

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1094
ANSWERED ON:09.12.2003
PERFORMANCE OF LOCAL BODIES
DADICHILUKA VEERA GOURI SANKARA RAO

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:

- (a) whether the Credit Rating Information Services of India Limited (CRISIL) has rated Municipal Corporation of Hyderabad as the best corporation in the country and adjudged Vizag Municipal Corporation as best Corporation for implementing e-governance;
- (b) if so, the main features of administration in the administration of these local bodies;
- (c) whether the Union Government have taken steps to ask local bodies to emulate these local bodies; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION
(SHRI BANDARU DATTATRAYA)

(a): Yes Sir, the Municipal Corporation of Hyderabad and the Visakhapatnam Municipal Corporation have been awarded by the CRISIL in September, 2003 for their initiatives in Accounting Reforms and in E-Governance, respectively. The Hyderabad Municipal Corporation was also rated as AA+(SO) for the year 2001-02 by the CRISIL, based on which they could float tax-free municipal bonds for Rs.82.50 crores during that year.

(b): The main features of administration of these municipal bodies are:

- Increase in revenue income year by year;
- Increase in capital expenditure year after year;
- Decrease in Salary Ratio year after year;
- Increase in property tax collections without hiking the rate of property tax.
- Computerization of all property tax assessments;
- Self-sufficiency in finance;
- Strengthening internal efficiency;
- Maintenance of accounts in accrual based double entry financial accounting system under fully computerized environment for transparency and accuracy;
- Streamlining of processes to reduce response time for the provision of services;
- Privatisation of sanitation up to 80% ;
- Adoption of Unit Rate system in execution of civil works; and
- In-house development of software and integration of modules, which allow for sustainability and continuous improvement of their initiatives.

(c)&(d): To make the urban local bodies more responsive and accountable to the people and also to develop cities with a standard of services as well as enhance their capability to undertake the task of raising resources, the Ministry of Urban Development & Poverty Alleviation has recently circulated a Model Municipal Law to all State Governments for necessary action. The Model Municipal Law seeks to define the role of municipal bodies in delivery of municipal services, adoption of double entry accounting system, levy of user charges, involvement of private sector in delivery of municipal services, property tax reforms, etc. Besides, this Ministry has also prepared and circulated Urban Development Plans Formulation and Implementation Guidelines, 1996; Guidelines on Property Tax Reforms, 1998; and draft Guidelines on Public Private Partnerships, to the States to help urban local bodies to play their role more effectively and ensure better service delivery. This Ministry has also been conducting various conferences/workshops with the

representatives of the States from time to time to impress upon them to make the urban local bodies as viable unit of self governance by giving them needed functional and financial powers.