘E’ – Education.**
 - Fund Code 30 – Education Budget.

Budget – Fund Code.

- Budget 'G' – Water Supply & Sewerage Disposal.
 - Fund Code 40 -- W. S. & S. D. Budget.
- Budget -- Tree Authority Budget.
 - Fund Code 50 – Tree Authority Budget.
 - Fund Code 60 – Provident Fund.
 - Fund Code 70 – Pension Fund.

Budget.

- Budget 'C' – B. E. S. & T. Undertaking.
- Brihanmumbai Electric Supply and Transport Undertaking.

R – Revenue Income.

- R1. – Octroi (Net).
- R2.– Prperty Tax.
- R3. – Water & Sewerage Charges.
- R4. – Receipt from Development Plan Department.
- R5. – Grant-in Aid from Government.
- R6.– Supervision Charges.

R – Revenue Income.

- R7. – Solid Waste Management.
- R8. – Receipts from Roads & Bridges.
- R9. – Receipts from License Department.
- R10. – Receipts from Hospital & Medical Colleges.
- R11. – Receipts from Market & Deonar Abattoir.
- R12. – Other Receipts.

E – Revenue Expenditure.

- E1. – Establishment Expenses.
- E2. – Administrative Expenses.
- E3. – Operation & Maintenance.
- E4. – Interest & Finance Charges.
- E5. – Program Expenses.

E – Revenue Expenditure.

- E6. – Revenue Grants, Contribution & Subsidies.
- E7. –Provision & Write-off.
- E8. – Transfer to Reserve Fund.
 - (i) Transfer to Capital Fund.
 - (ii) Other transfer.
- E9. – Refund of Taxes.

A – Capital Expenditure.

- A1. – Strengthening of Civic Infrastructure.
- A2.– Up gradation of Social Infrastructure & Amenities.
- A3. – Cleanliness & Improvement of City Environment.
- A4. – City Beautification & Creation of Places of Tourist Interest.

A – Capital Expenditure.

- A5. – Disaster Management & Improving Disaster Preparedness.
- A6. – Improving Civic Services & Citizen Facilitation.
- A7. – Institutional Improvement & Reforms.
- A8.– Social Welfare.
- A9. – Improvement, Management & Maintenance of Municipal Assets.

A – Capital Expenditure.

- A10. – Common Services & Miscellaneous Activities.
- Sub – Total.
- Add :-- Contribution to Capital Account.
- Grand – Total.

Department – Functionary Code.

- 18.- Information Technology Deptt.
- 21.- Disaster Management Cell.
- 24.- Assessor & Collector Deptt.
- 30.- E. O. Education Deptt.
- 31. – Ch. Eng. Solid Waste Management Deptt.
- 32.– Ch. Eng. Transport Deptt.
- 33.- Ch. Eng. Storm Water Drains Deptt.

Department – Functionary Code.

- 34. – Ch. Eng. Mechanical & Electrical Deptt.
- 35. – City Engineer's Deptt. For Building Const.
- 37. – Ch. Eng. Development Plan Deptt.
- 38. – Ch. F. O. Fire Brigade Deptt.
- 41.– Superidentant. Garden Deptt.
- 42.—Asst. Com. --Market Deptt.
- 43.– Gen. Manager. Deonar Abattoir Deptt.
- 44.– Ch. Eng. Roads & Traffic Deptt.

Department – Functionary Code.

- 45. – Ch. Eng. Bridges Deptt.
- 46. – Manager – M. P. P. Printing Press Deptt.
- 47.– Ex. H. O. Health Department.
 - Medical Colleges.
 - Major Hospitals.
 - Specialized Hospitals.
 - Peripheral Hospitals.

Department – Functionary Code.

- 49. – H. E. Water Operation Deptt.
- 50. – Ch. Eng. Water Supply Project Deptt.
- 51.– Ch. Eng. Sewerage Operation Deptt.
- 52. – Ch. Eng. Sewerage Project Deptt.
- 53.– Ch. Eng. Mumbai Sewerage Disposal Project.
- Other Departments.
- Contribution to Capital Account.

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