

### 4.10.3 Issues, Potential and Challenges in Drainage sector

#### Key Issues

##### i) Policy level issues

- Short term: Strengthening drainage facilities in the entire city as well as in slum areas for ensuring hygienic conditions.
- Long term: To provide pucca drainage facilities at all levels, primary secondary and tertiary, including an efficient planned system for the year 2031.
- Augmentation of the existing drainage networks, primary, secondary and tertiary: Future population addition is expected to increase the pressure on the drainage system of the city. Considering that presently, in rainy season the roads get flooded, hampering movement of vehicles, JCMC needs to augment storm water drains along all road networks.

##### ii) Service and O&M issues

The continuous addition of household waste sewage and sewer lines into the nallah water causes the surface water quality to deteriorate and this is on the rise with rapid urbanization.

- The sullage from the city after being collected from 5 main nallahs is then let into the Girna River and the Mamurabad Naala without going through a sewage treatment plant hence causing contamination of water bodies also.
- Solid waste is discharged into the drains resulting in blocked drains and unhealthy conditions.
- Mixing up of sewerage and storm water is a predominant issue in Jalgaon. The excess water from the soak pits which is allowed to flow into the drains causing dangerous situations during the rains when there is overflow.

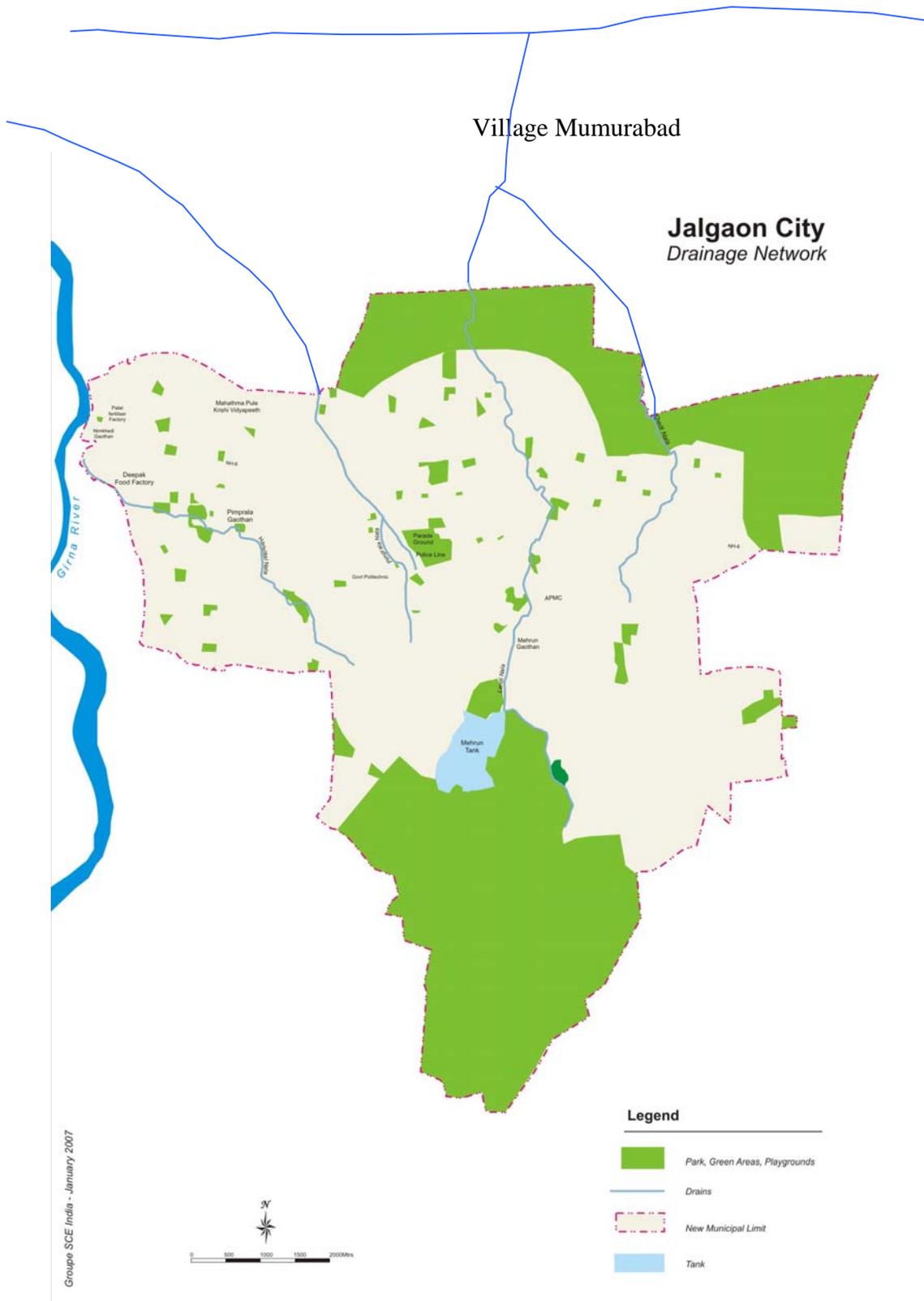
##### iii) Potential

- Areas abutting drains have a potential to be developed as green areas as a neighborhood level amenity.
- Utilize primary drains for rainwater harvesting.

#### Pictures: Clogged storm water drains



Map 11: Drainage Network



## 4.11 MUNICIPAL SERVICES – SOLID WASTE MANAGEMENT

### 4.11.1 Introduction

Garbage collection and disposal, as SWM was known earlier, constituted an obligatory function of the municipalities and continues to be so. However, comprehensive rules at the national level came to be framed only after the Supreme Court passed orders in the public interest litigation case referred to earlier. The Ministry of Environment and Forests (MoEF) notified the Municipal Solid Wastes (Management and Handling) Rules in September 2000 and they are applicable to every municipal body in the country.

The Jalgaon City Municipal Corporation is responsible for collection, disposal and management of Municipal Solid Waste within the city. Due to rapid urbanization and increase in population waste collection and its transportation and disposal is a challenging task to the urban local bodies. No specific land was reserved for compost depot in the sanctioned development plan of the old city limits<sup>18</sup>. The waste generated is disposed in an unscientific manner. The manpower and transport system is inadequate for the waste management of the city.

### 4.11.1 Existing status of collection and disposal

The solid waste generated in the city mainly consists of domestic refuse (including slum area), wastes from commercial areas, vegetable fruit market, slaughterhouses, bio-medical waste, wastes from hotels and restaurants and industrial solid wastes. The waste generation is large in the high-income groups followed by middle and low-income group.

The municipal area has been subdivided into seven zones for collection purpose. Waste generation accounts for about 160 tones/ day, the average per capita 0.30kg/day<sup>19</sup> and the collection is 100%. JCMC currently provides Door to Door Collection System only for some parts of the city, although it intends to implement this system for the entire city. The JCMC plans to implement it in the near future through public private partnership schemes. Private agencies will be mandated to collect wet and dry garbage/ refuse separately from individual houses and offices. Subsequently, they need to transfer it to Secondary Collection points (community bins). Currently the JCMC has identified 150 secondary collection points located in various points in the city, out of which 20 collection points are located in slums namely, Tambapura, Harivitthal Nagar, Samatha Nagar, Pimprala, Thukaramwadi, Ambedkar Nagar, HUDCO, Shivajinagar, Dandekar Nagar, and Khanderao Nagar. The private agency would also be responsible to collect user charges as established by the JCMC. The JCMC also used abandoned quarries and ditches to act as dump sites.

18. Development Plan of Jalgaon, 1991

19 . Eco friendly approach of urban solid waste management – A case study of Jalgaon city, Maharashtra.

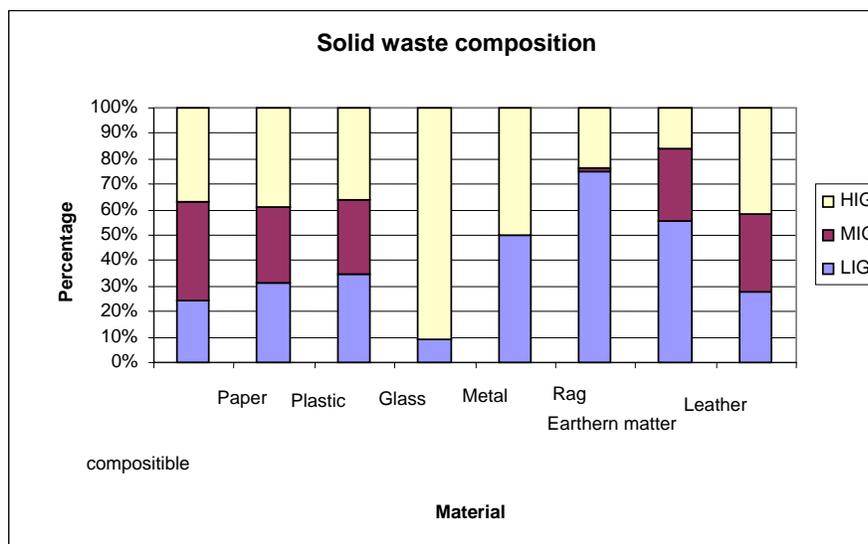


**Table 23: Physical Composition of Solid Waste in Jalgaon City**

Sl.No.	Physical Composition	Income Groups (%)		
		LIG	MIG	HIG
1	Compostable	45	72.2	68
2	Paper	4.5	4.25	5.5
3	Plastic	3.5	2.9	3.6
4	Glass	0.9	0	9
5	Metal	0.5	0	0.5
6	Rag	5.4	0.13	1.7
7	Earthen matter	40	20.3	11.4
8	Leather	0.2	0.22	0.3

(Source: North Maharashtra University)

The physical composition of municipal solid from the different income groups were analyzed based on various sources. The Compost able waste generation rate is more in MIG, followed by HIG and LIG, whereas earthen material generation rate is more in LIG, followed by MIG and HIG. The general observation is that, the compostable waste generation rate is higher than the rest; it indicates more waste in the form of agriculture products and allied materials in the city.

**Diagram 10: Percentage of physical Composition of Municipal Solid Waste**

#### 4.11.2 Infrastructure: Collection, Transportation and Storage

Table 24: Number of houses, shops and offices

Unit No.	No. of Houses (approx.)	No. of Offices & Shops (approx.)
1	14662	407
2	10844	5912
3	13192	2190
4	14938	3543
5	11330	581
6	16749	1919
7	10391	338

(Source: JCMC)



Map 12: Solid Waste Disposal Sites



### 4.11.3 Ongoing Initiatives:

At present, JCMC has been identified land fill sites at Awhane Shiwar an extent of 16.0 acres, Konkai Road dumping site (proposed compost plant) an extent of 16.00 acres and Mahadi Shiwar an extent of 7.0 acres and existing Bio – medical (mansi) plant with the treatment capacity of 750 kg/day and expected to 1.5 ton/day.

**Picture 2: Mansi Bio-medical treatment plant**



### 4.11.4 Issues, Potential and Challenges in sewage and sanitation sector

#### i) Policy level issues

- Unscientific waste disposal is causing environmental problems.
- Due to improper management of municipal solid waste and uncontrolled dumping of waste on the outskirts of towns and cities, they create overflowing landfills.

**Picture 3: Dumping sites**



#### ii) Service and O&M issues

- Waste collection is limited only to certain areas
- Open storage bins lead to environmental pollution and health hazards
- Waste disposed in drains and on road sides
- Drains blocked due to waste disposal leading to water contamination and health and hygiene problems.

#### iii) Potential

Huge quantity of refuse generation and its pollution load in Jalgaon city indicates that the need for adoption of effective refuse management system for protection of the environment and aesthetic beauty of the city.



#### 4.11.5. Best practices that may be adopted

**1. Karnataka Compost Development Corporation Limited (KCDCL):** KCDCL was established in 1975 by the Govt. of Karnataka with the object of promoting hygienic disposal of solid wastes of Bangalore city. The wastes generated in the wholesale vegetable markets are directly transported to the KCDCL plant at Bommanahalli, 20 km away from the city. About 200 MTs of waste per day is treated by aerobic digestion method and converted into good quality manure. Composting is completed in about 3-4 weeks. Different grades of organic manure are produced and marketed as 'BIOAGRO' and 'BIOAGRO RICH'. Field trials have revealed that they serve as good quality manure and when used in combination with inorganic fertilizer increases the yield and the taste of food products.

**2. Waste to Energy – Power plant:** The first Integrated Municipal Solid Waste based power plant was set up in Andhra Pradesh by Sriram Energy Systems Ltd (SESL). The capacity of the power plant is 6.0 MW and is aimed at processing 500 MT of garbage per day (280 MT at Guntur and 225 MT at Vijayawada). The plant is set up in 10 acres of land at Vijayawada housing both process plants and water is provided by the corporation on paid basis. The process plant today yields a recovery of about 40% of combustibles from the municipal wastes.

**3. Community Participation in Waste Management at Kalyan Nagar, Bangalore:** The community participation in Solid Waste Management at Kalyan Nagar was implemented under the project title “Integrated Urban Environment Improvement”, with the assistance from the Norwegian Agency for the Development Co-operation (NORAD), and active involvement of the BDA in co-ordination with the NGO, Centre for Environment Education (CEE) in 1998. Kalyan Nagar has nearly 3,000 houses with total population of appx. 16,000. Its residents mostly belong to middle income groups. The residents of Kalyan Nagar had a committee named as Kalyan Nagar Welfare Association to address the local civic problems. This committee looks after all issues of solid waste management, which includes workers' problems, salary payment, maintenance and purchase etc. There are 28 workers employed and paid monthly salary of Rs 900 by the committee. Each worker earns Rs 15 to 25 per day through selling recyclable waste. Everyday, waste is collected door to door from all the houses from 7.00 am to 10 am. About 12 tricycles are used, each carrying three drums for separate collection of organic (wet) waste, inorganic (dry) waste and recyclable waste. One ton organic waste generated per day, which is used for composting and appx. 500 to 600 kg inorganic wastes generated and stored separately are lifted by the Corporation twice a week. Around 300 to 400 kg organic compost and 50 kg vermicompost are generated and sold at Rs 5/ kg & 8/kg. Every month, Rs 15 is collected from each house by the Committee. The total revenue generated is Rs 35,000 to 38,000 per month and the total expenditure incurred is Rs 34,000 to 35,000. Surplus is deposited in the bank account of the association.



## 4.12 INSTITUTIONAL FRAMEWORK

### 4.12.1 Introduction

This chapter presents the existing institutional framework within which various bodies are responsible for the provision of urban infrastructure for the Jalgaon region. It presents institutional issues, opportunities, and institutional development strategies. The first section describes the highlights of reforms, history and organizational setup of Jalgaon City Municipal Corporation. The second section briefly describes the parastatals/departments involved, while the last section bring outs issues and recommendations for the implementation of UIDSSMT.

### 4.12.2 Reforms Action

The ULBs in Maharashtra begin from the variety of Acts that govern them. Unlike other States, where all the ULBs are governed by a uniform act, ULBs in Maharashtra are governed by the Bombay Municipal Corporation Act, 1888, and the City of Nagpur Corporation Act, 1948, the Bombay Provincial Municipal Corporations Act, 1949, the Maharashtra Municipal Councils, Nagar Panchayats and Industrial Townships Act, 1965. **JCMC** is operating within the preview of BPMC Act, 1949.

Urban reforms in Maharashtra started with the 74<sup>th</sup> CAA. The Conformity to the provisions of 74<sup>th</sup> Constitutional Amendment Act (74<sup>th</sup> CAA) lays down the powers and functions of the City Corporation and the provisions for operations. The Maharashtra State Government may entrust to the Corporation through a government order (GO) which essentially comprises the 18 listed items of Schedule XII of the 74<sup>th</sup> CAA. Since its inception, the Jalgaon Municipal Corporation has been the provider and facilitator of all core municipal services, including water supply and sewerage, sanitation, solid waste management and maintenance of roads in its jurisdictional area of 68.24sq.km. There is more than one service provider and implementing agency within JCMC's jurisdictional area. These are the JCMC and Maharashtra Housing & Area Development Authority (MHADA). The Town Planning Department (operating at the state level) prepares Development Plans and hands it over to the JCMC for implementation. JCMC prepares proposals for lands reserved within the Development Plan for civic amenities and submits it to the District Collector for Acquisition (Land Acquisition Officer). After acquisition through the LA Act 1894, it is handed over to JCMC for possession.

The state government has formed the 11<sup>th</sup> Finance Commission & 12<sup>th</sup> Finance Commission on 20<sup>th</sup> February, 2002 & 21<sup>ST</sup> November, 2005. The Jalgaon City Municipal Corporation has received grants under 'B' class municipality.



### 4.12.3. Jalgaon City Municipal Corporation (JCMC)

Jalgaon Municipal Council was established on 24<sup>th</sup> November 1864. The State Government in its notification has announced the formation of Jalgaon City Municipal Corporation (JCMC) with effect from 21st March 2003. Jalgaon City Municipal Corporation was formed as a corporate body under the Bombay Provisional Municipal Corporation (BPMC) Act, 1949. JCMC serves an area of approximately 68.24sq.kms, including the city and its peripheral areas and provides a range of civic services to around 3.68lakhs citizens of the city of Jalgaon. The BPMC Act entrusts the authority with responsibility for administering of duties to the city. It consists of 69 Councilors who are elected representatives of the city and 5 persons nominated by the councilors.

The councilors are elected every 5 years and the meeting of the councilors is held once a month. The Mayor is the first citizen of the city, and is elected by the councilors and holds office for a period of two & half years. The Mayor presides over the General Body Meeting of the councilors. The elections to the municipal body are held every five years. The last general elections were held in 2003 and the next one is to be held in 2008. The ward committees are constituted as per the provision of 74th CAA. There is a Ward Committee for each of the administrative wards within the JCMC area.

#### **The Standing Committee**

The Standing Committee consists of 16 councilors. The Standing Committee/General Board essentially governs the functioning of the Corporation on behalf of the 69 councilors. It is the policy making body of the Corporation and makes all decisions with respect to the establishment and finances of the Corporation.

#### **The Ward Committee**

At present, the ward committee is not formed



#### 4.12.4 Organizational Structure

**Organogram (see organogram chart -1)** Administrative Setup of JCMC is as follows:

##### **Municipal Commissioner**

The Municipal Commissioner is the administrative head and Chief Executive Officer of the Corporation; he manages monitors & controls the day-to-day affairs of the Corporation, subject to approvals and sanctions from the Standing Committee. The Municipal Commissioner is the implementing authority for the policy decisions taken by General Body / Standing Committee of Municipal Corporation. He is empowered to attend the General Body but does not have any voting rights. However, he can take part in discussion with the approval of the Chairman<sup>20</sup>.

##### **City Engineer**

This post is the head of the technical wing of the Corporation. The City Engineer is appointed under the section 45 of BPMC Act 1949. At present City Engineer is entrusted with Water Supply, Underground Sewerage, Storm Water Drainage, Street Lighting, Housing, Garden, and UIDSSMT. The City Engineer is assisted by 2 Executive Engineers, 3 Deputy Engineer and 15 Junior Engineers.

##### **Municipal Secretary**

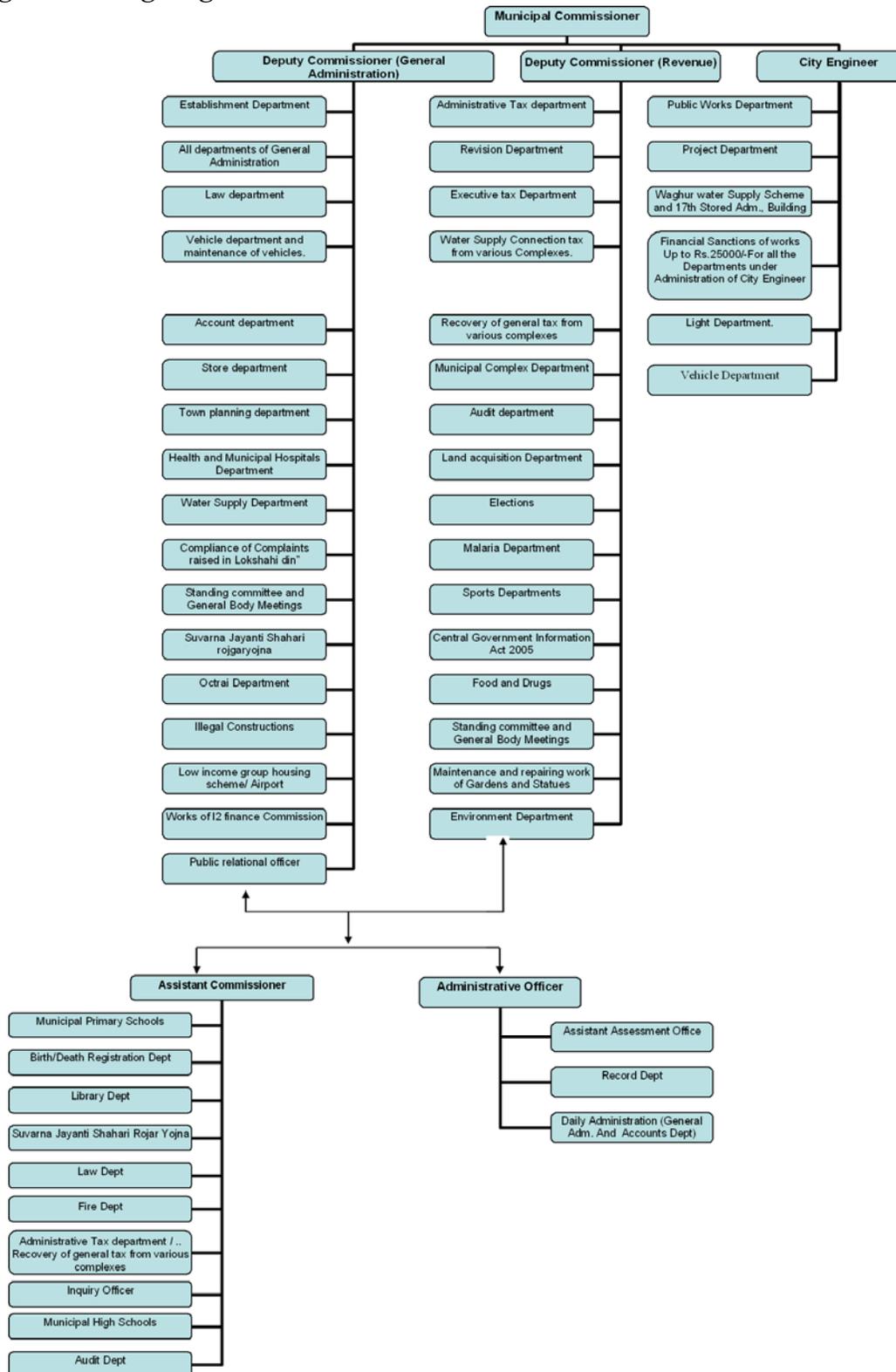
He is entrusted with the work of providing secretarial services to the General Body, Standing Committee, Ward Committee, other adopt committees appointed by General Body.

In 1999, the Jalgaon City Municipal Corporation implemented various projects such as Slum Improvement (Resettlement and Redevelopment – 2000 units in 1987) under the assistance of HUDCO and Town Planning Schemes for selected areas etc. Implementing Waghur Water Supply Scheme stage – V, Phase –I assistance of HUDCO, prepared the Comprehensive Traffic and Transportation plan and various DPR's relating to Sullage Treatment Plants & roads etc.

20. State Government under section 36 of BPMC Act 1949.



Diagram 11: Organogram



**4.12.5 Institutional Services:** Jalgaon City Municipal Corporation is the primary institution for providing civic services and planning and developmental services within the municipal area. The Town Planning Department of Jalgaon is the primary institutions involved in preparation of Development Plan and services relating to Planning and physical developmental services outside the municipal limits. All the core municipal services, their design and implementation are within the domain of JCMC. The table below maps the scope and extent of responsibilities of the City Corporation.

**Table 25: Institutional Services Responsibility Matrix**

Service/ sector	Planning & Design	Execution & Enforcement	O&M
Department of Town Planning (DTP)	DTP& JCMC	JCMC	JCMC
Water Supply	JCMC	JCMC	JCMC
Sewerage & Sanitation	JCMC & Maharashtra Jeevan Pradhikarn (MJP)	JCMC	JCMC
Storm Water Drainage	JCMC	JCMC	JCMC
Roads – National Highways	JCMC	JCMC & PWD	JCMC & PWD
Street lights	JCMC	JCMC	JCMC
Solid Waste Management	JCMC	JCMC	JCMC

The BPMC Act has entrusted JCMC the responsibility for the maintenance, operation and development of certain public utilities in the city. Each institution operates under different and independent constitutional provisions/ acts and that the administered areas are different from the jurisdictional areas. The same is brought out in the following section. Institutional overlap of service delivery is also elaborated under each respective sector of infrastructure assessment chapter.

**Table 26: Planning departments – roles in City Development**

Department of Town Planning (DTP)	Providing physical planning and preparing and notifying Development Plan for the region.
Jalgaon Municipal Corporation (JCMC)	Providing planning and developmental services including the civic services within the municipal area. Property tax coverage is under JCMC. 1
City & Industrial Development Corporation (CIDCO)	CIDCO plays the role of developing housing complexes and hands them over for further maintenance & operation to the Municipal Corporation and also funding to provide basic civic amenities to all.
Maharashtra Industrial Development Corporation (MIDC)	Development and Planning within notified Industrial area and water supply within MIDC. However Development of sewerage system in residential area within MIDC is under JCMC. Internal Road Development is under MIDC but subsequent Maintenance & Operation is under JCMC as is



	property tax coverage of the area.
Maharashtra Housing & Area Development Authority (MHADA)	MHADA has also developed sites for Housing for low and middle-income group after area Developed internally they are being covered by JCMC. MHADA is also Nodal agency for housing activity in slum areas.

**Table 27: Other Government and Parastatal agencies – roles in City Development**

National Highways / National Highways Authority of India (NHAI)	NH-6 is passing through JCMC area. Their planning and Maintenance & Operation is looked after by Respective Division of National Highway.
Maharashtra Jeevan Pradhikaran	It is a State Govt. undertaking for the appraisal of all projects related to water supply, sewerage & sanitation, solid waste management and storm water drains. In case of any difficulty related to Environment project, Regional chief Engineers of MJP are supposed to be consulted.
Forest Depart	In the Corporation limit some areas are reserved for forest, all decisions regarding development & planning here are taken by the Forest Department.
Dist. Court	Court Building office premises and residential quarters are under Revenue Department. Planning and Development rests with PWD Department. The external services are managed by JCMC.
Railways	Western and Central Railway pass through the center of the city. They look after all planning and development activity pertaining to the railway and implements them. Construction of ROB, RUB etc, will be a joint effort between JCMC & Railways.
MSRTC	A Govt. of Maharashtra undertaking and is mainly involved in intercity transport. However, along with their major activity they are looking after city Bus service. All planning development and implementation aspects related to city Bus Transport is concerned is looked after by them.
Police Depart	Police Department deals with Traffic control & Management within the city. JCMC co-operates for any specific reservations for police stations and other purposes.
State PWD	The PWD is in charge for construction and maintenance of assets such as Rest houses, Government building, Circuit house, along with State Highways.
Maharashtra State Electricity Distribution Company (MSEDCL)	Supply and O&M of electrical energy required for various purposes rests with MSEDCL. JCMC Co-ordinates with selection of the location of the sub stations and Transformer location within the city area.



### 4.13 – Municipal Finances

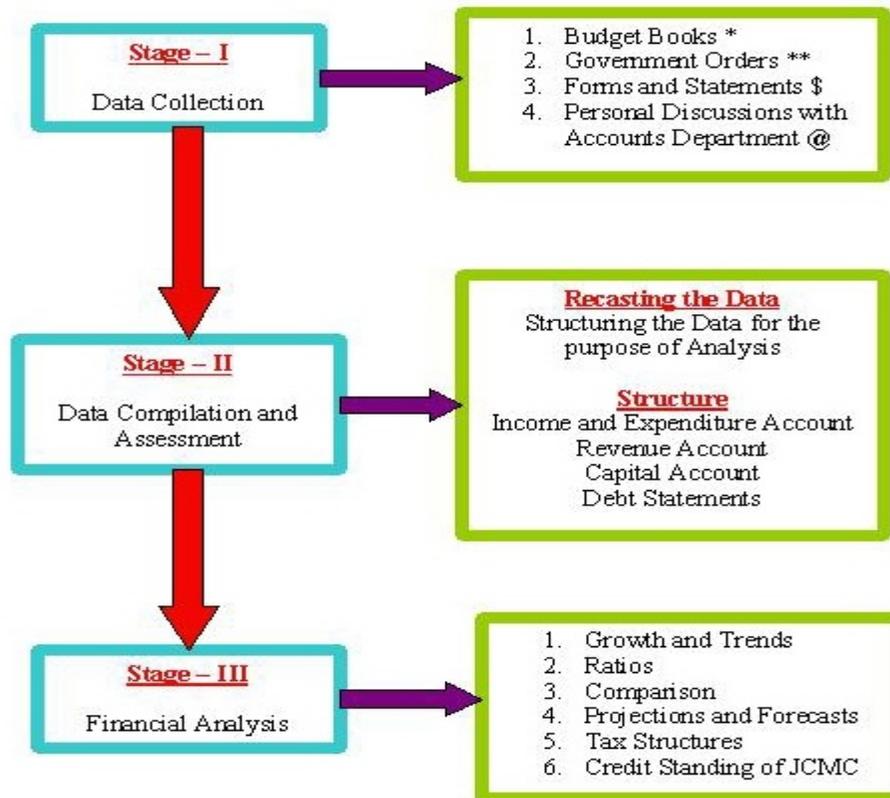
This chapter covers the study and analysis of the Municipal Finance related to JCMC. The study of the JCMC finances aims at understanding the existing financial situation, analysis of the various statements to present an overview of the growth trends and financial health of the institution. The study also identifies key areas of concern and areas of opportunity along with suggested improvements. The improvements pursued systematically can help JCMC to be prepared in order to carry out various capital investments in areas of infrastructure under the UIDSSMT.

JCMC is a municipal body under the Bombay Provincial Municipal Corporations Act, 1949. This “Act” empowers Urban Local Bodies (ULBs) to manage the finances related to the ULB. The fiscal management includes the ability of the ULBs to levy certain taxes and charges along with grants and contributions from the State Government. JCMC has benefited from the state Government releases in form of grants. Recently, JCMC has received grants under the 12<sup>th</sup> State Finance Commission.

#### Methodology:

The following steps have been adopted in the study and analysis of municipal finances of JCMC. The first step has been to ascertain the financial position of Jalgaon City Municipal Corporation (JCMC). This is through the detailed analysis of its existing municipal finance by differentiating and categorizing the account heads into revenue account and capital account. For the purpose of financial assessment, financial data pertaining to the last five years (2001-02 to 2005-06) are organized into spreadsheets and tables suitable for analysis. The various steps involved in analyzing the municipal finances are as follows:





\* Annual Budget Reports of 2004-05 and 2003-04

\*\* See, details of Government Orders in section 4.13.3 as well as Appendix

\$ Property Tax Collection forms, water tax collection forms, Octroi Collection forms have been used. Statements like Income and Expenditure Account has been used

@ The discussions with Chief Accounts Officer, Jalgaon City Municipal Corporation, were held during various visits from 12<sup>th</sup> February, 2007 to 6<sup>th</sup> April, 2007

Figure 4.13.1 – Chart showing various steps

#### 4.13.1 - JCMC's Accounting Methodology - Existing

JCMC's current accounting system works on the basis of single entry accounting system. This system is maintained on the cash basis. Many of the municipalities in the country follow a similar system.

JCMC is categorizing its transactions into two different types of accounts which can be classified as Revenue Account and the Capital Account. The Revenue account provides for



the details of both the Revenue Incomes and Revenue Expenditures and similarly Capital Account is divided into Capital Receipts and Capital Expenditure.

All the expenses that are incurred by JCMC in the regular course of operation towards maintenance are treated as Revenue Expenditures and all those incomes that are earned by it in the ordinary course of operations such as tax revenues, non-taxes revenues and other sources are treated as Revenue Incomes.

Similarly, all the loans & advances, deposits, grants & contributions from Government etc., are treated as Capital Incomes while expenses on asset creation and investment on new projects such as project expenses and infrastructure development etc, are treated as Capital Expenditures.

The Revenue Income can further be classified as Internal or Operating Income and External Sources. Internal income includes the receipts from the operations of the corporation like that of Income from Taxes, Income from Special Taxes, Water Charges, Sewerage charges, Advertisement Fees, Food and License Fees, etc. The External Source of Receipts of JCMC includes Revenue Grants received from the Central and State Governments as well as contributions towards the projects.

Similarly, Revenue Expenditure can be classified as Operating Expenditure and Other Expenditures. Operating Expenditure includes expenses incurred by JCMC towards General Administration, Public Safety, Public Health and Welfare, Public Education as well as meeting the expenses towards maintaining Water Supply and Sanitation facilities for the city. Other expenditures include revenue grants and contributions provided by JCMC to other agencies as well as repayment of loans taken by JCMC.

Apart from this, the Capital Receipts of JCMC includes Incomes from Municipal Properties which are in the nature of capital receipts and other loans taken by JCMC towards the earmarked purposes. Similarly, the Capital Expenditure of JCMC includes expenditure incurred by it towards implementing the projects, upgradation and improvement of the assets / properties of JCMC.



#### 4.13.2 – Financial Status Overview

The municipal finances of the Jalgaon City Municipal Corporation (JCMC) have been reviewed for the last five years commencing from the financial year 2001-02 to 2005-06. The items of both receipts and expenditure are classified under revenue and capital accounts as per their sources and uses. (Gopi had highlighted asking the validity of the last word. It is in order. So I haven't changed it)

<b>Table - 26 - Summary Income and Expenditure Account</b>					
<b>Particulars</b>	<b>Actuals - (Amount in Rupees Lakhs)</b>				
<b>Revenue Account</b>	<b>2001 - 02</b>	<b>2002 - 03</b>	<b>2003 - 04</b>	<b>2004 - 05</b>	<b>2005 - 06</b>
Income	6,723	5,314	5,649	6,473	5,381
Expenditure	6,568	4,718	5,843	6,592	4,825
<b>Surplus / Deficit</b>	<b>154</b>	<b>596</b>	<b>(194)</b>	<b>(119)</b>	<b>556</b>
<b>Particulars</b>	<b>Actuals - (Amount in Rupees Lakhs)</b>				
<b>Capital Account</b>	<b>2001 - 02</b>	<b>2002 - 03</b>	<b>2003 - 04</b>	<b>2004 - 05</b>	<b>2005 - 06</b>
Receipts	3,519	1,666	1,148	9,896 <sup>21</sup>	1,915 <sup>22</sup>
Expenditure	3,413	1,716	1,491	9,637 <sup>23</sup>	2,620 <sup>24</sup>
<b>Surplus / Deficit</b>	<b>105</b>	<b>(50)</b>	<b>(343)</b>	<b>259</b>	<b>(705)</b>
<b>Overall Status Including Opening Balance</b>	<b>578</b>	<b>1,124</b>	<b>584</b>	<b>723</b>	<b>589</b>

Source: JCMC Annual Reports

The Revenue Income of JCMC has grown to Rs.6473 lakhs in 2004-05 from Rs.5314 lakhs in 2002-03. But it has reduced to Rs.5381 in 2005-06, the reason being the absence of Octroi Compensation given by the State Government which was part of the Revenue income in the earlier years. Also JCMC has received an Octroi Compensation to the extent of Rs.2392 lakhs in 2001-02 which has resulted in the increase of JCMC's revenue income. (For details, please refer to the section on Octroi under 4.13.3) JCMC has shown a reduction in its Revenue Expenditure from Rs.6568 lakhs in 2001-02 to Rs.4825 lakhs.

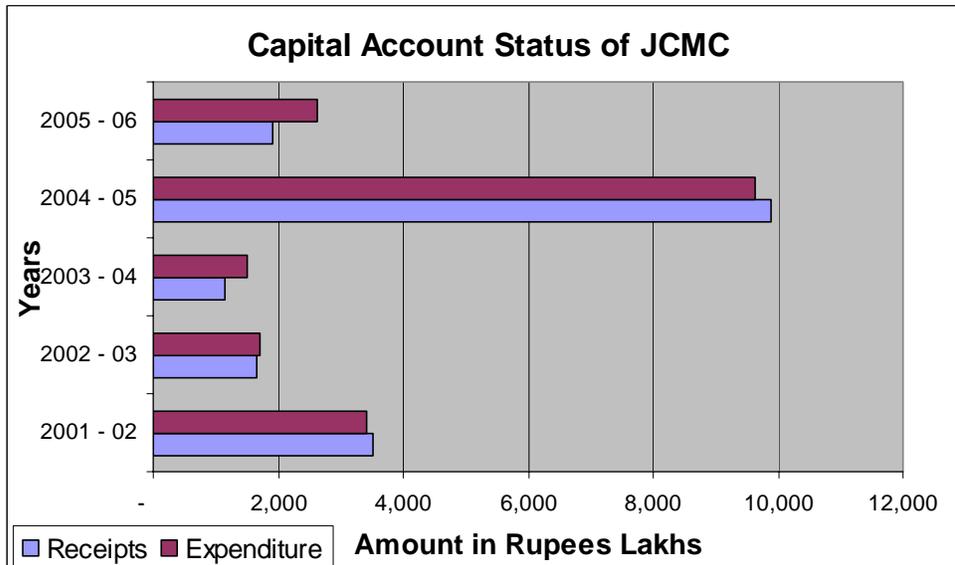
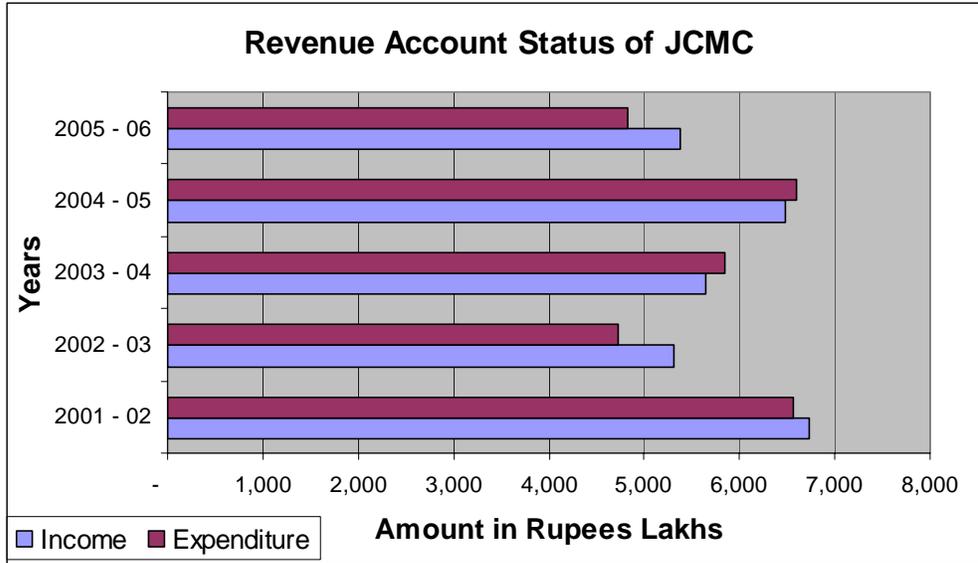
21 Capital Receipts of 2004- 05 includes Recovery of Advance of Rs. 19.78 Crores, State of Maharashtra loan of Rs. 33.22 Crores and Waghur Water Supply grant of Rs. 29.07 Crores.

22 Capital Receipts of 2005- 06 includes capital receipts of Rs. 16.61 Crores and Advance and deposits of Rs. 2.53 Crores.

23 Capital Expenditure of 2004-05 includes Waghur Water Supply Project of Rs. 33.34 Crores and HUDCO loan repayment of Rs. 50.22 Crores.

24 Capital Expenditure of 2005-06 includes Waghur Water Supply Project of Rs. 11.90 Crores and Advance and Deposits of Rs. 14.39 Crores.





Similarly, the Capital Receipts has reduced from Rs.3519 lakhs in 2001-02 to Rs.1915 lakhs in 2005-06. JCMC had borrowed a loan to the tune of Rs.1265 lakhs in 2001-02.

However, the chart indicates a large increase in the capital receipts and expenditure in the year 2004-05. This is attributed to increased expenditure for water supply infrastructure and increased receipts in form of Loan. However, for the FY 05 -06, there has been no fresh borrowing and therefore, there has been a decrease in the Capital Receipts as well as expenditure. The Capital Payments have also reduced from Rs.3413 lakhs in 2001-02 to Rs.2620 lakhs in 2005-06.



### 4.13.3 – Revenue Account

This section provides an in-depth review of the revenue account and capital account in order to assess the municipal fiscal status and to provide a base for determining the potential of each sources and the ability of JCMC to sustain the extent of planned investments identified under the UIDSSMT Plan.

The Revenue Account of JCMC has been sub-divided into two components, viz., Revenue Incomes and Revenue Expenditure. Revenue Incomes comprises of Own Sources. This includes Income from taxes, Income Other than taxes, Octroi Compensation, Water supply and Miscellaneous Incomes. Income from taxes includes property taxes, theater taxes, rent income from JCMC properties and Income from other forms of taxes. Income from Other Taxes comprises of license fees, hawker's fees, fees charged for issuing birth and death certificates, etc. Octroi Compensation is the compensation received from State Government on abolition of Octroi. However, it can be noted that in 2005-06, JCMC has not received any Octroi Compensation from the State Government, as it has allowed JCMC to re-impose Octroi. The account head of Water supply in the table includes the water taxes imposed by JCMC.

#### Revenue Incomes:

Particulars	Actuals - (Amount in Rupees Lakhs)				
	2001 - 02	2002 - 03	2003 - 04	2004 - 05	2005 - 06
<b>Own Sources</b>	5,637	,610			
Income from Taxes	814	801	1,087	1,149	1,230
Income Other than Taxes	689 <sup>25</sup>	288	367	281	361
Octroi Compensation <sup>26</sup>	2,392	3,033	2,834	3,033	1,591
Water Supply	373	347	474	543	479
Miscellaneous	1,369 <sup>27</sup>	140	43	34	69
<b>External Sources</b>					
Grants Other than Octroi Compensation	1,086	704	845	1,432	1,651
<b>Total</b>	<b>6,723</b>	<b>5,314</b>	<b>5,649</b>	<b>6,473</b>	<b>5,380</b>
Population *	368,000	379,799	391,977	404,545	417,516
<b>Per Capita Revenue Income</b>	<b>1,827</b>	<b>1,399</b>	<b>1,441</b>	<b>1,600</b>	<b>1,289</b>

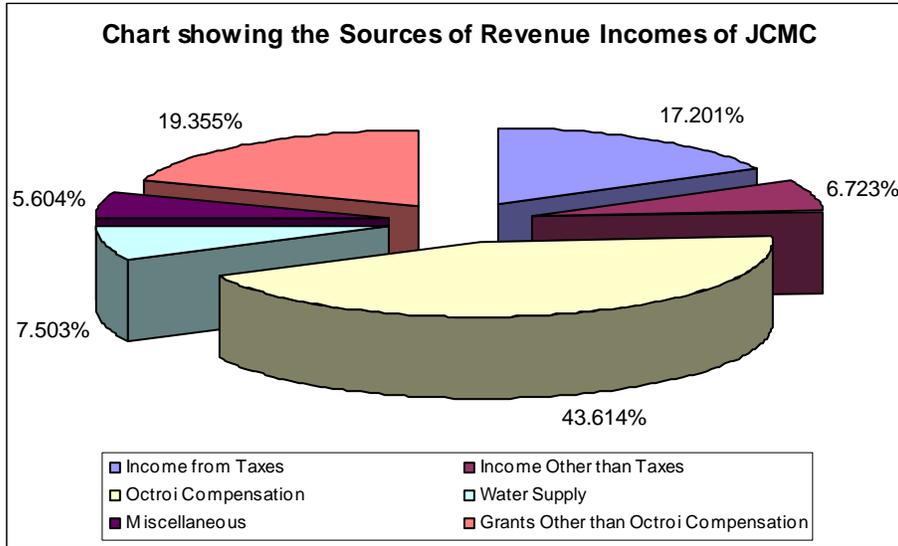
<sup>25</sup> Income from other than taxes during the 2001-02 includes commercial complexes of Rs. 0.92 Crores, Development charges of Rs. 2.85 crores and income from housing of Rs. 0.10 Crores.

<sup>26</sup> The Octroi Compensation for 2005-06 is the actual compensation received by JCMC by contracting out the process of collecting Octroi to Private Parties. It is the amount collected within the time periods 1st April 2005 to 20th July 2005 and 11th Feb 2006 to 31st Mar 2006

<sup>27</sup> Miscellaneous income of 2001-02 includes short term loans Rs. 1.05 crores, Purchase of shares from JDCC Bank of Rs. 2.36 Crores and Allahabad Bank Cash credit / over draft of Rs. 9.63 Crores.



<b>Total Revenue Income other than Octroi Compensation</b>	4,330	2,281	2,815	3,440	3,789
<b>Per Capita Revenue Income other than Octroi Compensation</b>	1,177	601	718	850	908
<i>Source: JCMC Annual Accounts</i>					
* Note: The population data is as per the calculation done on the basis of the Census data of 1991 and 2001					



The above table shows the overview of the Revenue Income snapshot of JCMC. The above table shows a dip in the growth rate of Revenue Income of JCMC over the last five years. It has come down to the extent of 4% over the five year period with the amount of Rs.6723 lakhs in 2001-02 and Rs.5381 lakhs in 2005-06.

The following are the reasons for the dip in the growth rate of Revenue Income of JCMC:

- Octroi Revenue was forfeited in 1999 by the GOI. JCMC, which was receiving compensation for that from GOM, was not compensated in 2005-06. (Refer to section 4.13.3 for details)
- There is a reduction in Income other than taxes, which has declined by 12% over the five years period. The reason for this is the reduction in the number of items that are collected under this item.
- The reduction in miscellaneous income which has decreased from Rs.1360 lakhs in 2001-02 to Rs.69 lakhs in 2005-06.

It can be seen in the above table that, even the Per-Capita Revenue Income has decreased by 7% over the last five years from Rs.1829 lakhs in 2001-02 to Rs.1289 lakhs in 2005-06.

The detailed discussion of the various sources of Revenue Income follows below.



## Own Sources

Own Source Incomes comprises of Income from Taxes, income from special taxes, water, sewerage, fees and charges and fees and charges on other services like that of advertisement fees, food and license fees, etc.

Own Source Incomes comprises of about 82% of the Total Revenue Incomes of JCMC, which shows that JCMC is self-reliant to a large extent. However, the Own sources has shown a slow-down by about 8% per annum over the last five years. This is due to the stagnation of property tax rates, non- rationalization of water charges and other such factors.

## Income from Taxes

Income from Taxes account for 23% of the total revenue income of JCMC. It has registered a phenomenal growth of 28% over the last five years from Rs.814 lakhs in 2001-02 to Rs.2822 lakhs in 2005-06. JCMC collects various types of taxes. These taxes are as follows:

1. Octroi Tax	8. Wheel Tax
2. Compulsory Tax (Compulsory Property Tax)	9. Vehicle Tax
3. Water Tax	10. Theater Tax
4. Special Sanitary Tax	11. Advertisement Tax
5. Municipal Education Cess	12. Conservancy / Latrine Tax
6. Tree Cess	13. Road Tax
7. Hotel Tax	14. Fire tax
	15. Open plot Taxes

## Property Tax

For the assessment of collection of Property Taxes, JCMC has constituted four zones within its limits. The assessment of the property is done once in four years.

When the property is newly constructed, the assessment is made taking into account the built-up area including Western Commode / bath. When making assessment, the rateable value of the property is calculated.

At present JCMC is calculating the rateable value as per the directions given by the Assistant Director of Town Planning, Jalgaon.

As per the directions of the Deputy Commissioner, different rates are for different areas of the city and accordingly assessment is made. The detailed explanation of the method followed for calculating the property tax at Jalgaon is explained below.

Capital Value	=	Cost of land (as per collector / revenue guidelines) + Cost of building (as per PWD (B&R) rates) – 1% depreciation per annum on building (subject to a maximum of 50%)
Annual Rateable Value (ARV)	=	5% of Capital Value of the Asset
Net ARV	=	ARV – 10% of ARV (allowable for maintenance)



On this Net ARV, the taxes are imposed as follows:

1. On rented properties, the actual rent of the tenant is taken into account for deciding rateable value of the property.
2. Schools, college buildings, hotels, etc are charged at the double rates and accordingly the rateable value is calculated.
3. The open plots at present are charged at the rate of Rs.1 per Sq. mtr.
4. Theaters are charged taking into account the capacity and the quantum of income derived. The detailed methodology of calculating the revenue for theaters is explained below:

Income	=	Total Chairs x Rates of Tickets x Number of shows
Net Income	=	Income – 45% of the income due to unoccupied chairs
Annual Lettable Value	=	Net Income – 10% of net income towards repairs

When the property is assessed for the first time, individual notice is served to the property holder. Public Notice is published in local newspapers about the date within which the property owner can take the objection on the assessment made. A hearing is to be given to the property owner to state his say.

After hearing the position of the owner, assessment list would be finalized. Subsequently, the property owners are served with the bills and the taxes are recovered.

## Issues

### Method of Property Tax

JCMC has been following the ARV method of collecting property tax. It is charging 5% of the Capital value as the Annual Rateable Value. The revision of property taxes was done in 2002. Property tax revision has not been undertaken, after the Nagar Palika attained Maha Nagar Palika status.

The total taxable properties are increasing at the rate of 6% per annum at Jalgaon. JCMC and / or GOM or GOI owns 350 properties in Jalgaon which are utilized for own use. Hence, these properties are not taken into account for the analysis purpose.

**Table 28 - DCB Statement of JCMC Property Taxes**

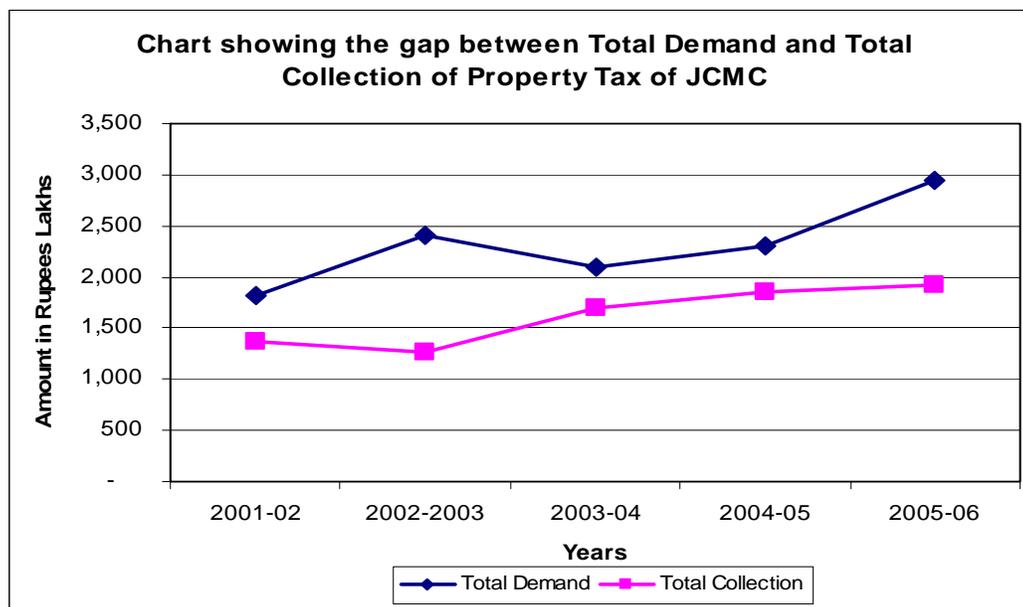
Sl No	Items	2001-02	2002-2003	2003-04	2004-05	2005-06
<b>1</b>	<b>Demand</b>					
	Arrears	556	1,053	705	812	1,243
	Current	1,259	1,352	1,391	1,493	1,708
	Total Demand	1,816	2,404	2,096	2,305	2,951
<b>2</b>	<b>Collection</b>					
	Arrears	305	247	522	471	517



	Current	1,060	1,026	1,182	1,383	1,406
	Total Collection	1,365	1,273	1,704	1,854	1,923
<b>3</b>	<b>Gap in the Property Tax</b>	<b>451</b>	<b>1,131</b>	<b>393</b>	<b>451</b>	<b>1,028</b>
<b>4</b>	<b>Collection Performance (%)</b>					
	Arrears	54.9%	23.5%	74.0%	58.0%	41.6%
	Current	84.1%	75.9%	85.0%	92.6%	82.3%
	<b>Total</b>	<b>75.2%</b>	<b>53.0%</b>	<b>81.3%</b>	<b>80.4%</b>	<b>65.2%</b>
<b>5</b>	<b>Tax Per Assessment<sup>28</sup></b>	<b>2995</b>	<b>2476</b>	<b>2974</b>	<b>3001</b>	<b>3100</b>
	<b>Persons per Assessment<sup>29</sup></b>	<b>8.1</b>	<b>7.4</b>	<b>6.8</b>	<b>6.5</b>	<b>6.7</b>

Source: DCB Statement of JCMC

The above table, shows that the total demand for the taxes has increased from Rs.1816 lakhs in 2001-02 to Rs.2951 lakhs in 2005-06 recording an annual growth rate of 10.2%. Similarly the total collections have increased from Rs.1365 lakhs in 2001-02 to Rs.1023 lakhs in 2005-06 registering an annual growth of 7.1% over these five years.



But what is important in this table is the gap between the demand and the actual collection of the taxes. The above chart shows that initially in 2001-02, the collection was 75.2% of the total demand for taxes. But the collection has decreased to 65.2% in 2005-06, which shows a

<sup>28</sup> The tax per assessment is calculated using the formula (Total Tax Collection during the year/Total number of Taxable properties at Jalgaon). For this, it is assumed that each property would materialize in one single assessment

For this, the data of the taxable properties were provided by JCMC for 2001-02 as well as for the years 2003-04 to 2006-07. The data for the year 2002-03 has been interpolated using appropriate statistical tools.

<sup>29</sup> Persons per assessment, is calculated using the formula (Total Population at Jalgaon calculated as per the interpolated data/Total number of properties at Jalgaon).



marked decrease in collection tax by JCMC. Also if we analyze the data of 2005-06, we can find that only 41.6% of the previous years' arrears have been recovered by JCMC.

In the same Table 28 above, we can also find that tax per assessment has increased from Rs.2995 in 2001-02 to Rs.3100 in 2005-06 registering a slight growth of about 1% over these five years.

Similarly, the person per assessment of JCMC has declined from 8.2 persons per assessment in 2001-02 to 6.7 persons in 2005-06, thereby declining annually at a rate of 4%. This is also around the national average of about 7 persons per assessment.

However, taking into account the present cost and future financial requirements, it will be necessary for JCMC to revise the tax rates and to expand the tax base along with enhanced collection efficiency. One of the effective means to represent ground realities and to devise a tax system will be through the implementation of the capital value system.

In the year 2006-07, JCMC intends to implement citizen friendly property tax system through the use of self-assessment schemes. Not only will this contribute to the voluntary remittance of tax, it will also contribute to the understanding of the tax system to the public.

### **Income under Special Acts**

Under this item, JCMC is collecting incomes from Pound Keeping and collecting revenue from Prevention of Food Adulterations. Of the total revenue incomes of JCMC, this constitutes less than 0.01%. Hence in Table 4.13.2, this item has been clubbed with Income from Taxes to simplify the table.

This source of Revenue income of JCMC has grown from Rs.10350 in 2001-02 to Rs.51240 in 2005-06 showing an average annual growth of 38% over these five years.

### **Income other than Taxes**

Apart from the incomes from taxes, JCMC also collects other levies, fees, charges, etc. These incomes are separately classified under this head of income other than taxes.

Under this head, JCMC receives Income from various services such as income from issuing birth and death certificates, Income from various markets, Income from different License fees like hawkers' license fees, parking fees, daily market license fees, etc, and fees and levies in the form of notice fees, warrant fees, interest, rent from the properties lent to the workers.

This source of income has reduced from Rs.689 lakhs in 2001-02 to Rs.361 lakhs in 2005-06 thereby registering a negative CAGR of about 12% per annum. Also, this source contributes about 7% of the entire revenue income of JCMC.

### **Octroi Compensation**

In lieu of the abolition of the Octroi during 1999, Maharashtra Government had agreed to compensate JCMC towards the loss of revenue as per the GO 1099 / 927 / P.K.99 / Navi –



14 dated 26 April, 1999. As per this Government order, JCMC had been receiving Octroi Compensation from the Maharashtra state Government from 1999-00.

During the period under analysis, the Octroi Compensation received by JCMC had increased from Rs.2392 lakhs in 2001-02 to Rs.3033 lakhs in 2004-05, thereby recording a CAGR of 6% per annum. During 2005-06 JCMC had contracted out the process of collecting Octroi to Private Parties through which process it has collected Rs.1591 lakhs. This amount was collected during the time periods 1st April 2005 to 20th July 2005 and 11th Feb 2006 to 31st Mar 2006.

But the Maharashtra State Government through its Government order K. GEN – 2004 / Upkar / P.K. 103 / Navi 24 – dated 31<sup>st</sup> March, 05, it reintroduced the Octroi system at the municipal level. As per this order, JCMC had started imposing Octroi. But as per the Hon. High Court's order, JCMC had stopped imposing Octroi from 21<sup>st</sup> July, 2005 to 10<sup>th</sup> Feb, 2006. It has started re-imposing Octroi from 11<sup>th</sup> April, 2006.

JCMC has appointed Agents for Octroi collection for a contracted amount of Rs.50,63,85,000/- for one year, viz., from 4<sup>th</sup> July, 2006 to 3<sup>rd</sup> July, 2007. It is presumed to increase Octroi revenue by about 10% during 2007-08.

### **Water Supply**

Under this head, JCMC has been collecting new water connection fees and charges and water supply charges for various types of properties within the JCMC limits. The tariff structure fixed by the Government of Maharashtra across the state is not in line with the cost of services. The charges are collected based on the pipe size diameter.

The revenues collected from the water tariffs is Rs.4.78 crores while the cost of recovery is Rs.7.52 crores and expenditure and O&M cost is Rs.12.31 crores for the year 2005-06. This indicates huge gap in expenditure and revenue. Also, the average cost of supplying water to the Jalgaon city is around Rs.7 per kilolitre towards general supply.<sup>30</sup> (Refer: Section on Existing Situation Analysis: Water Supply)

The income of JCMC from Water supply has increased from Rs.373 lakhs in 2001-02 to Rs.479 in 2005-06, thereby recording a CAGR of 5.14%. It contributes about 8% of the revenue income of JCMC. Currently, JCMC is imposing water tax on the basis of the diameter of the water pipe. As a step towards rationalizing the water tax, JCMC has agreed for metering and to impose water tax on the basis of consumption of water, as against the existing system.

The Tax Rates that are charged by JCMC is listed in the following table.

<sup>30</sup> It is estimated that the cost of water supply to Jalgaon City under the Waghur Water Supply Scheme would be Rs.8.89 per kilolitre.



**Table 29 - Existing Tax Rates**

SI No.	Particulars	Item on which imposed	Percentage	
1	General Tax	Taxable Value	20%	
2	JCMC Education Tax	Taxable Value	5%	
3	Cleaning Tax	Taxable Value	4%	
4	Fire Tax	Taxable Value	2%	
5	Road Tax	Taxable Value	1.50%	
6	Tree Tax	Taxable Value	0.25%	
7	Maharashtra Education Cess	Tax Value	Residential Property	Commercial Property
		Rs. 75 to 150	2%	4%
		Rs. 151 to 300	3%	6%
		Rs. 301 to 3000	4%	8%
		Rs.3001 to 6000	5%	10%
		Above Rs.6000	6%	12%
8	Employment Tax	Tax for non-residential Properties - Tax Value		
		Rs. 75 to 150	1%	
		Rs. 151 to 299	1.50%	
		Rs. 300 to 2999	2%	
		Rs.3000 to 5999	2.50%	
		Rs. 6000 and Above	3%	
9	Sanitation Tax	Rs. 100/- per Commode / Toilet		
10	Water Tax (Proposed)	Rs. 8.89 per use of 1000 Litres of Water		

### Sewerage Tax

Currently, JCMC is not collecting sewerage tax, though it has about 1768 public toilets in Jalgaon. Also, sanitation which would be of a major concern for the public health of the city, it is recommended to provide better sanitation facilities in Jalgaon.

### Other Incomes<sup>31</sup>

This head of income include, items like form fees, income from swimming pool, audit recovery, income from the library, voters ID charges, and other miscellaneous incomes of JCMC. This income has reduced to a very great extent from Rs.1369 lakhs in 2001-02 to Rs.69 lakhs in 2005-06 thereby recording a negative CAGR of 45% per annum. The reason for such a drastic change in the Other Incomes is during the 2001-02 includes income from commercial complexes of Rs.0.92 Crores, Development charges of Rs.2.85 crores and income from housing of Rs.0.10 Crores.

### External Sources

External sources mainly include grants received by JCMC from various sources including State Finance Commission. In the annual report of JCMC, Grants and Contribution includes both Octroi grant as well as other grants. But for analysis purposes, the consultants have separated Octroi Grant from that item because of its special feature and covered it under a separate head.

Grants other than Octroi grant has increased from Rs.1086 lakhs in 2001-02 to Rs.1651 lakhs in 2005-06, thereby recording a CAGR of about 9% per annum. Also it contributes about 20% of the total revenue income of JCMC. The following table gives us the break up of all

<sup>31</sup> The terminology that we have used here pertains to Miscellaneous Income as used by JCMC



the grants received by JCMC. This table provides us the data of both the capital grants and also revenue grants.

SI No	Particulars	Actual Receipts (in Rs. Lakhs)				
		2001-02	2002-03	2003-04	2004-05	2005-06
	<b>Grants</b>					
1	Higher Secondary Educational Grant	0.00	0.00	0.00	0.00	0.00
2	D.A Grant	686.84	592.12	495.55	1221.17	112.31
3	LRN Grant	11.37	0.00	0.23	21.20	0.00
4	Court Grant	0.00	0.94	1.37	0.35	0.88
5	Road Grant	72.66	0.00	55.70	110.59	27.72
6	Slum Improvement	12.01	13.93	0.00	5.91	0.00
7	Mah. Education	0.00	0.54	3.49	4.60	0.39
8	Kutumb Kalyan a Bata Bal	5.72	0.00	0.00	0.00	9.90
9	Town Planning Grant	9.00	5.15	0.00	14.28	0.00
10	Entertainment Grant	0.00	70.18	234.96	0.00	19.46
11	Others Grant	0.00	0.00	0.00	0.56	400.33
12	Library Grant	1.44	0.48	0.96	0.96	2.95
13	Malaria Grant	3.44	7.74	11.93	3.93	25.72
14	Dalit Vasati Grant	38.00	0.00	0.00	0.00	0.00
15	Low Cost Sanitation	0.00	1.46	0.00	0.00	0.00
16	Pulse Polio Grant	0.00	0.00	1.71	3.47	3.52
17	Aids Grant	0.00	0.00	2.40	0.00	0.00
18	Emergency Water Supply	100.00	3.32	0.00	0.00	0.00
19	Stamp Duty	17.00	6.76	36.77	44.61	46.65
20	IDSMT Grant	1.33	0.00	0.00	0.00	0.00
21	Octroi Grant	2392.30	3032.74	2834.22	3032.78	0.00
22	MLA Fund Grant	20.10	0.00	0.00	0.00	0.00
23	SJSRY	23.63	0.00	0.00	0.00	0.00
24	Waghur Water Supply grant	50.00	0.00	0.00	0.00	873.93
25	Census Grant	12.41	0.00	0.00	0.00	0.00
26	Water Storage Grant	20.58	0.00	0.00	0.00	0.00
27	Night Shelter grant HUDCO	0.00	0.00	0.00	0.10	0.00
28	MP Grant	0.00	1.53	0.00	0.00	10.81
<b>Total</b>		<b>3477.82</b>	<b>3736.88</b>	<b>3679.31</b>	<b>4464.51</b>	<b>1534.57</b>

	Particulars	Grant Received	Municipal Fund	Total	Expenditure	Balance
1	10th Finance Commission	181.64	49.04	<b>230.69</b>	79.79	<b>150.90</b>
2	11th Finance Commission	432.31	163.35	<b>595.66</b>	390.44	<b>205.22</b>
3	12th Finance Commission	352.00				
4	Member of Legislative Assembly Fund	10.81	0.00	<b>10.81</b>	10.81	<b>0.00</b>
5	Member of Parliament fund	0.00	0.00	<b>0.00</b>	0.00	<b>0.00</b>
6	Maha Nagar Palika	0.00	0.00	<b>0.00</b>	0.00	<b>0.00</b>
7	Dalit Basti Scheme	54.49	0.00	<b>54.49</b>	18.98	<b>35.52</b>

### **Revenue Expenditure**

The revenue expenditure of JCMC has been analyzed based on the expenditure heads. These have been broadly classified into the following heads:

1. General Administration
2. Public Safety
3. Public Health and Welfare
4. Public Education
5. Grants and Contributions



6. Water Supply and Sanitation
7. Loan Repayment
8. Miscellaneous Expenses

For the purpose of analysis, the expenditures are further categorized into 4 types, namely, Establishment Expenditure, Grants and Contributions, Debt Servicing and Miscellaneous Expenses.

The following Table presents the various sources of revenue expenditure of JCMC.

<b>Table 32 - Items of Revenue Expenditure of JCMC</b>					
<b>Particulars</b>	<b>Actuals - (Amount in Rupees Lakhs)</b>				
<b>Sources</b>	<b>2001 - 02</b>	<b>2002 - 03</b>	<b>2003 - 04</b>	<b>2004 - 05</b>	<b>2005 - 06</b>
Establishment Expenditure and Operations and Maintenance	4,252	4,317	4,284	3,881	3,895
Grants and Contributions	43	19	9	2	0
Debt Servicing	1,699	195	1,454	2,502	773
Miscellaneous Expenses	574	188	95	207	156
<b>Total</b>	<b>6,568</b>	<b>4,718</b>	<b>5,843</b>	<b>6,592</b>	<b>4,825</b>
Population *	368,000	379,799	391,977	404,545	417,516
<b>Per Capita Revenue Expenditure</b>	<b>1,785</b>	<b>1,242</b>	<b>1,491</b>	<b>1,629</b>	<b>1,156</b>

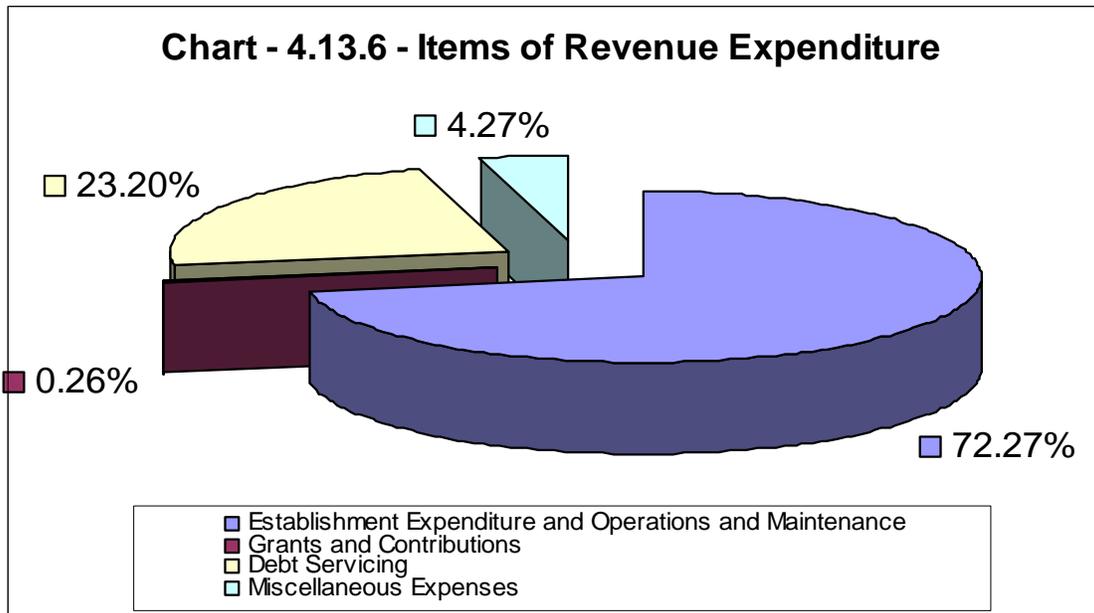
Source: JCMC Annual Accounts

\* Note: The population data is as per the calculation done on the basis of the Census data of 1991 and 2001

The above table indicates that the total revenue expenditure of JCMC is annually declining at a rate of about 6% from Rs.6568 lakhs in 2001-02 to Rs.4825 in 2005-06, against the total revenue incomes declining at 4.4% annually from Rs.6723 lakhs in 2001-02 to Rs.5391 lakhs in 2005-06. In 2004-05, JCMC had borrowed Capital loans to the tune of Rs.8208 lakhs as a result of which, there is a sudden spurt in debt servicing and miscellaneous expenses.

The trend of declining expenditures is a positive indicator whereas the declining revenues would be a negative indicator. To avoid an imminent deficit situation in the long-run, JCMC should consider the ways and methods of augmenting the revenue incomes.





In addition, what is notable in the above table is the reduced cost of debt servicing during the years 2002-03 and 2005-06, in comparison with other years. As per the data provided to us, the reason seems to be that during other years it had serviced / repaid a lot of loans due to various parties. In 2002-03, debt-servicing was not made due to political changes and that is the reason for a reduced debt servicing expenditure. Also in the year 2004-05, the cost has increased from Rs.1454 lakhs to Rs.2502 lakhs. The reason for that is that during that year, a huge loan was renegotiated and restructured and previous dues pertaining to IDSMT, UD-6, HUDC and JDCC was cleared to some extent. After having restructured the debts, the normal repayment of the debts was done in 2005-06, which is the reason for a sudden decline in the debt servicing.

Table 32 also indicates that the Per-capita Revenue has been declining over these five years from Rs.1785 in 2001-02 to Rs.1156 in 2005-06 thereby recording a decline of about 10% per annum.

It can be seen that Establishment Expenditure constitutes about 72% of the total revenue expenditure of JCMC. In addition, Debt Servicing constitutes about 23.2% of the revenue expenditure of JCMC and miscellaneous expenditure constitutes 4.3% of the total revenue expenditure.

## Establishment Expenditure

### Existing Situation

Establishment expenditures generally those expenses incurred by any organization towards salaries and wages of the employees / workers and also towards the general administration of the organization. Operating expenditure, on the other hand, is that expenditure that is incurred by an organization for carrying out its operations, like that of electricity, water,



telephone, etc. The establishment and operating expenditure of JCMC comprises of general administration, public safety expenses, public health expenses, public education, water supply and sanitation expenses and miscellaneous expenses.

### Issues

Table gives a summary picture of the establishment and operating expenditure status of JCMC for the last five years.

Particulars Item	Actuals - (Amount in Rupees Lakhs)				
	2001 - 02	2002 - 03	2003 - 04	2004 - 05	2005 - 06
General Administration	699	631	848	726	984
Public Safety	174	305	347	265	271
Public Health and Welfare	2,099	1,670	1,502	1,573	1,649
Public Education	144	151	277	90	119
Water Supply and Sanitation	1,135	1,560	1,311	1,227	872 <sup>32</sup>
Grants and Contributions	43	19	9	2	0.15
Miscellaneous	574	188	95	207	156
<b>Total Establishment and Operating Expenditure</b>	<b>4,252</b>	<b>4,317</b>	<b>4,284</b>	<b>3,881</b>	<b>3,895</b>
Population *	368000	379799	391977	404545	417516
<b>Per-Capita Establishment and Operating Expenditure</b>	<b>1155</b>	<b>1137</b>	<b>1093</b>	<b>959</b>	<b>933</b>
<b>Total Revenue Income from Own Sources</b>	5637	4610	4803	5041	5249
<b>Total Revenue Expenditure</b>	6568	4718	5843	6592	4825
<b>Ratio of Establishment Expenditure to Overall Revenue Expenditure</b>	<b>64.73%</b>	<b>91.50%</b>	<b>73.33%</b>	<b>58.87%</b>	<b>80.73%</b>
<b>Dependency Ratio<sup>33</sup></b>	<b>32.58%</b>	<b>6.79%</b>	<b>12.10%</b>	<b>29.90%</b>	4.26%

As presented in above table, Establishment and Operating Expenditure of JCMC constitute 77% of its entire revenue expenditure. These expenses have been reducing from Rs.4252 lakhs in 2001-02 to Rs.3895 lakhs in 2005-06 showing about 2% negative CAGR over these five years. Also, Per-Capita establishment expenditure is reducing from Rs.1131 in 2001-02 to Rs.877 in 2005-06 thereby recording a negative CAGR of about 5%. This shows that JCMC's

32 There is a decrease in the water and sanitation expenditure in 2005-06 due towards MSEB as well as MIDC. Also expenditure towards the work of new pipe lines were not taken care of in 2005-06

33 Dependency Ratio is a ratio which depicts the extent to which JCMC is able to finance its operating, administrative and other establishment expenses through its own source. The formula that is used to calculate the Dependency Ratio is presented below:

(Total Establishment Expenditure - Total Revenue from Own Sources / Total Establishment Expenditure).

Source: Pethe, Abhay et.al "Towards Economic Empowerment of Urban Local Bodies in Maharashtra", EPW, Feb 18, 2006, Pg. 635 - 641 at pg. 639

This is generally presented as a percentage. It generally means the extent to which external funding is required by the organization.



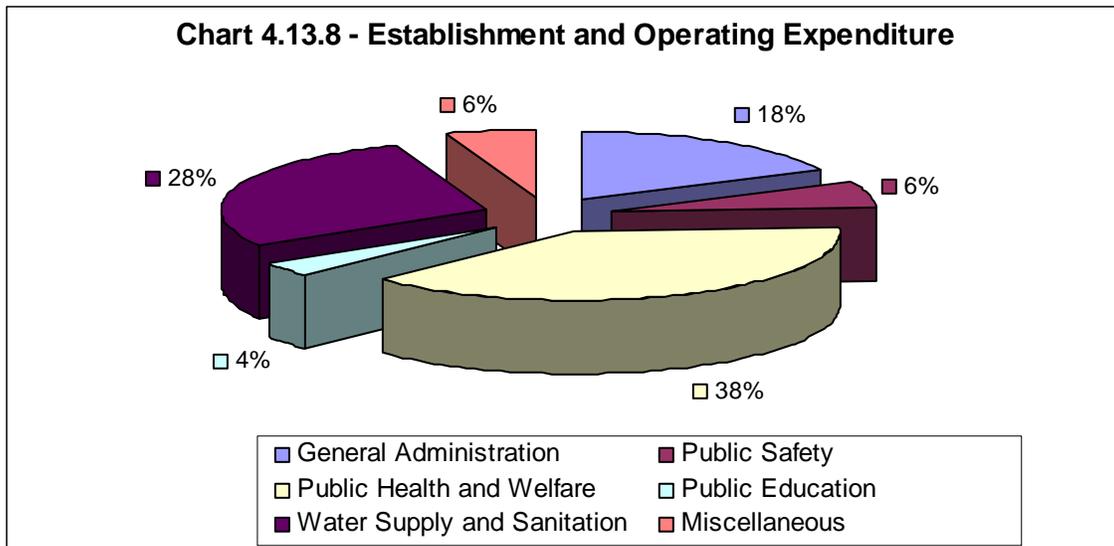
establishment and operating expenses have been reducing over these years at least to the tune of 2% per annum.

On the aspects of self-sufficiency/dependency, the ratios indicate that JCMC does not cover all its establishment and operating expenses through its own sources in the year 2005-06 as shown in the table above. The change has been from 32.58% in 2001-02 where it had a surplus to -4.24% in 2005-06 when it has moved into a deficit situation with reference to self-sufficiency. This indicates that JCMC needs external funds including borrowing to fund its establishment and operating expenses or day-to-day expenses.

JCMC has not been maintaining the salaries and wages of the employees who fall within the administrative purview of JCMC. It has been maintaining the expenses on departmental basis. Hence it would be very difficult to segregate the expenses into establishment expenditure and operating expenditure. This would also be useful in commenting upon the efficiency of maintaining the facilities using operating expenditure as well as commenting on the total cost of the workforce. This segregation would be very useful in undertaking measures and remedies in reducing the expenditure costs of JCMC.

To cut-down on the expenditure, JCMC needs to bring down its establishment expenses to a prudent level. In addition, Establishment expenditure is declining only at a rate of about 2%, while the overall revenue expenditure is declining at the rate of about 6%. It means that, while all other expenses are increasing, establishment expenses are also increasing on a relative basis.

#### Break up of Establishment and operating expenses:



\* Note: JCMC has given a grant of Rs.15,000/- during 2005-06

The observation on general administration expenses is about 18 % as indicated in the chart and the data in table 33, Public Health and Welfare comprising of 38% followed by water supply and sanitation with 28%.



General Administration has increased from Rs.699 lakhs in the year 2001-02 to Rs.984 in 2005-06 showing a CAGR of 7% over these five years. Similarly, expenditure towards public safety has also increased 9% over these five years from Rs.174 lakhs in 2001-02 to Rs.271 lakhs in 2005-06. All other establishment expenses have decreased over these five years, both in absolute terms as well as percentage wise, the greatest fall recorded by grants and contributions followed by miscellaneous expenses.

It is observed that the expenditure on water and sanitation has actually reduced over these five years from Rs.1135 lakhs in 2001-02 to Rs.872 lakhs in 2005-06. This decrease in the water and sanitation expenditure in 2005-06 is actually because of unpaid amounts to MSEB as well as MIDC. Also expenditure towards the work of new pipe lines was not taken care of in 2005-06.

### Debt Servicing and Outstanding Loans

A review of the annual accounts of JCMC reveals that its debt servicing expenses account for about 23% of the entire revenue expenditure.

The review of table 4.13.8 shows that the amount utilized towards servicing the debt has come down from Rs.1699 lakhs in 2001-02 to Rs.773 lakhs in 2005-06, showing a negative CAGR of about 15%. This is in spite of outstanding loan amounting to Rs.17848 lakhs as on 2005-06 with an interest outstanding to the tune of Rs.13467lakhs. Debt servicing and the ability to service debt is an important parameter for raising finances, therefore it is important for JCMC to review its process related to debt and servicing of debt.

Starting Year of the loan	Financier / Lender	Total Amount of Loan	Total Interest	Principal repaid so far	Interest paid so far	Outstanding Principal	Outstanding Interest
1987	UD - 6	84.15	141.31	34.56	98.74	49.59	42.56
1994	IDSMT	99.58	237.65	12.25	137.46	87.32	100.20
2004	HUDCO	12,992.46	17,897.04	860.63	7,479.96	12,131.84	10,417.08
1998	JDCC Bank	5,934.00	6,880.00	393.90	2,806.53	5,540.10	4,073.47
1997	Fire Fighter Loan	9.40	9.06	6.27	8.00	3.13	1.06
1979	MJP	257.00	333.60	246.68	331.26	10.32	2.34
<b>Total</b>		<b>19,376.59</b>	<b>25,498.67</b>	<b>1,554.28</b>	<b>10,861.95</b>	<b>17,822.30</b>	<b>14,636.72</b>

34

The table above provides a summary of the various loans procured by JCMC classified according to the lender. This table makes it very clear of the two major sources from which JCMC has borrowed substantial part of its loan funds are HUDCO, and JDCC Bank, Jalgaon. HUDCO has lent about 70% of all principal and interest outstanding by JCMC, while JDCC

34 UD – Urban Development

IDSMT – Integrated Development of Small and Medium Towns

HUDCO – Housing and Urban Development Corporation

JDCC – Jalgaon City Development Cooperative Bank

MJP – Maharashtra Jeevan Pradhikaran



Bank has lent about 30% of the loan taken by JCMC. A detailed schedule of the loans statement has been provided in the Appendix for further reference.

These loans have been borrowed for the following purposes:

Type of Loan	Purpose of Loan
UD – 6	Town Planning Department for the development of Development Plan as well as provision of amenities and Civic Infrastructure
IDSMT	Town Development
HUDCO	For the purpose of providing housing facilities for the urban poor
JDCC	Towards Cash Credit Account
Fire Fighter	Fire Vehicles
MJP	Old Water Scheme - Girna Pumping which was existent before the current Waghur Scheme – MWSSB 1979 to 1987

#### 4.13.4 – Capital Account

The Capital Account of JCMC is divided into Capital Receipts and Capital Expenditure. All the revenues that are received by JCMC in the form of loans and also from those properties and which are not refundable are classified as Capital Receipts and those expenditures that are incurred towards capacity building as well as for improving the infrastructure which are in the nature of permanent addition to the existing asset-base of JCMC are categorized as Capital Expenditures.

Apart from this, the Capital Receipts of JCMC includes Incomes from Municipal Properties which are in the nature of capital receipts and other loans taken by JCMC towards making structural changes to the properties of JCMC. Similarly, the Capital Expenditure of JCMC includes expenditure incurred by it towards implementing the projects that bring about renewal of urban infrastructure of Jalgaon.

The table below provides a summary view of the capital account of JCMC for the last five years.

The table below shows that almost 91.5% of the Capital revenue of JCMC comes from Loans while only 8.5% of it comes from own sources. In addition, we can find that about 44% of the capital expenditure incurred by JCMC is dedicated towards water supply which includes water purification and the cost of supplying water to Jalgaon citizens. Another major item of expenditure is towards Grant related works, which has taken 49% of all the total capital expenditures of JCMC.



**Table 35 - Sources of Capital Receipts and Capital Expenditure of JCMC**

Particulars	Actuals - (Amount in Rupees Lakhs)					Share
	2001 - 02	2002 - 03	2003 - 04	2004 - 05	2005 - 06	%
<b>Capital Income</b>						
Own Sources	-	270	154	187	269	8.5%
Loans	1,266	-	-	8,208	-	91.5%
Grants	-	-	-	-	-	0.0%
<b>Total</b>	<b>1,266</b>	<b>270</b>	<b>154</b>	<b>8,395</b>	<b>269</b>	<b>100.0%</b>
<b>Capital Expenditure *</b>						
General Administration	NA	93	18	0	1	1.1%
Roads and Drains	NA	35	99	81	27	2.3%
Water Supply	NA	102	6	3,335	1,103	43.8%
Sanitation and Conservancy	NA	66	8	54	40	1.6%
Gardens and Parks	NA	92	20	47	1	1.5%
Slum Development	NA	65	0	8	-	0.7%
Library, Schools, Health, etc	NA	6	-	13	-	0.2%
Other Grant related works	NA	12	-	5,031	19	48.7%
Others	NA	1	1	-	-	0.0%
<b>Total</b>		<b>471</b>	<b>153</b>	<b>8,569</b>	<b>1,191</b>	<b>100.0%</b>
<b>Funding Pattern</b>						
Capital Receipts		270	153	8395	269	<b>87.5%</b>
Revenue / Municipal Surpluses		201	0	174	922	<b>12.5%</b>

Source: JCMC Annual Accounts

\* The details of Capital Expenditure for the year 2001-02 is not available with the clients. The annual report shows the amounts to be zero for all the items

On analyzing the funding pattern of the capital expenditure, we can find that except during 2003-04, in all the other three years under analysis, JCMC had to utilize revenue income to meet its capital expenditure. This would be of serious concern for the finances of JCMC.

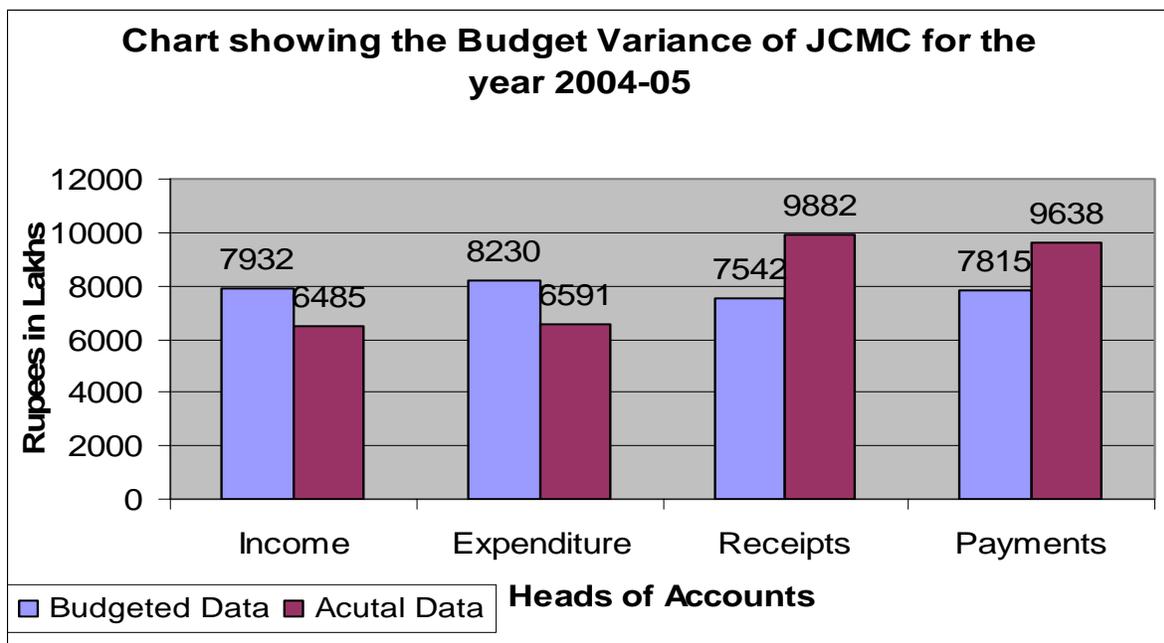
#### 4.13.5 – Budget Variations of JCMC

To get a proper perspective of the budgeting pattern of JCMC, we have carried out the analysis of the variations in the finances of JCMC in terms of the Budgeted data and the Actual data. The Consultants have budgeted figures for the year 2004-05, 2005-06 and 2006-07. But as the actual data of 2006-07 was not available, they have carried out this analysis for only the first two years.



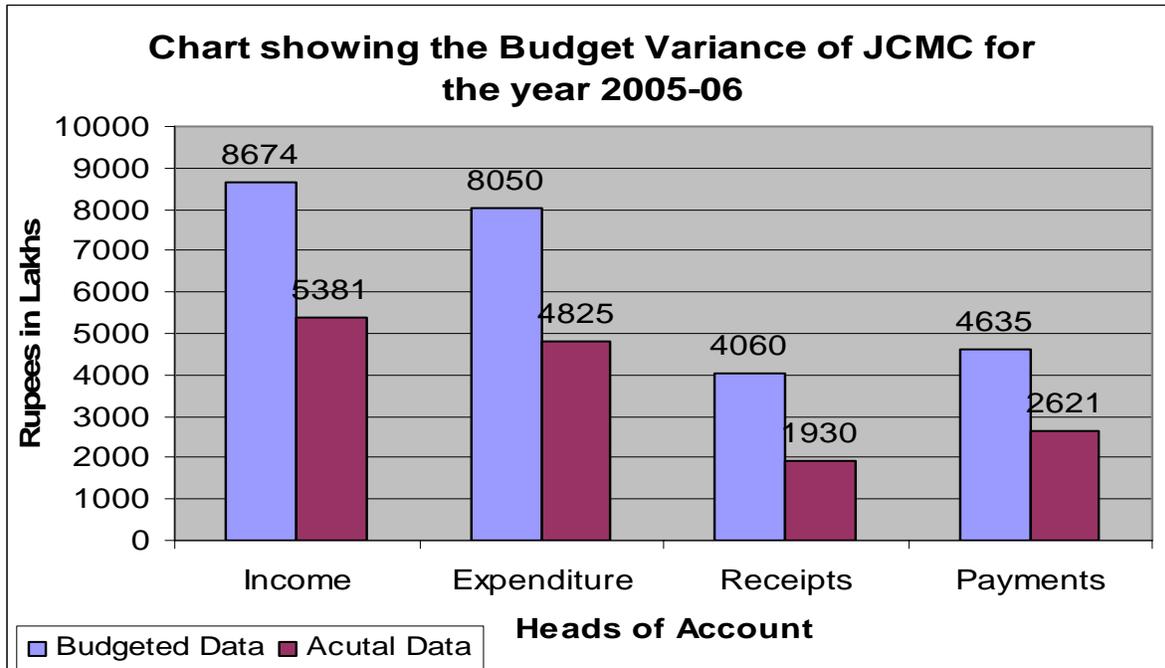
<b>Budget Variations</b>						
<b>Particulars</b>	<b>2004-05</b>			<b>2005-06</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenue Account</b>						
Income	7932	6485	1447	8674	5381	3293
Expenditure	8230	6591	1639	8050	4825	3225
Surplus / Deficit	-298	-106	-192	624	556	68
<b>Capital Account</b>						
Receipts	7542	9882	-2340	4060	1930	2130
Payments	7815	9638	-1823	4635	2621	2014
Surplus / Deficit	-273	244	-517	-575	-691	116
<b>Opening Balance</b>	584	584		318	723	

As depicted in the above table, we can find that in 2004-05, the budgeted revenue income was higher than the actual revenue income, whereas in terms of revenue expenditure, the actual data surpassed the budgeted figures. The chart below shows the comparison of the Budgeted vis-à-vis the actual data for the year 2004-05.



For the year 2005-06, we can find that both revenue items as well as the capital account items were lower than the budgeted figures. This is depicted in the chart below.





This clearly indicates that JCMC has been facing challenges in keeping pace with its planning and budgeting activities. The actual incomes as well as expenses show a significant variation from that of the budgeted ones on the deficit side.

#### 4.13.6 – Summary of findings:

The following findings have emerged from the above analysis of the municipal finances of JCMC. A chart with the financial ratios representing the financial soundness of JCMC is also presented.

- The revenue incomes grew at a declining CAGR of 4.36%, while revenue expenses decreased at a rate of 6% CAGR over the five years period of analysis.
- The capital receipts declined by 12% while capital spending subsided by another 5% CAGR over these five years.
- Revenue Income from own sources has decreased by about 8% per annum, while income from external sources has increased by 9% per annum.
- The major factor which has resulted in this decline of 8% per annum of the own sources is Income other than taxes which has decreased by about 12% per annum.
- The per-capita revenue income has declined about 8% per annum over the five years.
- JCMC follows ARV method of collecting property taxes. Along with property tax, it also collects various other taxes, charges and cess from the citizens.



- Tax per assessment has been increasing at about 1% per annum over these five years.
- The demand that is raised for the property tax is collected only to the extent of about 65% which shows that JCMC needs to improve efficiency in tax collection.
- Octroi was abolished in 1999. JCMC was compensated by Maharashtra state Government for the first four years. But during 2005-06, JCMC has started re-imposing the Octroi levy. The process of Octroi Collection has been contracted out to a private party through which the income would be Rs.5 Crores every year.
- Water charges are levied on the basis of the diameter of the pipe of the water connection and not on the actual usage of water.
- Establishment expenditure has reduced by about 2% per annum over these five years.
- Per capita revenue expenditure has come down at a rate of 9% per annum over these five years.
- General administration expenditure has increased by 7% CAGR over the five years and constitutes salary, dearness allowance, traveling expenses, transportation, collection fees, etc.
- Maximum revenue expenditure is made towards public health and welfare, which is about 41% of the entire revenue expenditure.
- JCMC which was self-sufficient in terms of own revenue account, has become dependant on other sources of funds to the extent of 4% of its Establishment expenditure in the year 2005-06.
- JCMC has borrowed about 70% of all its loan from HUDCO, Mumbai, and while about 29% is borrowed from JDCC Bank, Jalgaon. The interest rates are 8.5% and 16% respectively.
- Major portion of Capital expenditure of JCMC is directed towards water supply.



#### 4.13.7 – SWOT Analysis of the Financials of JCMC

##### Strengths

- Jalgaon being the district head quarters has made it a prominent commercial center which makes it attractive for the business activities. Due to these business activities, Jalgaon is able to attract capital investments into the city which increases the potential of earning revenues for JCMC easier.
- The Government order allowing JCMC to re-impose the Octroi

##### Weaknesses

- The gap between the revenue to expenditure is a cause of concern for JCMC
- The accounting system, the workflow system and the management information system is also a cause of concern

##### Opportunities

- Augmentation of revenues of JCMC through Octroi system, State Finance Commission as well as other Grants is an opportunity which could be encashed
- Optimization through a well-crafted strategy, the system of property taxes, water taxes and associated revenues

##### Threats

- Abolition of Octroi permanently and ineffective substitution of it could pose a serious threat to the finances of JCMC
- Deviating from the plans, projections and budgets in execution of the policies and procedures



## 4.13.8 – Key Financial Indicators of JCMC

Key Financial Indicators			
SI No	Indicator	Unit	As on 31st March, 2006
<b>A</b>	Resource Mobilization		
1	Per Capita Revenue Income	Rupees	1288.6
2	Sources of Funds		
	i Share of Octroi including Octroi Compensation	%	29.6%
	ii Share of Taxes	%	22.9%
	iii Share of Non-Taxes	%	6.7%
	iv Share of Assigned Revenues, Grants and Contributions	%	30.7%
	v Share of Water Supply Revenue	%	8.9%
	vi Share of Miscellaneous Incomes	%	1.3%
3	Growth in Income Sources		
	i Growth in Octroi including Octroi Compensation	% p.a.	29.6%
	ii Growth in Taxes	% p.a.	3.5%
	iii Growth in Non-Taxes	% p.a.	13.2%
	iv Growth in Assigned Revenues, Grants and Contributions	% p.a.	7.4%
	v Growth in Water Supply Revenue	% p.a.	-6.1%
	vi Growth in Miscellaneous Incomes	% p.a.	41.2%
<b>B</b>	Expenditure Management		
1	Per Capita Expenditure	Rupees	1155.6
2	Functional Allocation		
	i Share of Salaries and Wages and Operation and Maintenance	%	80.7%
	a Share of General Administration	%	25.3%
	b Share of Public Safety	%	7.0%
	c Share of Public Health	%	42.3%
	d Share of Public Education	%	3.0%
	e Share of Water Supply	%	22.4%
	f Self-Sufficiency	%	4.3%
	ii Share of Debt Servicing Expenditure as a share of Total Revenue Expenditure	%	16.0%
	iii Share of Miscellaneous Expenditure	%	3.2%
3	Dependency Ratio	%	20.1%



Key Financial Indicators - cont...			
SI No	Indicator	Unit	Value as on 31st March, 2006
<b>C</b>	Performance		
1	Operating Ratio	Ratio	4%
2	Per-Capita Performance Assessment		
i	Per-capita Assigned Revenues, Grants and Contributions	Rupees	395.4
ii	Growth in Per-capita Revenue Incomes	% p.a.	-15.3%
iii	Per-capita Salaries Expenditure	Rupees	1155.6
iv	Growth in Per-capita Revenue Expenditure	% p.a.	-15.8%
<b>D</b>	Efficiency		
1	Property Tax		
i	Growth in Assessment	% p.a.	0.6%
ii	<b>Collection Performance of Property Tax</b>	%	<b>69.2%</b>
iii	Property Tax Arrears as a percent of Total Demand	%	42.6%
iv	Property Tax Demand as per Assessment	Rs. P.a.	2397.8
2	Water Supply		
i	Cost Recovery on Water Supply as a percentage of Total water charges demanded	%	69.4%
ii	<b>Collection Performance of Water Charges</b>	%	<b>53.4%</b>
<b>E</b>	Budgetary Variations		
1	Revenue Account		
i	Percentage of Actual Revenue Income to Budgeted Revenue income	%	62.0%
ii	Percentage of Actual Revenue Expenditure to Budgeted Revenue Expenditure	%	59.9%
2	Capital Account		
i	Percentage of Actual Capital Receipts to Budgeted Capital Receipts	%	47.5%
ii	Percentage of Actual Capital Expenditure to Budgeted Capital Expenditure	%	56.5%



## 4.13.6 – CIP: Financial Projections of JCMC

City Investment Plan - Financial Projections of JCMC - Scenario 1													
Particulars	Growth Rate Taken for Projections	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Share
Proport Taxes	11%	814	801	1,087	1,149	1,923	2,134	2,369	3,049	3,095	3,140	3,186	51%
Octroi	34%	-	-	-	-	899	1,100	1,221	1,355	1,504	1,669	1,853	21%
Income other than Taxes	5%	689	288	367	281	361	379	398	417	438	460	483	10%
Water Supply	6%	373	347	474	543	479	508	538	570	605	641	679	13%
Miscellaneous Incomes	5%	1,369	140	43	34	69	72	76	79	83	88	92	5%
<b>Total Revenue Income from Own Sources</b>	<b>6%</b>	<b>3,245</b>	<b>1,577</b>	<b>1,970</b>	<b>2,008</b>	<b>3,730</b>	<b>4,192</b>	<b>4,601</b>	<b>5,471</b>	<b>5,725</b>	<b>5,998</b>	<b>6,293</b>	<b>100%</b>
General Administration	10%	699	631	848	726	984	1,082	1,190	1,309	1,440	1,584	1,743	23%
Public Safety	12%	174	305	347	265	271	304	340	381	426	478	535	7%
Public Health	7%	2,099	1,670	1,502	1,573	1,649	1,765	1,888	2,020	2,162	2,313	2,475	39%
Public Education	7%	144	151	277	90	119	127	136	145	156	166	178	3%
Water Supply	6%	1,135	1,560	1,311	1,227	872	925	980	1,039	1,101	1,167	1,237	23%
Miscellaneous Expenditure	3%	574	188	95	207	156	161	166	171	176	181	187	4%
<b>Total Administrative Expenditure</b>	<b>3%</b>	<b>4,826</b>	<b>4,504</b>	<b>4,380</b>	<b>4,088</b>	<b>4,051</b>	<b>4,363</b>	<b>4,700</b>	<b>5,066</b>	<b>5,461</b>	<b>5,890</b>	<b>6,355</b>	<b>100%</b>
<b>Surplus / Deficit</b>		<b>(1,581)</b>	<b>(2,927)</b>	<b>(2,410)</b>	<b>(2,080)</b>	<b>(321)</b>	<b>(171)</b>	<b>(99)</b>	406	264	108	(62)	
<b>Dependency Ratio</b>		<b>67%</b>	<b>35%</b>	<b>45%</b>	<b>49%</b>	<b>92%</b>	<b>96%</b>	<b>98%</b>	<b>108%</b>	<b>105%</b>	<b>102%</b>	<b>99%</b>	



## 4.14 CITY SWOT ASSESSMENT

### 4.14.1 Introduction

A SWOT analysis is carried out as a strategic planning tool to evaluate the Strengths, Weaknesses, Opportunities, and Threats of the JCMC & to set an objective, in pursuit of an objective. SWOT stands for strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are internal factors. Opportunities and threats are external factors. This kind of assessment of the city will help to form a basis for the preparation of a relevant city development plan. After assessing the existing situation and the various consultations with the primary and secondary stakeholders the following SWOT analysis has been arrived at:

### 4.14.2 Strengths, weaknesses, opportunities and threats

#### i) Strengths

- Congenial natural setting (The topographic profile, with the surrounding Satpuda hills water bodies, and rivers provides a natural water collection setup for city).
- Attracts a % of the state's foreign tourists ( in close proximity to the Ajantha and Ellora caves hence serving as a guest house, other tourist attractions like lakes, heritage buildings, religious places and gardens also present)
- (MIDC) Large and medium scale industries (including Indian rayon, Plastic industries etc) are present
- Serves as a Market Center for smaller towns of the region
- Seat of Administrative Power in District and Division
- In comparison to other urban areas has a high percentage of literate population in the district (76.06%) and a computer literacy rate of 57%
- Wide roads that can accommodate the city's immediate future growth

#### ii) Weaknesses

- Absence of efficient mass transportation facility within city
- Lack of civic awareness on heritage and conservation and insufficient management
- Absence of pedestrian friendly roads as there are no demarcations for sidewalks

#### iii) Opportunities

- Protection, restoration and overall environmental improvement of lakes so as to attract tourist activities.
- Prioritizing sewage and sanitation systems, which would reduce ground water and surface, water pollution.
- Developing a tourist circuit connecting places of tourist interest, which would involve development of related infrastructure.
- Presence of railway connectivity to the city by both the Central and Western railways beneficial to industry as well as commerce.
- It has the potential as a small and medium sized town to stream line its transportation system for both vehicles and the pedestrian.
- Potential to be developed as a broad based and balanced development along with education, health and industrial base.



**iv) Threats**

- Increasing levels of water and air pollution due to inefficient drainage/sanitation and increasing traffic respectively.
- Industrial effluents remain untreated before discharge into water bodies.
- The city can grow into a grid locked metropolis if immediate measures are not taken to plan its future growth.



## PART - II



## 1.0. FORMULATION OF VISION AND MISSION

The CDP is the Municipal Corporation's strategy that sketches the vision for the growth of the city and details how the Corporation along with stakeholders intends to achieve its long-term vision. The CDP leads to the translation of goals and objectives into actions and actions into outcomes.

### 1.1. APPROACH TO FORMULATING THE VISION

The approach to vision formulation was one of coordination of various sectors through consultation with all stakeholders, at organizational and individual levels. This was achieved through coordination meetings, focused discussions and workshops. The objective was to bring all stakeholders on one platform and enable them to voice their opinions and come to a consensus on issues, strategies and actions.

The stakeholders comprised officials of the JCMC and heads of various Departments; elected representatives, the Corporators; officials from line agencies, NGOs, resident welfare associations, industry and trade associations; advocates; architects, builders, chartered accountants, academicians; and citizens. The stakeholder consultations also involved representatives of the Maharashtra Town & Country Planning department. In addition, individual discussions were held with the MLAs of Jalgaon. Three workshops were held during the period of 20 Dec 2006 to 31 Jan 2007.

Development of a perspective vision for the city was based on the understanding of emerging strengths and weaknesses across sectors.



**A vision towards integrated development of Jalgaon**



## 1.2. Stakeholder consultation – the process and outcomes

The aim of conducting consultations is to articulate stakeholder expectations for formulation of city development vision; prioritize city development issues; strategy / action consensus and choice of strategy options.

The methodology for consultation included the following sequential tasks:

- (a) Identification of stakeholders based on JCMC's input;
- (b) Conducting consultations;
- (c) Documentation, recording and dissemination of consultation outcomes; and
- (d) Integrating consultation findings into project related decision-making and formulation of SWOT.

The CDP preparation process comprised of a series of consultation workshops with primary and secondary stakeholders of Jalgaon. This section describes the proceedings of the consultation workshops along with the findings therein.

## 1.3. City Stakeholders' Profile

The City's stakeholders profile comprises of the following:

**a. Primary stakeholders:** Consists of general public, elected representatives, slum dwellers, resident welfare associations, community based organizations, non government organizations, representatives from the academic background such as educational institutions, architects and builders associations, doctors association, research oriented organizations, traders & hotel associations etc.

**b. Secondary stakeholders:** Consists of various parastatal agencies such as Jalgaon City Municipal Corporation, Dept. of City Planning (Urban Development), PWD, Water & Drainage Board, MHADA, Maharashtra Industrial Development Corporation (MIDC), National Highways Department etc.

## 1.4. Consultation Programme

The consultation process was formulated at various levels such as City assessments - key issues and trends, Consultation – gathering all stakeholders' views, formulating shared vision plus agreed goals and priorities for action and translating the vision, goals, and priorities into achievable programmes and projects.

The first level of process constituted consultation with the secondary stakeholders i.e. the Heads of the various Departments within the JCMC. Interviews and focus group discussions helped to assess the existing situation in terms of levels of urban services, and infrastructure needs for improvement, deficiencies etc. The second level of consultation was more participatory in the sense that stakeholders were involved in decision making and collaboration and was conducted in the form of a workshop.

The workshop/ meetings with the secondary stakeholders were conducted at the initiation of the project, followed by the primary stake holder's workshop. The first set of meetings constituted consultation rather than participation. Stakeholders, mainly heads of various Departments within the Jalgaon City Municipal Corporation (JCMC), were involved through questionnaires (See Appendix), interviews and focus group discussions to gauge situation assessment in terms of levels of urban services, and infrastructure needs for improvement etc. The first consultation workshop with the Corporators of the



City was more participatory in nature. They were involved in project listing and collaboration. At the second level, a consultation workshop was held with the Primary stakeholders, involving participation from the citizens and various NGOs and professionals as well. The stakeholders involved in second level of the participatory process had greater say in decision making regarding the strategies and future projects for Jalgaon.



### **CONSULTATION 1:** Heads of Departments of Jalgaon City Municipal Corporation

A meeting was held at the JCMC meeting hall, on 20<sup>th</sup> December, 2006, with the Head of the Departments of the JCMC and the consultants, with the objective of collecting all relevant data pertaining to preparation of the CDP Jalgaon, under UIDSSMT.

The Heads of departments present were from departments such as: Water supply, Drainage and Sewerage, Solid waste management, Fire safety department, Health and education, Finance.



### **CONSULTATION 2:** Held by the JCMC, with the Corporators of the Jalgaon City Municipal Corporation

The Corporators meeting was held on 20<sup>th</sup> December, 2006 in JCMC Meeting Hall, Jalgaon. The very purpose of the meeting was to provide a briefing about the City Development Plan under UIDSSMT Scheme, being prepared by the Jalgaon City Municipal Corporation.



**Table 37: Corporators meeting1 suggestions**

Sl. No	Suggestions/ Proposals
1	<b>Road and parking :</b> <ul style="list-style-type: none"> <li>▪ Traffic management, pedestrian safety, space for parking lots, grade separators</li> <li>▪ Roads up gradation and improvement, construction of link roads, service roads along highways and construction of ring road &amp; flyovers etc.</li> </ul>
2	<b>Old city renewal :</b> <ul style="list-style-type: none"> <li>▪ Redevelopment of old area and rejuvenation of existing Central Business District etc.</li> </ul>
3	<b>Water supply :</b> <ul style="list-style-type: none"> <li>▪ Priority for water supply in MIDC area and enhancement of existing distribution network for water supply</li> <li>▪ Improvement of existing water filtration and reservoirs</li> </ul>
4	<b>Drainage and Sewerage :</b> <ul style="list-style-type: none"> <li>▪ Community toilets required</li> <li>▪ Construction and up gradation for drainage system, enhancement for collection and disposal of solid waste, construction of sewerage treatment plants and compost plants</li> </ul>
5	<b>Water bodies :</b> <ul style="list-style-type: none"> <li>▪ Preservation of water bodies – Mehrun Lake.</li> </ul>
6	<b>Institutional :</b> <ul style="list-style-type: none"> <li>▪ Enhancement of property tax collection, improvement of e-governance, introduction for Information &amp; Communication Technology (ICT) tools for service delivery.</li> </ul>



**DISCUSSIONS:** With various departments within the JCMC





**CONSULTATION 3:** Heads of Departments (2<sup>nd</sup> meeting) of Jalgaon City Municipal Corporation

Consultations and discussions were held with the Heads of Departments on the 17<sup>th</sup> of January at the JCMC Meeting Hall, Jalgaon with the following departments such as: Water supply, Drainage and Sewerage, Solid waste management, Health and education, Finance and the staff of JCMC.

Subsequent to preliminary meetings involving data collection, the JCMC organized a second meeting with the consultant to clarify any questions on the data provided and for collection of any additional data for CDP preparation.



**CONSULTATION 4:** Held by the JCMC, with the Corporators (2<sup>nd</sup> meeting) of the Jalgaon City Municipal Corporation

The consultations with the elected representatives (Corporators of the various wards of JCMC) and the Mayor and Deputy Mayor were held for the second time on January 19, 2007. This consultation brought out a range of comments and suggestions.

The emerging suggestions and vision formulation ideas that came out though consultation with the elected representatives are tabulated as follows:



**Table 38: Corporators meeting2 suggestions and vision**

Sl. No	Suggestions/ Proposals
1	<p><b>Road and parking :</b></p> <ul style="list-style-type: none"> <li>▪ Efficient segregation for enhanced traffic flow.</li> <li>▪ Addition of footpaths in all important areas for the pedestrians, flyovers and ROB's at congested junctions like the Akashwani Chowk and parking and shops may be accommodated below it.</li> <li>▪ Pay and park to be enforced in certain busy commercial areas</li> <li>▪ Completion of proposed DP roads.</li> </ul>
2	<p><b>Heritage :</b></p> <ul style="list-style-type: none"> <li>▪ Setting up of heritage cell and developing the tourist potential of the city</li> <li>▪ Museum to show case the culture and artifacts of the region</li> <li>▪ Sardar gharanas present in the old city that can qualify as heritage</li> </ul>
3	<p><b>Water supply :</b></p> <ul style="list-style-type: none"> <li>▪ Old city pipes over 100yrs old hence need to be redone, newer areas do not receive piped water hence better accessibility required</li> <li>▪ Quality pipes to be installed not cheaper PVC pipes</li> <li>▪ Request for more filtration plants to be installed.</li> <li>▪ Introduction of water harvesting techniques</li> </ul>
4	<p><b>Drainage and Sewerage :</b></p> <ul style="list-style-type: none"> <li>▪ Segregation of solid waste so that it does not enter the drains, lining required for the existing drains</li> <li>▪ Underground drainage must be planned for</li> </ul>
5	<p><b>Water bodies :</b></p> <ul style="list-style-type: none"> <li>▪ Creation of more water bodies, and parks for recreation</li> <li>▪ Develop water activities like water parks, boating etc. in the Mehrun tank and tourist attraction</li> <li>▪ Treatment of effluent before releasing to water bodies and drains and this effluent may be used to make by products such as dilute HCl etc.</li> </ul>
6	<p><b>Slums:</b></p> <ul style="list-style-type: none"> <li>▪ Request for slums schemes to be added into UIDSSMT</li> <li>▪ Lack of toilets and clean drinking water in slums</li> </ul>
7	<p><b>Slaughter house and burial grounds:</b> Request for a space to accommodate these functions also</p>
8	<p><b>Old city renewal:</b> Non conforming land uses cropping up as more and more commercialization occurs in the old city. More garbage gets generated in the old city and means of disposal to be improved.</p>



Sl. No	Vision statements
1	Industrial hub of the region
2	Tourist transit hub
3	Education hub

Other requests which were not directly relevant to the UIDSSMT scheme ranged from requests for entertainment facilities, swimming pools, etc.



**CONSULTATION 5:** Held by the JCMC, with the secondary stakeholders (Govt. officials)

The JCMC organized a meeting on the 24<sup>th</sup> of January 2007 with various Govt. agencies/ stakeholders of Jalgaon such as: MIDC, Traffic branch, RTO, Jalgaon Irrigation Division, Social Forestry Division, National Highways Sub Division and Town Planning Division Jalgaon etc. to clarify any questions on the data provided and for collection of any additional data for CDP preparation.

The objective of the meeting was to apprise all Govt. Stakeholders of the city with the proceedings of the CDP, Jalgaon and incorporate their inputs and suggestions for the same.

The emerging suggestions and vision formulation ideas that came out through consultation with the government officials are tabulated as follows:



**Table 39: Government officials meeting suggestions and vision**

Sl. No	Suggestions/ Proposals
1	<p><b>Road:</b></p> <ul style="list-style-type: none"> <li>▪ Outer ring road is in progress, but need for by-passes was stressed for segregation of inter and intra city traffic</li> <li>▪ Development of service lanes by the JCMC is required</li> <li>▪ 4laning of the National Highway is proposed,</li> <li>▪ Inadequate parking spaces especially for private tourist buses: hence request for study of existing transport nodes and regional connectivity needs.</li> <li>▪ Mamurabad road crossing does not require a flyover but should go for road widening instead</li> <li>▪ Setting up of a ‘Transport Nagar’ and transport hub for MIDC purposes</li> </ul>
2	<p><b>Lakes and Green spaces:</b></p> <ul style="list-style-type: none"> <li>▪ Afforestation on a large scale with road side plantations of trees</li> <li>▪ Botanical gardens, Medicinal plantations, and plantations on open spaces</li> <li>▪ Afforestation in the MIDC area</li> <li>▪ Rain water harvesting to be made compulsory for new constructions</li> </ul>
3	<p><b>Urban poor and slums:</b></p> <ul style="list-style-type: none"> <li>▪ Land to be reserved for public housing i.e. the economically weaker sections and low income groups</li> </ul>

Other requests, which were not directly relevant to the UIDSSMT scheme ranged from requests for a city bus service, bus stands revitalization, reservation of land for the poor in the Development Plan, airport development etc.

The kind of vision statements that could be arrived at through this consultation meeting is as follows:

Sl. No	Vision statements
1	Transport facility hub and ‘Transport Nagar’
2	Tourist transit hub
3	Green Jalgaon

**Consultation 6:** Held by the JCMC, with the primary stakeholders of Jalgaon city

The consultation with the general public was held on the 21<sup>st</sup> of January 2007. The people present represented not only the general public, but also community based organizations, non government organizations, representatives from the academic background such as educational institutions, architects and builders associations, doctors association, research oriented organizations, traders & hotel associations etc.



The emerging suggestions and vision formulation ideas that came out through consultation with the primary stakeholders (public) are tabulated as follows:

**Table 40: primary stakeholders (public) meeting suggestions**

Sl. No	Suggestions/ Proposals
1	<p><b>Road and parking :</b></p> <ul style="list-style-type: none"> <li>▪ Footpaths not present especially near colleges and schools and also smaller colonies causing inconveniences to the pedestrians</li> <li>▪ No allotment of parking spaces and hence parking occurs haphazardly</li> <li>▪ Effective right of way to be demarcated on roads for efficient traffic management</li> <li>▪ City buses need to ply on separate tracks</li> <li>▪ Concrete roads preferred along major roads rather than bitumen</li> <li>▪ Inclusion of flyovers and ROB's in necessary areas</li> <li>▪ Octroi nakas to provide parking spaces also</li> <li>▪ Service roads necessary to segregate inter and intra city traffic along with footpaths along roads such as Bhusawal Road, Ajantha Road, Pachora Road, Mohadi Road, Kanalda Road, Asoda road, Mamurabad Road, NH-6 etc.</li> </ul>
2	<p><b>Water supply :</b> Irregular water supply causing inconveniences, shortages Services to have openable ducts to be provided for checks within the footpaths itself</p>
3	<p><b>Drainage and Sewerage :</b> Ample public toilets to be provided</p>
4	<p><b>Parks and open spaces:</b> Provision of the same for the recreation of Jalgaon's citizens</p>



## 1.5. VISION OF JALGAON

The vision for Jalgaon was drafted based on an understanding of the state of the city and stakeholder consultations. Citizens and various stakeholders vocalized how they envisaged Jalgaon to develop in the next 25 years. Also, officials' perspectives on how they would like to develop Jalgaon were taken into account. Accordingly, the mission statement for was formulated.

### 1.5.1. Important Aspects

During individual discussions and the workshops, the stakeholders discussed and articulated several factors that should be taken into consideration while formulating the vision. These statements are listed below and have been used in drafting the vision statement.

- **Industrial growth to be revived and sustained**
- **Able, efficient and economically developed**
- **Develop Jalgaon as an Trade Hub**
- **Jalgaon as Agri-Business.**
- **Multi-sector economic approach to ensure sustainability**
- **Green Jalgaon: An environment-friendly city with excellent infrastructure**
- **Efficient use of energy**
- **Logistics Hub of Maharashtra**
- **A tourist transit hub**
- **Good connectivity with the region**
- **Education centre of the country**
- **Best City of Maharashtra**
- **Slum-free and pollution-free city**

### 1.6. Vision statement

Based on the city's strengths, futuristic aspirations, perspectives and potential of Jalgaon, the following Vision Statements have been sketched and placed before the Joint Committee of Jalgaon and the JCMC. A futuristic vision has to be adopted by the city for sustainable development of the City.

'Jalgaon will be the future trade, industrial and logistics and transit tourist hub of Maharashtra with best infrastructure.'

'A planned and people friendly City, with safe environment, growing economies, social equity and best Infrastructure.'

### 1.7. Mission Statement

The JCMC is the principal service provider of all municipal services. Through the involvement of the private sector and delegated functioning, the JCMC intends manage services efficiently in a cost-effective manner; JCMC would function as a coordinator and facilitator for provision of services, which promote socio-economic development, but are not under its umbrella.



Under the UIDSSMT, the mission strategies of JCMC for each sector are:

- Provide all core municipal services
- Prepare a comprehensive infrastructure plan for water, sewerage and storm water drainage
- Improve road network and beautify all major junctions
- Ensure efficient and environment friendly solid waste management
- Conserve city environment by developing gardens, conserving and protecting water bodies, etc. Provide a clean, green and pollution-free environment
- Preserve city's heritage value
- Promote tourism through tourism development plans



## 2.0 ACTION PLAN, PROJECTS/SCHEMES

### 2.1 ASSESSMENT OF PHYSICAL INFRASTRUCTURE

The assessment of physical infrastructure needs have been calculated based on the Development Plan – 1991, future land use plus growth rate of last decades and projected population in the planning origin of 2031. The design standard will be considering average density of 200 person/hectares<sup>35</sup> can accommodate the projected population of 8, 55,821 in the origin of 2031. The land requirements have been estimated based on the average density and projected population of 4,30,903, 5,30,607, 6,93,214 & 8,55,821 during the origin of 2006, 2011, 2021 & 2031 respectively. The extended area of municipal limits of Jalgaon is divided into 7 sectors; in proposed land use - 2011 the urbanisable area will be 44.92 sq.km plus the addition area requirement for 2031 is 16. 26 sq.km. The total area is divided into three phases they are; 1). Old municipal limits – 11.45 sq.km, 2). Extended limit (44.92-11.45) 33.47 sq.km and 3). Additional urbanisable area is 16.26 sq.km.

**Table 41: Statement Showing the Proposed area requirement for 2011**

Sector No.	Area in hectares	Proposed Residential Area in hectares	Population – 2011 that can be accommodated 200 persons / hectares.
I.	788.37	240.29	48058
II.	993.45	772.20	15440
III.	547.41	482.15	96430
IV.	601.93	257.46	51492
V.	1441.69	341.01	68202
VI.	178.00	141.35	28270
VII.	1128.00	612.55	122510
<b>Total</b>	<b>5678.85</b>	<b>2847.01</b>	<b>569402</b>

(Source: Development Plan)

<sup>35</sup> Medium towns average density 100-150 persons / hectares – UDPI Guidelines, Ministry of Urban Affairs & Employment, and Government of India.



## 2.2. SECTOR WISE CIP DETAILS – CAPITAL NEEDS / INVESTMENTS

**2.2.1 ROADS AND PARKING:** The present road network comprises of a running length of 441 km. This includes National and State Highways within the City area and has a road density of 1.16 m per person. Types of roads cover the whole spectrum from unsurfaced (WBM) to bitumen surfaced and cement concrete category. The estimated length for the year 2031 is approximately an additional road length of 589.87/ 589.87 Km.

### A. ROAD SECTOR SPECIFIC STUDIES

1. Completion of roads proposed as per Development Plan 1991;
2. Road widening in congested areas;
3. Congested traffic intersections;
4. Inadequate connectivity across railway line;
5. Up gradation of 85 % of road surfaces: new areas doesn't have pucca roads leading to them;
6. Absence of pedestrian sidewalks and road markings like zebra crossings (40% trips are made by walk);
7. 20% of areas in the city do not have streetlights.

### B. Goal

To ensure easy and safe accessibility and good quality roads for vehicular and pedestrian use for the citizens of Jalgaon.

### C. Objective

1. Initiate land acquisition/ pooling for realization of DP Roads;
2. Initiate schemes for road widening in congested areas for provision of TDR;
3. Upgrade & improvement of congested intersections;
4. Up gradation & improvement of existing kuccha roads;
5. Increase efficiency of traffic flow on existing roads;
6. Improve surface quality of existing pucca roads and provide for concreting on roads with heavy traffic; and
7. Provide for adequate street lighting for safe street environment.

**D. Design framework for 25 years ending year 2031:** The design period of UIDSSMT scheme has been taken as 25 years with the starting base year of 2006. The estimated road requirement for next 2031 has based on existing situation analysis and reference from Tata Consultancy Services surveys & reports. The design framework mainly focuses on intra city having grid iron pattern network & peripheral by the radial distribution network based on the movements of intra city passenger and goods as well as inter city movements to and from city.



1. Increased population from 3, 68,000 (2001) to 8,55,821 (2031)
2. Increased urbanized area from an existing 44.92 sqkm to 61.18 sqkm (2031), i.e., an addition of urbanisable area 16.26 Sq.km.
3. Preparation of Comprehensive Road and Transport plan.
4. Upgradation of existing road networks.
5. Increased road network from 430 Km to an addition of 547.97 Km by 2031
6. Realization of DP roads.
7. Construction of additional IRR of about 12 Km.
8. Construction of ORR of about 30 Km.
9. Concreting of roads, about 50 km.
10. Road widening in congested areas.
11. Chowk development & improvement, and providing signal lights at all significant intersections, including solar lighting.
12. Planning for footpaths, drains, and necessary underground duct network for all type of utilities.
13. Planning for pedestrian under passes, construction of flyovers and Railway Over Bridges in congested intersections & railway crossing lines.
14. Street lighting on major and minor roads and provision of solar panels and lights for signalized junctions.

#### **E. Management and Maintenance:**

1. Maintenance of interjections, lighting, and traffic signals etc.

#### **F. Strategies for the road sector under UIDSSMT**

1. Initiate comprehensive road and transport plan;
2. Initiate phasing plan for realization of DP Roads;
3. Initiate TDR/ TPS for road widening in congested areas;
4. Upgrade congested intersections through proper design;
5. Prepare phasing plan for up gradation of existing kuccha roads to pucca roads;
6. Corrections of faulty alignments and introduction of road markings for improved traffic flow on existing roads; and
7. Strengthen of poor surfaced roads to using California Bearing Capacity ratio (CBR) & Benkelman Beam Design (BBD).

#### **G. Infrastructure needs: project conceptualization:**

1. Up gradation and improvements of existing road networks 315.50km<sup>36</sup>;
2. Construction of new roads: about 547.97 Km; (276.92 km + 271.05 Km, excluding ORR & IRR).
3. Completion of Intermediate Ring Road about 12 km.
4. Construction of Outer Ring Road about 30 km.
5. Concreting of roads with high traffic volume, viz., M.G Road, Pandey Dairy, Ring Road, Mahabal Road, MIDC Road, Bainabai Udyan, Navipeth Road, and Khandesh Mill Road, covering a road length of

<sup>36</sup> Up gradation and Improvements: 15% of road length in good condition as per the TCS Report, 85% of 430 km is 365.50km – about 50 km concrete roads = 315.50 km



- about 50 km.
6. Construction of Footpath – existing roads about 318.82 Km.
  7. Construction of Footpaths for old city area and all major & minor roads within the city about 318.92 either side.
  8. Foot path requirement for urbanisable area about 271.05 km either side;
  9. Upgradation and Improvement of 23 intersections;
  10. Pedestrian Skywalks at congested areas; at Subhash Chowk, Shivaji Chowk, SBI Chowk near L.N School, Ajanta Chowk, Ichhadevi Chowk, Stadium, and MG Market area;
  11. Pedestrian underpasses, 2 nos. at Old ST Stand, New ST Stand and Railway Station;
  12. Construction of three ROBs and approaches in lieu of level crossing at Pimprala (Gate no: 147A), Avhane intersection between Mumbai Bhusawal railway line and junction of western and central railway line;
  13. Improvement of existing over bridge at Shivajinagar on the NH 06;
  14. Construction of flyovers at two locations: Akashwani Chowk, Ajanta Chowk; and
  15. Improvement of Street lighting
  16. Road restoration and utility services for a total length of 1018.87 Km.

