



Ministry of Housing
and Urban Affairs
Government of India



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FINAL GUIDELINES & RANKING FRAMEWORK

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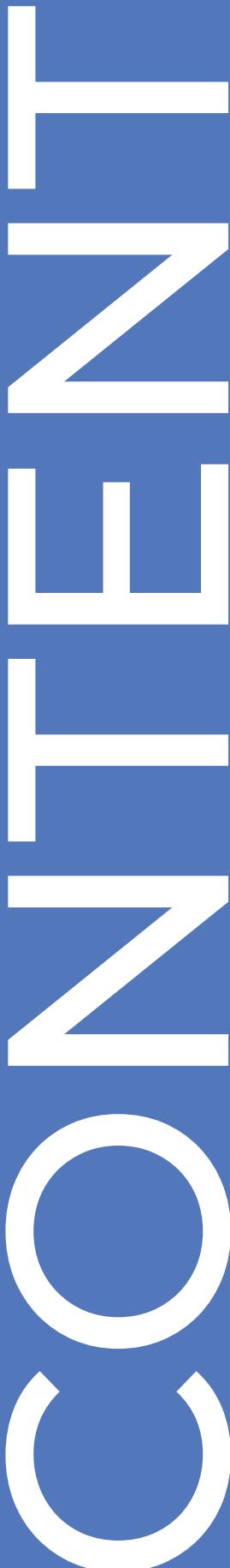
An initiative of :



**Ministry of Housing
and Urban Affairs**
Government of India

Knowledge Partner: The logo for Janagraha, featuring the word "JANAGRAHA" in a stylized font with horizontal lines above each letter.

Email: rankings@cityfinance.in



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Sh. Hardeep Singh Puri

Union Minister for Housing and Urban Affairs



Urban Local Bodies (ULBs) were envisaged as vibrant units of local self-government under the Constitution (Seventy-fourth Amendment) Act 1992. However, weak finances constrained ULBs from operating as viable third tiers of the Government. Recognizing the need for improving municipal finances, Hon'ble Prime Minister in the 'National Conference of Chief Secretaries' held at Dharamshala, Himachal Pradesh, in June 2022, observed that healthy competition amongst ULBs could encourage them to improve their finances. In keeping with the vision of Hon'ble Prime Minister, the City Finance Ranking Framework 2022 has been devised by the Ministry of Housing and Urban Affairs.

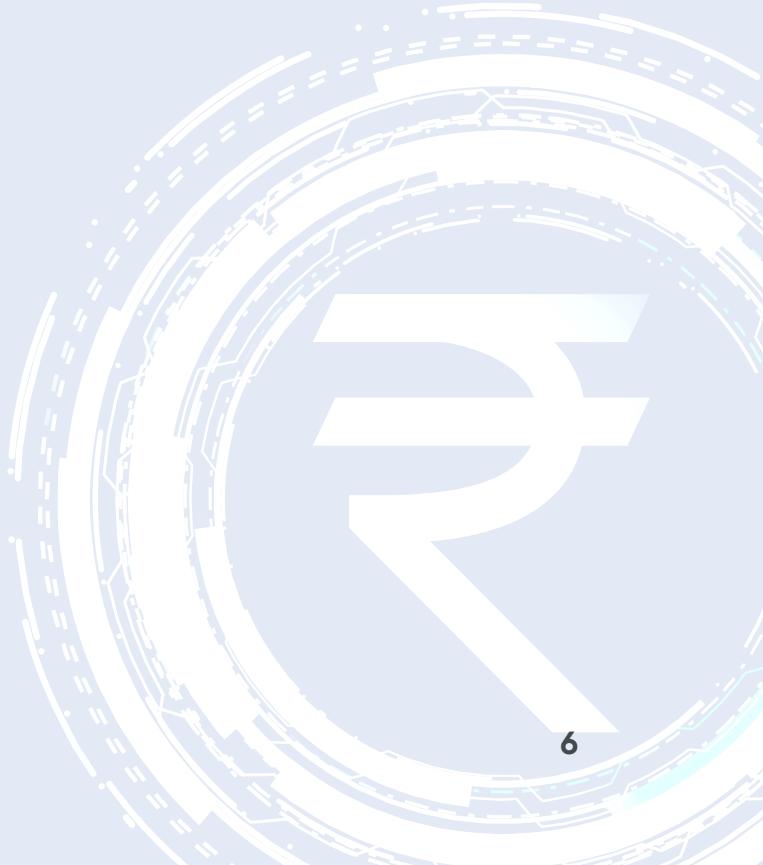
'City Finance Rankings 2022' aim to evaluate, recognize & reward ULBs, on the basis of their strength across three financial parameters viz. resource mobilization, expenditure performance and fiscal governance systems.

I hope this initiative will provide the necessary nudge to the urban local bodies to undertake financial reforms for improving their financial status, besides facilitating peer learning, building internal capacities to address present and future challenges, and realizing the cities' potential as engines of growth and development. The exercise aims to assist ULBs in identifying their areas of improvement and taking forward the municipal finance reforms agenda.



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The logo features a stylized bar chart icon on the left, composed of three vertical bars in blue, light blue, and orange, each with a white upward-pointing arrow at the top. To the right of the icon, the word "cityfinance" is written in a lowercase, sans-serif font. Below it, the words "₹ANKINGS 2022" are written in a larger, bold, orange sans-serif font.



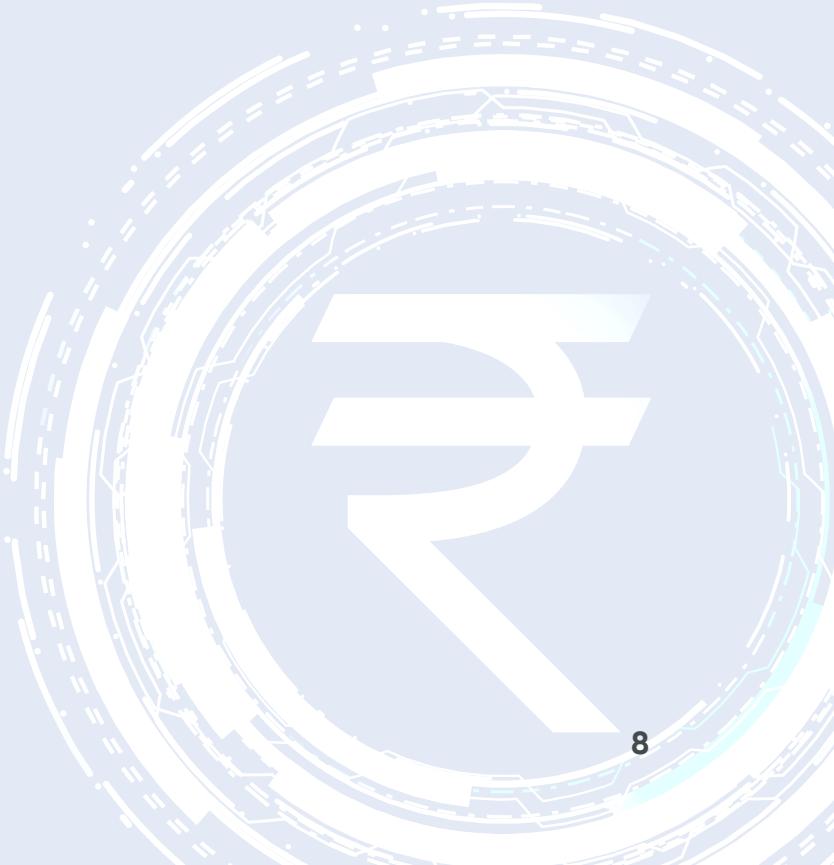
Sh. Kaushal Kishore

Minister of State for Housing and Urban Affairs

The need for strengthening the finances of Urban Local Bodies (ULBs) is widely acknowledged, in view of the low municipal revenues and high dependence on inter-governmental transfers of most ULBs. Strong municipal finances and urban infrastructure could be catalytic in unlocking growth and employment potential in public service sectors like transportation, healthcare, education, and others. Healthy finances of ULBs are vital for provisioning of basic infrastructure to the citizens and also for improving the quality of these services.

'City Finance Rankings 2022' aim to assess ULBs across the country on the quality of their resource mobilization, expenditure performance and fiscal governance. Through healthy competition amongst the ULBs, the rankings would nudge the ULBs to identify areas of financial improvement and accelerate the pace of municipal finance reforms.

I am confident that the 'City Finance Rankings 2022' would create a conducive environment for developing a robust municipal finance ecosystem for promoting financially healthy, transparent and sustainable cities.



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Sh. Manoj Joshi

Secretary, MoHUA



Robust finances of urban local bodies (ULBs) are crucial for realizing the vision of ULBs as a viable third tier of Government and capitalizing on the potential that cities represent for growth and development. Currently, municipal revenues in India are less than one per cent of the Gross Domestic Product, with high dependence on inter-governmental transfers, and own revenues accounting for less than half the total revenue of ULBs. This is reflected in the chronic deficits that ULBs run and, also among other things, in their inability to fund infrastructural demand or even meet the Operation and Maintenance (O&M) requirements.

The 'City Finance Rankings Framework', is an initiative of Ministry of Housing and Urban Affairs to assess and rank cities/ ULBs across the country, on the basis of their financial health. The rankings aim to motivate city/state officials and decision makers, to implement municipal finance reforms.

I urge urban local bodies across all states / UTs to participate in the ranking exercise. It would serve as a useful tool for evaluating their own performance vis-à-vis other cities, self-improvement, and for emerging as attractive business investment destinations and growth engines in the coming years.

BACKGROUND

'National Conference of Chief Secretaries' was held in the presence of Hon'ble Prime Minister at Dharamshala, Himachal Pradesh, between 15th to 17th June, 2022. Urban Governance was one of the themes for discussion during the Conference. An action point emerging from this Conference relates to developing a 'Ranking of cities on the basis of their financial management'.

This document outlines the concept, rationale, intended outcomes and a detailed ranking framework, including assessment indicators and scoring methodology, of the 'City Finance Rankings', which is being designed and implemented by the Ministry of Housing and Urban Affairs (MoHUA), in collaboration with its knowledge partner - Janaagraha Centre for Citizenship and Democracy, Bengaluru - as an initiative to assess cities (urban local bodies or ULBs) across the country. The entire operational processes, from data collection, verification/validation, to scoring, ranking and reporting/analytics, will be managed and powered end-to-end on the Ministry's City Finance platform.

ABOUT THE CITY FINANCE PLATFORM

(www.cityfinance.in)

In May 2020, MoHUA implemented and launched www.cityfinance.in, which is the national municipal finance portal and serves as a framework of standardized, timely and credible financial information on India's cities (urban local bodies). It facilitates benchmarking, comparison and peer learning between ULBs on a range of financial and operational performance indicators.

City Finance currently hosts 8,600 audited financials of nearly 3,100 municipalities (ULBs) in a standardized and comparable format in line with the National Municipal Accounting Manual (NMAM) standards.

It is also the official Ministry portal being used for the administration and claim submission of 15th Finance Commission (15th FC) grants of Rs. 1.1 Lakh Crore to all 4,500+ ULBs, for the five-year FC award period during 2021-26. More than 3,000 municipalities have self-reported their audited financials for 2019-20 and more than 2,850 have published their audited financials for 2020-21 on cityfinance.in, in line with the entry-level conditions of the 15th FC to claim the ULB grants.

ABOUT THE CITY FINANCE RANKINGS

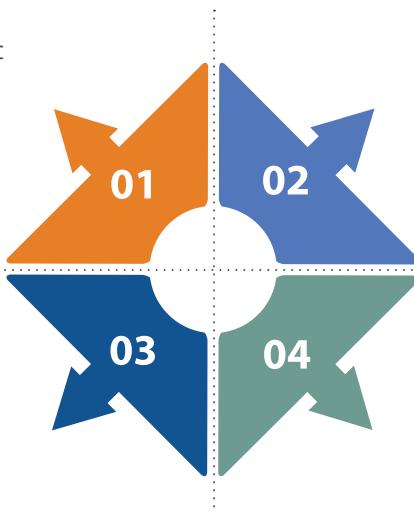
(powered by www.cityfinance.in)

The rankings aim to evaluate, recognize and reward India's cities (ULBs) on the basis of their quality of current financial health and improvement over time in financial performance, on three key municipal finance parameters, namely: **Resource Mobilization, Expenditure Performance and Fiscal Governance.**

It is also an effort to analyze and help the ULBs in identifying areas in their financial performance where they can make further improvements, to be able to deliver quality infrastructure and services, and hence a good quality of life to its citizens.

OBJECTIVES

Reward and recognize ULBs that are financially healthy and showing improved financial performance over time



Promote healthy competition among ULBs and States with an aim of building a robust municipal finance ecosystem

Platform for identifying technical support needs of states/cities for implementing municipal finance reforms

Facilitate peer learning, and enable collaborations and adoption of best practices

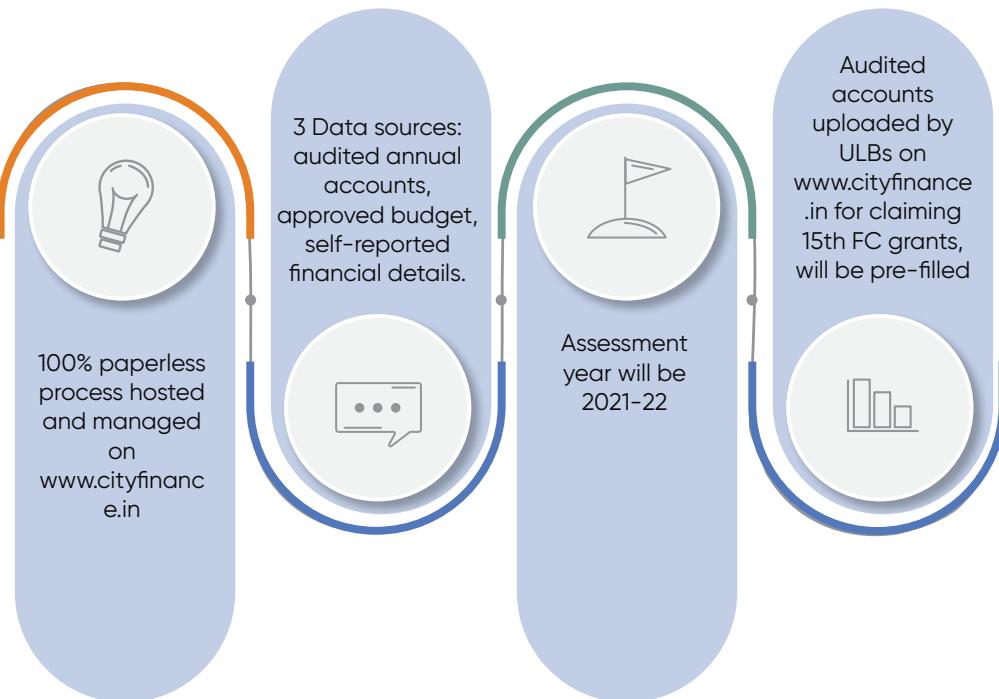


RATIONALE

The City Finance Rankings will serve as a motivation for city/state officials (decision makers) to implement municipal finance reforms, and will act as a guide for informed policy decisions. At a state- and national-level, the rankings will highlight the outcomes achieved by municipalities and provide critical insights to key policy makers into the state of finances of urban local bodies.

GUIDING PRINCIPLES / SALIENT FEATURES

The city finance rankings will be computed based on self-reported financial data (submitted by ULBs via online data entry form, appended in Annexure-1 of this document) and verified/validated from the approved financial documents of the ULB (audited financial statements and annual budgets) which will be submitted by each participating ULB on to the online rankings module hosted on www.cityfinance.in



The base assessment year for the computation of indicators and scores of the City Finance Rankings 2022, shall be financial year 2021-22, whose duration is from 1st April 2021 to 31st March 2022.

If a ULB has already submitted its audited annual accounts on www.cityfinance.in/fc_grant as part of compliance for 15th FC grants, they will not be required to re-upload the same documents again for the purpose of the City Finance Rankings. The Ministry shall consider the existing audited annual accounts copies for ranking assessment purpose. The ULBs will however have an option to submit revised copies of their audited annual accounts only via email, by sending a request to rankings@cityfinance.in.

ASSESSMENT PARAMETERS

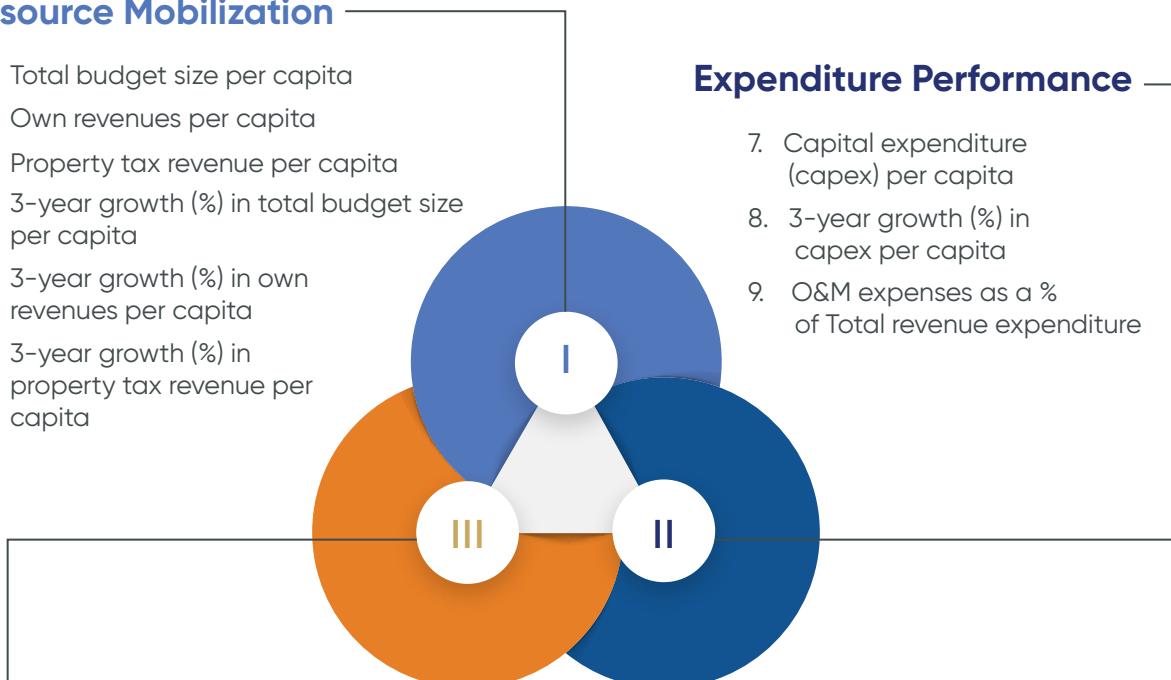
The city finance rankings will evaluate and assess each participating ULB on 15 indicators/metrics across 3 key municipal finance parameters, that put together, will help in identifying the most financially sustainable and accountable cities (ULBs). The 15 indicators/metrics across 3 municipal finance parameters are mentioned here below, and the detailed scoring methodology is outlined in the section thereafter.

Resource Mobilization

1. Total budget size per capita
2. Own revenues per capita
3. Property tax revenue per capita
4. 3-year growth (%) in total budget size per capita
5. 3-year growth (%) in own revenues per capita
6. 3-year growth (%) in property tax revenue per capita

Expenditure Performance

7. Capital expenditure (capex) per capita
8. 3-year growth (%) in capex per capita
9. O&M expenses as a % of Total revenue expenditure



Fiscal Governance

10. Timely audit closure & Publication of audited annual accounts in public domain
11. Property tax & accounting system followed - Manual vs IT-based?
12. Budget vs. actual (variance %) for total receipts
13. Own revenue receivables outstanding
14. Digital own revenue collection as a % of Total own revenue collection
15. Properties under tax collection net

I. Resource Mobilization

Comprises assessment of the size and growth trend in total receipts (including both revenue and capital receipts; and including own revenues, assigned revenues, grants, transfers etc), and own revenues of the ULB, including from property tax. The assessment indicators include:

1. Total budget size (actual receipts) per capita
2. Own revenues per capita
3. Property tax revenue per capita
4. 3-year growth (CAGR) in total budget size (actual receipts) per capita
5. 3-year growth (CAGR) in own revenues per capita
6. 3-year growth (CAGR) in property tax revenues per capita

The total budget size (actual receipts), own revenues and property tax revenues will be as per the 'actual' figures from the approved annual budgets. The per capita figures will be computed based on the city/ULB's population as per 2011 Census. Indicators 1 to 3 will be computed for FY 2021-22. Similarly, indicators 4 to 6 will be computed for the four years period, from FY 2018-19 to FY 2021-22.

In some states, ULBs handle water supply and sanitation services and may be collecting tax and non-tax revenues towards the same. To normalize for this, and to bring all ULBs onto a uniform and comparable assessment platform, the following adjustments shall be made for the purpose of calculating indicators 1 to 6 :

For indicators 1, 2, 4 and 5 : Wherever ULB is handling water supply & sanitation services, and is collecting own revenues (including tax and non-tax revenues) towards water supply & sanitation, the "own revenues from water supply and sanitation" shall be deducted from "Total own revenues", while calculating "Own Revenues per capita". The Own Revenues from Water Supply & Sanitation shall include: (a) Tax revenues such as water tax, drainage tax, sewerage tax; and (b) Non-Tax revenues / Fees & User charges for water supply, sanitation, and/or sewerage. Please note, Fees & User charges for solid waste management / garbage collection shall not be included.

Similarly, for indicators 3 and 6 : Wherever ULB is handling water supply & sanitation services, and is collecting Water Tax, Drainage Tax, and/or Sewerage Tax as part of (consolidated) Property tax, the same shall be deducted from "Total Property Tax", while calculating "Property tax per capita.

II. Expenditure Performance

Comprises assessment of the size and quality of expenditure (spending) towards building infrastructure and provision of services to the citizens. The assessment indicators include:

7. Capital expenditure (capex) per capita (3-year average)
8. 3-year growth (CAGR) in capex per capita
9. O&M expenses (excluding on water supply & sanitation) as a % of Total revenue

While capital expenditure will be as per the ULB's audited annual accounts balance expenditure (3-year average sheet), the O&M expenses and revenue expenses will be taken from the approved annual budgets (actual figures). Indicators 7 and 9 will be computed as simple average for FY 2019-20 to FY 2021-22. Indicator 8 will be computed for the four years period, from FY 2018-19 to FY 2021-22. Per capita figures will be computed based on the city/ULB's population as per 2011 Census.

In some states, ULBs handle water supply and sanitation services and may be incurring capital expenditure as well as operations & maintenance (O&M) expenditure towards the same. To normalize for this, and to bring all ULBs onto a uniform and comparable assessment platform, the following adjustments shall be made for the purpose of calculating indicators 7 to 9 :

For indicators 7 and 8 : Wherever ULB is handling water supply & sanitation services, and is incurring capex towards water supply & sanitation, the "capex on water supply and sanitation" shall be excluded from "Total capex" amount, while calculating "Capex per capita".

Similarly, for indicator 9 : Wherever ULB is handling water supply & sanitation services, and is incurring O&M expenditure towards water supply & sanitation, the "O&M expense on water supply and sanitation" shall be excluded from "Total O&M expenses" amount, while calculating "O&M expenses to Total Revenue expenses.

III. Fiscal Governance

Comprises assessment of ULB's fiscal systems with respect to transparency, institutional capacities and processes for effective revenue coverage, collection and budget management. The assessment indicators include:

10. Timely audit closure (within 12 months of financial year end) & Publication of audited annual accounts in public domain (availability on Cityfinance.in / Own website), for 3 years
11. Property tax & accounting system followed - Manual vs IT -based?*
12. Budget vs. actual (variance %) for total receipts
13. Own revenue receivables outstanding
14. Digital own revenue collection** as a % of total own revenue collection
15. Properties under tax collection net

All fiscal governance metrics will be as per self-reported data submitted by the ULBs. The Ministry will appoint an agency which will undertake data verification/validation for these self-reported metrics. Indicators 10 and 12 will be computed for the three years period, from FY 2019-20 to FY 2021-22. Indicator 11 will be computed based on data as on 1st February, 2023. Indicators 13 to 15 will be computed for FY 2021-22.

*For Property Tax, IT-based shall mean property tax records linked to GIS-based system. For Accounting, IT-based shall mean either standalone softwares like Tally, e-biz etc, or state-level centralized system like ERP, Digit etc.

**Digital own revenue collection refers to collection from online payment modes/channels, such as: UPI, Net Banking, Credit Card, Debit card, Payment wallets, others

SCORING FRAMEWORK AND METHODOLOGY

The 15 indicators across the 3 municipal finance parameters, have a total score of 1200, with resource mobilization accounting for 600 (50%), expenditure performance accounting for 300 (25%), and fiscal governance accounting for 300 (25%).

CITY FINANCE RANKINGS 2022: SCORING FRAMEWORK

| S. No | Municipal Finance Parameters | No of indicators | Maximum score per indicator | Maximum Score |
|----------------------------|------------------------------|------------------|-----------------------------|---------------|
| 1 | Resource Mobilization | 6 | 100 | 600 |
| 2 | Expenditure Performance | 3 | 100 | 300 |
| 3 | Fiscal Governance | 6 | 50 | 300 |
| TOTAL OVERALL SCORE | | | | 1200 |

The detailed assessment and scoring methodology, including units of measurement, data sources, financial years, formula for computation of indicators & scores, and scoring logic is outlined in detail below.

| S. No | ASSESSMENT Indicators | Unit | Maximum Score | Financial year(s) | Data Source | Formula for computation of indicator | Scoring Methodology (Computation of Scores) | Scoring Logic |
|-------|---|------|---------------|--------------------|-----------------------------------|--|---|-------------------|
| | I. RESOURCE MOBILIZATION | | 600 | | | | | |
| 1 | Total Budget size per capita (Actual Total Receipts) | INR | 100 | 2021-22 | Annual budget 2023-24 | [Total budget size (actual receipts) – total receipts for water supply and sanitation ^{##}] / ULB Population | (ULB number / Highest ULB number) * Maximum score | Higher the better |
| 2 | Own Revenue per capita | INR | 100 | 2021-22 | Annual Budget 2023-24 | [Total own revenues – own revenues from water supply and sanitation ^{##}] / ULB Population | ---same as above--- | Higher the better |
| 3 | Property Tax per capita | INR | 100 | 2021-22 | Annual Budget 2023-24 | [Total property tax – tax revenues from water supply and sanitation ^{##}] / ULB Population | ---same as above--- | Higher the better |
| 4 | Growth (3-Year CAGR) in Total Budget Size (Total actual receipts) | % | 100 | 2018-19 to 2021-22 | Annual budgets 2020-21 to 2023-24 | 3-year CAGR in indicator 1 | [(ULB number – Lowest ULB number) / (Highest – Lowest)] * Maximum score | Higher the better |

[#]Total receipts shall include both revenue and capital receipts; and include own revenues, assigned revenues, grants, transfers etc. for water supply and sanitation purposes.

The Own Revenues from Water Supply & Sanitation shall include: (a) Tax revenues such as water tax, drainage tax, sewerage tax; and (b) Non-Tax revenues / Fees & User charges for water supply, sanitation, and/or sewerage. Please note, Fees & User charges for solid waste management / garbage collection shall not be included.

^{##}The Own Revenues from Water Supply & Sanitation shall include: (a) Tax revenues such as water tax, drainage tax, sewerage tax; and (b) Non-Tax revenues / Fees & User charges for water supply, sanitation, and/or sewerage. Please note, Fees & User charges for solid waste management / garbage collection shall not be included.

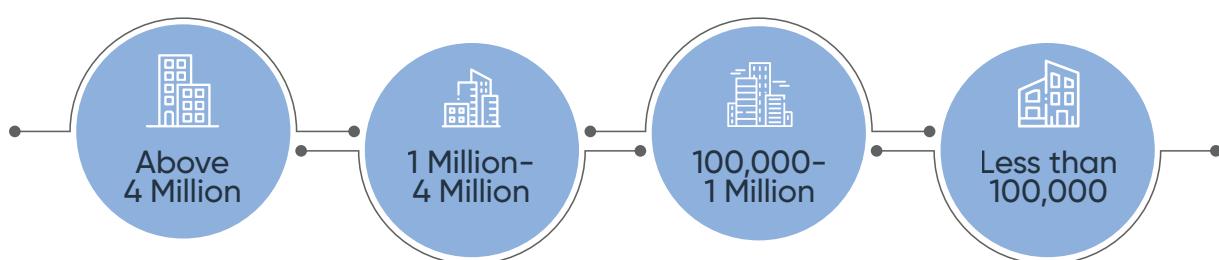
^{###}Tax Revenues from Water Supply & Sanitation shall include: Water tax, Drainage tax, Sewerage tax.

| S. No | RANKING Indicators | Unit | Maximum Score | Financial year(s) | Data Source | Formula for computation of indicator | Scoring Methodology (Computation of Scores) | Scoring Logic |
|-------|---|---------|---------------|-----------------------|--|---|---|-------------------|
| | I. RESOURCE MOBILIZATION | | 600 | | | | | |
| 5 | Growth (3-Year CAGR) in Own Revenue per capita | % | 100 | 2018-19 to 2021-22 | Annual budgets 2020-21 to 2023-24 | 3-year CAGR in indicator 2 | ---same as above--- | Higher the better |
| 6 | Growth (3-Year CAGR) in Property Tax per capita | % | 100 | 2018-19 to 2021-22 | Annual budgets 2020-21 to 2023-24 | 3-year CAGR in indicator 3 | ---same as above--- | Higher the better |
| | II. EXPENDITURE PERFORMANCE | | 300 | | | | | |
| 7 | Capital Expenditure per capita (3-year average) | INR | 100 | 2019-20 to 2021-22 | Audited accounts 2019-20 to 2021-22 | [Total capital expenditure – capex for water supply and sanitation] / ULB Population | (ULB number / Highest ULB number) * Maximum score | Higher the better |
| 8 | Growth (3-Year CAGR) in Capex per capita | INR | 100 | 2018-19 to 2021-22 | Audited accounts 2018-19 to 2021-22 | 3-year CAGR in indicator 7 | [(ULB number - Lowest ULB number) / (Highest - Lowest)] * Maximum score | Higher the better |
| 9 | O&M expenses to Total Revenue Expenditure (TRE) (3- year average) | % | 100 | 2019-20 to 2021-22 | Annual budgets 2021-22 to 2023-24 | [Total O&M expenditure – O&M for water supply and sanitation] / Total Revenue expenditure | (ULB number / Highest ULB number) * Maximum score | Higher the better |
| | III. FISCAL GOVERNANCE | | 300 | | | | | |
| 10 | Timely Audit Closure & Publication of Audited Annual Accounts in public domain (on Cityfinance.in / ULB's own website), for 3 years | Yes/ No | 50 | 2019-20 to 2021-22 | Audited accounts 2019-20 to 2021-22 and Self-reported by ULB | Calculation in two parts (25 marks each): 1. For Timely Audit - Average number of months taken by ULB in closing audit (i.e. Date of audit report minus date of FY close), average of 3 year period 2. For Publication of Annual Accounts - Availability for last 3 years on Cityfinance/Own website (Yes/No) | 1. Audit closure within 12 months of FY end=25; for >12 months=0 2. Yes= 25; No= 0 | Binary |
| 11 | Property Tax & Accounting System followed - Manual vs IT-based? | Yes/ No | 50 | As on 1st March, 2023 | Self-reported by ULB | Calculation in two parts (25 marks each): 1. For Property-tax - whether property tax records are linked to GIS-based system? (Yes/No) 2. For Accounting - whether accounting is done on either standalone software like Tally, e-biz etc, or a state-level centralized system like ERP, Digit etc. (Yes/No) | 1. Yes= 25; No= 0 2. Yes= 25; No= 0 | Binary |

| S. No | RANKING Indicators | Unit | Maximum Score | Financial year(s) | Data Source | Formula for computation of indicator | Scoring Methodology (Computation of Scores) | Scoring Logic |
|-------|---|------------|---------------|--------------------|-----------------------------------|--|--|-------------------|
| | III. FISCAL GOVERNANCE | | 300 | | | | | |
| 12 | Budget vs. Actual (Variance %) for Total Receipts (3-year average) | % | 50 | 2019-20 to 2021-22 | Annual budgets 2019-20 to 2023-24 | (Actual Total Receipts – BE [^] Total Receipts) / BE [^] Total Receipts (^Budget Estimate) | If Variance % is : -10% to +20% = 100% of max score; Above +20% = 90% of max score; -25% to -10% = 80% of max score; Below -25% = proportionate based on scale of 75% of max score | |
| 13 | Own Revenue Receivables Outstanding | No of days | 50 | 2021-22 | Self-reported by ULB | (Total own revenue arrears as on 31st March 2022 / Total own revenues for FY 2021-22) * 365 | [(Maximum ULB number – ULB number) / (Highest – Lowest)] * Maximum score | Lower the better |
| 14 | Digital Own Revenue Collection (DORC) to Total Own Revenue Collection (TORC) ¹ | % | 50 | 2021-22 | Self-reported by ULB | (Digital own revenue collection / Total own revenue collection) | (ULB number / Highest ULB number) * Maximum score | Higher the better |
| 15 | Properties under Tax Collection net | % | 50 | 2021-22 | Self-reported by ULB | [Properties from which property tax was collected during FY 2021-22 / (Total no. of assessed properties as on 31st March 2022 – Total no. of exempt properties as on 31st March 2022)] | (ULB number / Highest ULB number) * Maximum score | Higher the better |

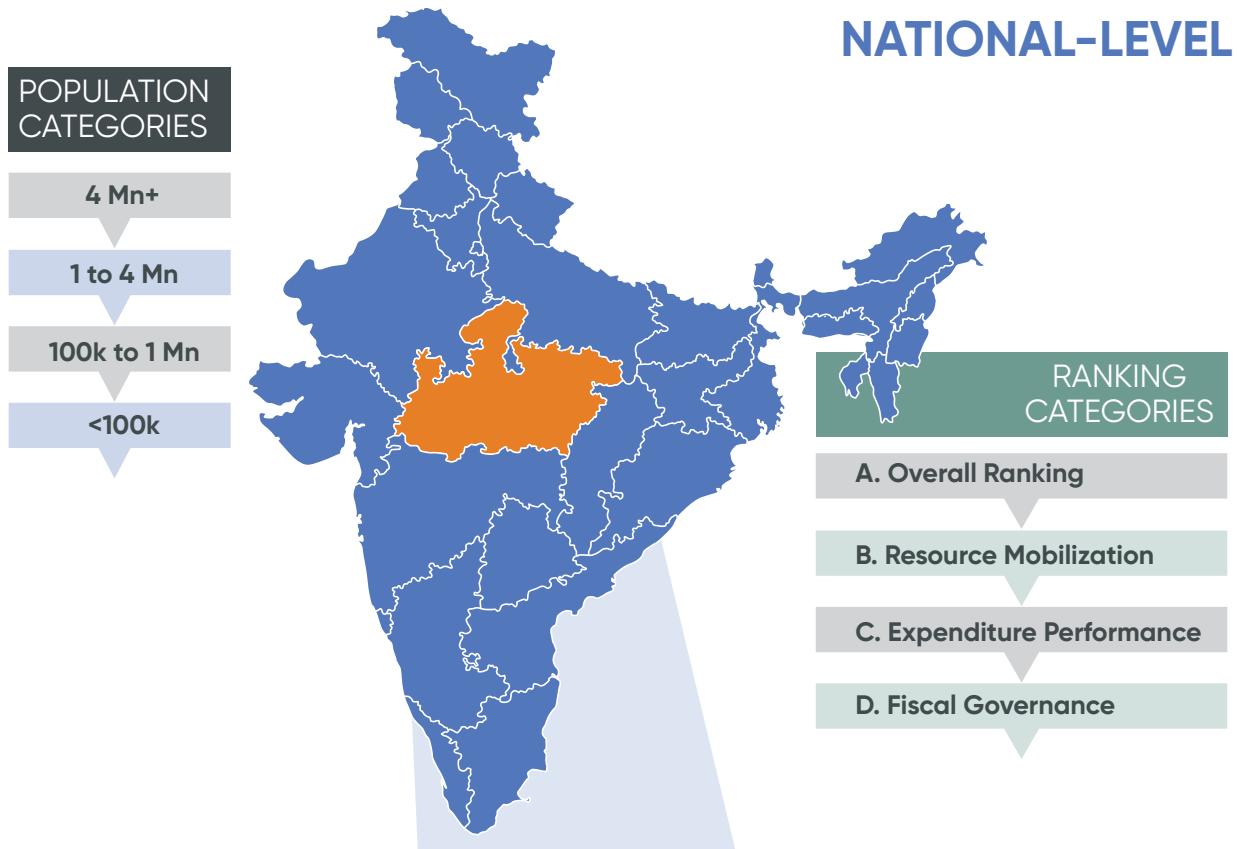
RANKING / AWARD CATEGORIES

Cities (ULBs) will be rank-ordered based on their scores, under any one of the following 4 categories, at the national level, which will be based on the city's population (as per 2011 Census). The top 3 cities (ULBs) in each population category will be recognized and rewarded at a national level.



¹Digital own revenue collection refers to collection from online payment modes/channels, such as: Net Banking, NEFT, RTGS, Credit Card, Debit card, UPI, Payment wallets & others

For state-level awards, cities (ULBs) will be rank-ordered based on their scores, under any one of 3 population categories, and top 3 cities (ULBs) in each population category will be recognized and rewarded within each state, as outlined in the figure below.



STATE-LEVEL



*19 LARGE STATES (in terms of no. of ULBs) = Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttarakhand, Uttar Pradesh, West Bengal

**9 SMALL STATES = Arunachal Pradesh, Goa, Manipur, Mizoram, Nagaland, Tripura, Sikkim, Meghalaya, Himachal Pradesh

***8 UNION TERRITORIES=Andaman and Nicobar Islands, Chandigarh, Daman and Diu, Delhi, Jammu & Kashmir, Ladakh, Puducherry, Lakshadweep

To ensure adequate representation in terms of number of ULBs in each population category within each state, and in the spirit of promoting healthy competition among ULBs falling in similar population categories within each state, the population categorization at the state level will be of two types: **Type 1 categorization** for 19 Large States (in terms of number of ULBs); and **Type 2 categorization** for the 9 Small States and 8 Union Territories (UTs) which have relatively lesser number of ULBs.

For 19 Large States (Type 1 categorization), cities/ULBs will be categorized into three categories based on their population size as per 2011 Census: (a) 1 Lakh+, (b) 50,000-1 Lakh, and (c) Less than 50,000. For the 9 Small States (Type 2 categorization), there will be only one category, per state, in which all cities/ULBs of the state will compete with each other, irrespective of their population size. The ULBs of all 8 Union Territories (UTs) will be competing with each other in a separate consolidated category, irrespective of their population size. Annexure-2 of this document gives the state-wise number of ULBs in the respective population categories.

DATA COLLECTION AND SCORING PROCESS

The end-to-end processes of the national city finance rankings 2022, involving data collection, review and approval, as well as computation of scores and ranks, and the subsequent analytics, will be entirely managed in a paperless manner on the Ministry's City Finance platform (www.cityfinance.in).

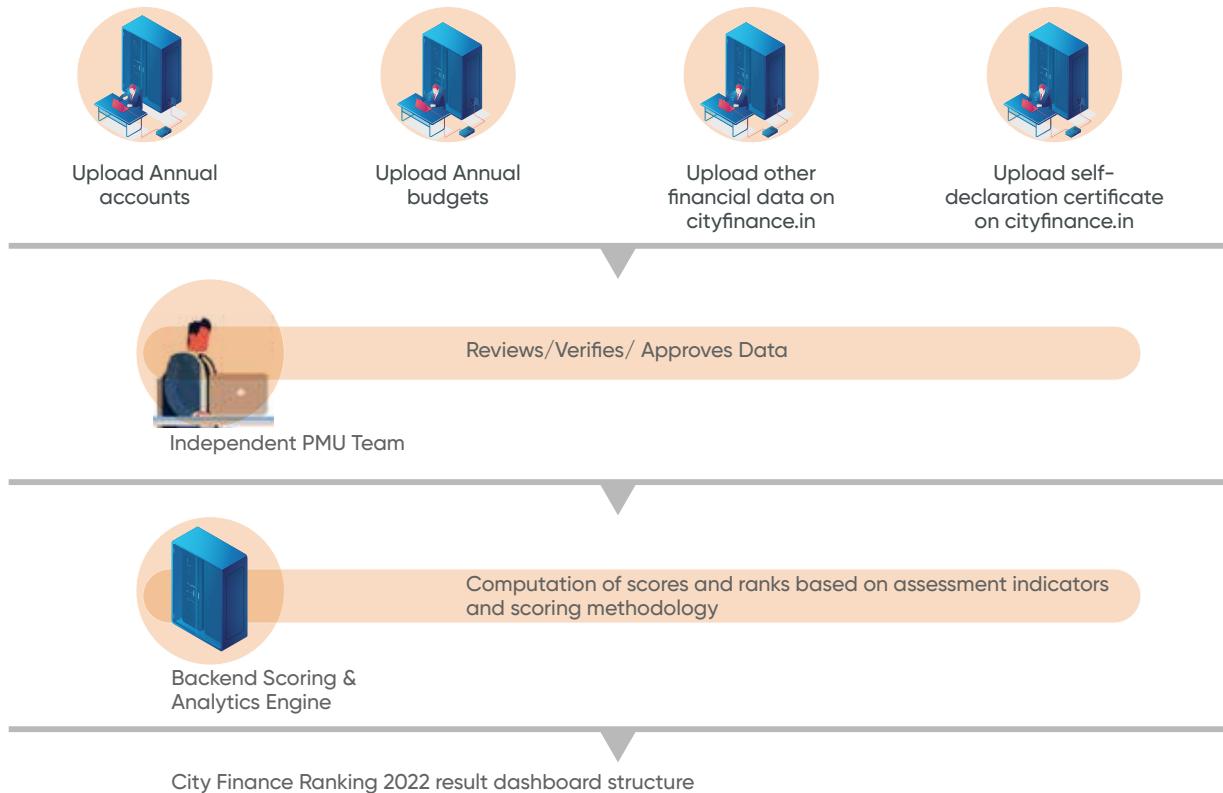
The ULBs will submit their data, including audited annual accounts, approved annual budgets, and self-reported performance metrics (via data entry form) by logging in to www.cityfinance.in, just as they submit their details for claiming the 15th Finance Commission grants.

The Ministry will appoint a PMU team which will provide handholding support to ULBs/states during data collection, and will also review and approve the data, which will then be scored and ranked at the backend through a 100% automated pre-programmed algorithm.

The results (scores and ranks) will be displayed by way of results dashboard, powered by advanced data analytics and visualization tools, post announcement of the results and will also be published for open viewing in the public domain.

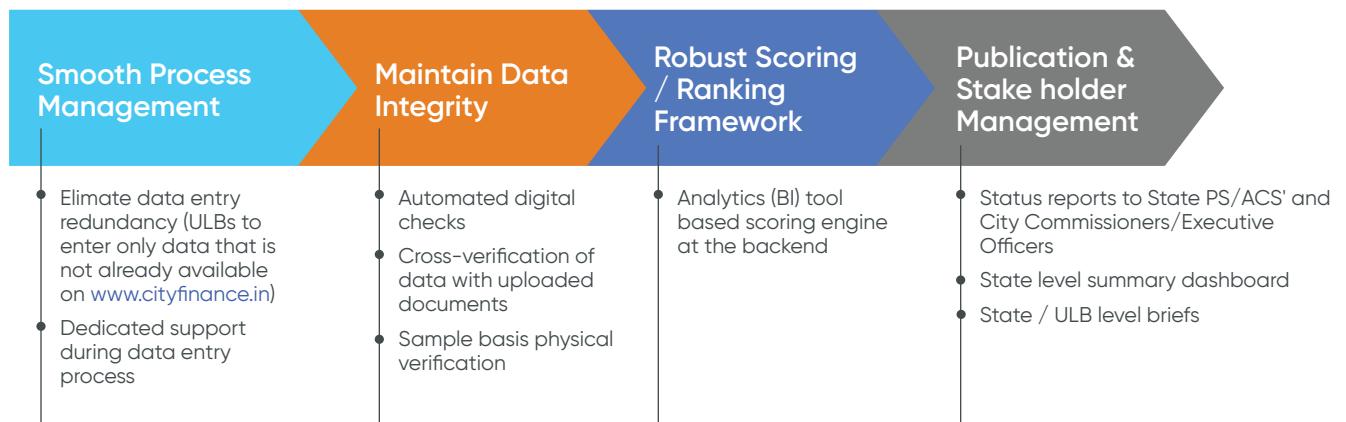
The detailed processes and framework, and the guiding principles are depicted in the figures below.

Urban Local Bodies



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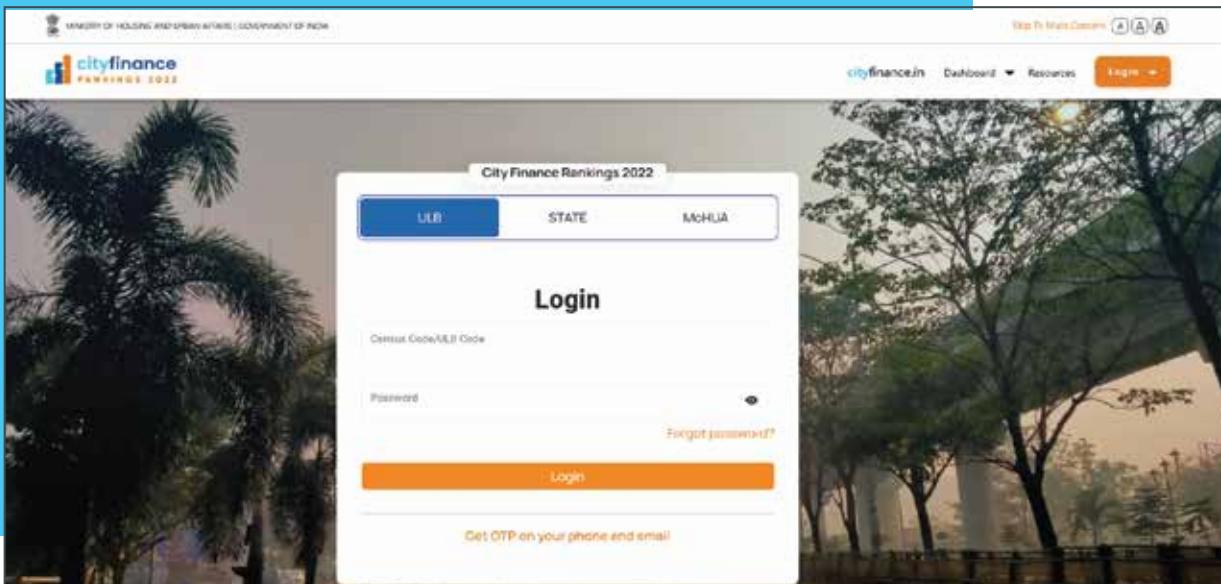
- | | |
|--|---|
| ULB <ul style="list-style-type: none"> • Data Submission Status | State <ul style="list-style-type: none"> • ULB- wise Data Submission Status • ULB- wise Scoring and Ranking Status |
| MoHUA <ul style="list-style-type: none"> • ULB- & State-wise Data Submission Status • ULB - & State-wise Scoring and Ranking Status | |



Online data submission formats (web forms) and steps to be followed on www.cityfinance.in

The screenshots below outline the formats and process which ULBs will follow for online data submission and documents upload onto www.cityfinance.in, which will be the starting point and basis for computation of the City Finance Rankings.

Step 1: Login page on www.cityfinance.in



Step 2: ULB data-submission forms (basic details, Financial data in standardized format)

A screenshot of the City Finance Rankings 2022 data submission form. The header includes the cityfinance logo and navigation links for Dashboard, Resources, 15th FC Grants, and Rankings. The main section is titled 'City Finance Rankings 2022' and contains five tabs: 'Basic ULB Details', 'Contact information', 'Financial Information', 'Upload Financial Documents', and 'Self Declaration'. Under 'Basic ULB Details', there are five input fields: 'Population as per 31st Dec 2011', 'Population as on 1st April 2022', 'ULB website URL link', 'Name of Commissioner / Executive Officer', and 'Auditor Name'. The background shows a blurred image of trees and buildings.

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RANKINGS 2022

cityfinance.in Dashboard Resources 15th FC Grants Rankings 

City Finance Rankings 2022

Basic ULB Details Contact information Financial Information Upload Financial Documents Self Declaration

SUMMARY OF INFORMATION FROM ANNUAL FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1ST APRIL 2018 To 31ST MARCH 2022
all figures in Rs.

| SECTION A: Details from Income & Expenditure Statement | | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|--|--|---------|---------|---------|---------|
| INCOME | | | | | |
| 1 | Tax Revenue | | | | |
| 1.1 | Property Tax  | | | | |
| 1.2 | Water tax  | | | | |

Step 3: Upload financial documents (approved budgets and audited accounts) – should preferably be in English language

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Guidance Notes:

- Audited Annual Accounts should include: Income and Expenditure Statement, Balance Sheet, Schedules to IES and BS, Cash Flow Statement, Auditor's Report and Receipt & Payment Statement.
- Annual Budgets should be the detailed final approved version and should preferably be in English language.
- Files uploaded should be in PDF only and file size should not exceed 5MB.

Copy of Approved Annual Budget in English

FY 2023-24* FY 2022-23* FY 2021-22* FY 2020-21*

Select File  Select File  Select File  Select File 

Step 4: Upload certified copy of self-declaration (signed by city commissioner/EO and auditor)

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ADDITIONAL INFORMATION

1. All cities / urban local bodies (ULBs) across all states/UTs are encouraged and will be welcome to participate in the City Finance Rankings 2022, irrespective of their population size, age (years since constituted), ULB type, or any other criteria. There is no eligibility criteria per se and it is completely voluntary for ULBs to participate. That being said, ULBs can benefit immensely by participating in the fiscal rankings as they will be able to self-evaluate their own performance vis-à-vis other cities, which can help them in self-improvement in future. Also, for the ULBs adopting good/best practices, this will be an opportunity to get recognized for their favorable efforts and results.
2. The Ministry has launched the rankings module on www.cityfinance.in and invites interested ULBs to participate in the City Finance Rankings 2022 (ranking exercise) and submit their required data/documents via the online facility created for this purpose on www.cityfinance.in. For the same, the ULBs will not be required to register, they can use their existing City Finance login ID which is being used for claiming the 15th Finance Commission (15th FC) grants for 2021-26.
3. Only those cities (ULBs) will be scored and ranked which submit all their required data points and financial documents as per the prescribed instructions. ULBs with incomplete submissions will not be scored and ranked.
4. In addition to the data collected via the online rankings module on www.cityfinance.in, the Ministry by itself or with the help of other suitably identified partner agencies will also undertake authentication of data, wherever felt necessary, and where feasible. The Ministry may also appoint an independent agency to undertake physical (in-person) checks at the ULB premises of the institution records and audited accounts, budgets etc where needed, to ensure validation/verification of the self-reported data/documents. In case a ULB is approached for carrying out any physical check, they are expected to co-operate. Non-cooperation may lead to debarring the ULB from participation in the ranking exercise.
5. The Ministry/its appointed agencies will extract the relevant information from the data/documents submitted by the ULBs, and through software, compute the various metrics and indicators and score/rank ULBs based on this data. This process is expected to be completed in about 3 months from launch, and rankings may be published in the month of July 2023.

6. Ministry will publish the final scores & rankings data including the state-wise and population category-wise winners on its City Finance portal (www.cityfinance.in), including related analysis, insights, data tables, best practices etc. gathered during the rankings exercise.
7. It is the responsibility of the respective ULB's Commissioner/Executive Officer and the Nodal officer to ensure that the data submitted/uploaded during data-entry process (and updates during any subsequent physical checks / data verification) is correct. And if data submitted/uploaded/updated is incorrect, Nodal Officer should send an email before rankings are announced. No such complaints will be entertained after the release of the final rankings.
8. If it is found that a ULB has deliberately manipulated the submitted data, causing erroneous rankings, the Ministry will remove the ULB from the ranking list and publish a suitable note to this effect.

ANNEXURE

Annexure- 1: Data Submission Form for ULBs, including supporting Data Sources/Financial Years

The following data fields are included in the online data submission form (on www.cityfinance.in) and will have to be filled up and submitted by each participating ULB, along with the financial documents and self-certification. These data fields will form the basis for calculation of the 15 assessment indicators across the 3 municipal finance parameters.

| SECTION / DATA FIELD TO BE SELF-REPORTED BY ULB | |
|---|---|
| I. BASIC ULB DETAILS | |
| 1 | Name of ULB |
| 2 | Population as per 2011 Census |
| 3 | Population as on 1st April 2022 |
| 4 | ULB website URL link |
| 5 | Name of Commissioner / Executive Officer |
| 6 | Name & Designation of Nodal Officer |
| 7 | Email ID |
| 8 | Mobile number |
| 9 | Does the ULB handle water supply services? |
| 10 | Does the ULB handle sanitation service delivery? |
| 11 | Does your Property Tax include Water Tax? |
| 12 | Does your Property Tax include Sanitation/Sewerage Tax? |

II. STANDARDIZED DATA INPUT FORMAT

| S. No. | SECTION A: Details from Approved Annual Budget | 2021-22 | 2020-21 | 2019-20 | 2018-19 | Source Document* |
|--|--|---------|---------|---------|---------|------------------|
| REVENUE RECEIPTS (ACTUAL) | | | | | | |
| 1 | Tax Revenue | xxx | xxx | xxx | xxx | AC |
| 1.1 | - Property Tax | xxx | xxx | xxx | xxx | Budget |
| 1.2 | - Water tax | xxx | xxx | xxx | xxx | Budget |
| 1.3 | - Drainage tax | xxx | xxx | xxx | xxx | Budget |
| 1.4 | - Sewerage tax | xxx | xxx | xxx | xxx | Budget |
| 1.5 | - Professional tax | xxx | xxx | xxx | xxx | Budget |
| 1.6 | - Entertainment tax | xxx | xxx | xxx | xxx | Budget |
| 1.7 | - Advertisement tax | xxx | xxx | xxx | xxx | Budget |
| 1.8 | - All other tax revenues (combined) | xxx | xxx | xxx | xxx | Budget |
| 2 | Fees & User charges | xxx | xxx | xxx | xxx | AC |
| 2.1 | - Fees & user charges from Water supply | xxx | xxx | xxx | xxx | Budget |
| 2.2 | - Fees & user charges from Sanitation/sewerage | xxx | xxx | xxx | xxx | Budget |
| 2.3 | - Fees & user charges from Garbage collection / Solid waste management | xxx | xxx | xxx | xxx | Budget |
| 2.4 | - All other fees & user charges (combined) | xxx | xxx | xxx | xxx | Budget |
| 3 | Rental Income from Municipal Properties | xxx | xxx | xxx | xxx | Budget |
| 4 | Assigned Revenues & Compensation | xxx | xxx | xxx | xxx | AC |
| 4.1 | - Compensation in lieu of Octroi | xxx | xxx | xxx | xxx | Budget |
| 4.2 | - All other assigned revenues & compensation (combined) | xxx | xxx | xxx | xxx | Budget |
| 5 | Revenue Grants, Contributions & Subsidies | xxx | xxx | xxx | xxx | AC |
| 5.1 | - Revenue Grants from Union/Central Government | xxx | xxx | xxx | xxx | AC |
| 5.1.1 | - Central Finance Commission (CFC) grants | xxx | xxx | xxx | xxx | Budget |
| 5.1.2 | - Centrally sponsored schemes (CSS) grants | xxx | xxx | xxx | xxx | Budget |
| 5.1.3 | - Central sector scheme grants | xxx | xxx | xxx | xxx | Budget |
| 5.1.4 | - Other central transfers (combined) | xxx | xxx | xxx | xxx | Budget |
| 5.2 | - Revenue Grants from State Government | xxx | xxx | xxx | xxx | AC |
| 5.2.1 | - State Finance Commission (SFC) grants | xxx | xxx | xxx | xxx | Budget |
| 5.2.2 | - Transfers under State schemes | xxx | xxx | xxx | xxx | Budget |
| 5.2.3 | - Other state transfers (combined) | xxx | xxx | xxx | xxx | Budget |
| 5.3 | - All other revenue grants, contributions & subsidies (combined) | xxx | xxx | xxx | xxx | Budget |
| 6 | Other income (incl. Sale & Hire charges, Income from Investments, Interest earned, etc.) | xxx | xxx | xxx | xxx | Budget |
| 7a | TOTAL OWN REVENUE (sum of 1 to 3) | xxx | xxx | xxx | xxx | AC |
| 7b | TOTAL REVENUE RECEIPTS - ACTUAL (sum of 1 to 6) | xxx | xxx | xxx | xxx | AC |
| REVENUE EXPENDITURE (ACTUAL) | | | | | | |
| S. No. | | 2021-22 | 2020-21 | 2019-20 | 2018-19 | Source Document* |
| 8 | Establishment Expenses | xxx | xxx | xxx | xxx | AC |
| 8.1 | - Towards category A | xxx | xxx | xxx | xxx | Budget |
| 8.2 | - Towards category B | xxx | xxx | xxx | xxx | Budget |
| 8.3 | - Towards category C | xxx | xxx | xxx | xxx | Budget |
| 8.4 | - Other establishment expenses (combined) | xxx | xxx | xxx | xxx | Budget |
| 9 | Administrative Expenses | xxx | xxx | xxx | xxx | Budget |
| 10 | Operations & Maintenance | xxx | xxx | xxx | xxx | AC |
| 10.1 | - O&M expense on water supply | xxx | xxx | xxx | xxx | Budget |
| 10.2 | - O&M expense on sanitation / sewerage | xxx | xxx | xxx | xxx | Budget |
| 10.3 | - All other O&M expenses (combined) | xxx | xxx | xxx | xxx | Budget |
| 11 | Interest & Finance Expenses | xxx | xxx | xxx | xxx | Budget |
| 12 | Depreciation, Provisions & Write off, Miscellaneous Expenses | xxx | xxx | xxx | xxx | Budget |
| 13 | Other expenses (incl. Programme Expenses, Revenue Grants, Contributions & Subsidies) | xxx | xxx | xxx | xxx | Budget |
| 14 | TOTAL REVENUE EXPENDITURE - ACTUAL (sum of 8 to 13) | xxx | xxx | xxx | xxx | AC |
| 15 | Revenue surplus/ (deficit) | xxx | xxx | xxx | xxx | AC |
| SECTION B: Details from Audited Annual Accounts (Balance Sheet) | | | | | | |
| S. No. | | 2021-22 | 2020-21 | 2019-20 | 2018-19 | Source Document* |
| 16 | Total Capital Expenditure | xxx | xxx | xxx | xxx | AC |
| 16.1 | - Capital Expenditure for Water Supply | xxx | xxx | xxx | xxx | BS |
| 16.2 | - Capital Expenditure for Sanitation/Sewerage | xxx | xxx | xxx | xxx | BS |
| 16.3 | - Other Capital Expenditure (combined) | xxx | xxx | xxx | xxx | BS |
| 17 | Total Fixed Assets (Gross Block) | xxx | xxx | xxx | xxx | AC |
| 17.1 | - Land & Buildings | xxx | xxx | xxx | xxx | BS |
| 17.2 | - Other Fixed Assets | xxx | xxx | xxx | xxx | BS |
| 18 | Total Debt Outstanding | xxx | xxx | xxx | xxx | BS |
| SECTION C: Details from Audited Annual Accounts (Receipts & Payments Statement) | | | | | | |
| S. No. | | 2021-22 | 2020-21 | 2019-20 | 2018-19 | Source Document* |
| 19 | Income from Sale of Assets | xxx | xxx | xxx | xxx | AC |
| 19.1 | - Income from Sale of Land | xxx | xxx | xxx | xxx | RPS |
| 19.2 | - Income from Sale of Other Assets | xxx | xxx | xxx | xxx | RPS |
| SECTION D: Other details from Approved Annual Budgets | | | | | | |
| S. No. | | 2021-22 | 2020-21 | 2019-20 | 2018-19 | Source Document* |
| 20 | Total Receipts (Actual) | xxx | xxx | xxx | xxx | Budget |
| 21 | Total Receipts (Actual) for Water Supply | xxx | xxx | xxx | xxx | Budget |
| 22 | Total Receipts (Actual) for Sanitation/Sewerage | xxx | xxx | xxx | xxx | Budget |
| 23 | Total Receipts (Budget Estimate) | xxx | xxx | xxx | xxx | Budget |

*AC = Auto-calculated | Budget = Approved Annual Budget | BS = Balance Sheet | RPS = Receipts and Payments Statement | IES = Income and Expenditure Statement

| S. No. | SECTION E: Self-reported Details for Fiscal Governance Parameters | 2021-22 | 2020-21 | 2019-20 | 2018-19 | Source Document* |
|--------|---|---------------------|------------|------------|---------|------------------|
| 24 | Date of Audit Report for audited annual accounts | DD/MM/YYYY | DD/MM/YYYY | DD/MM/YYYY | | Audited Accounts |
| 25 | Total Own Revenue Arrears as on 31st March 2022 | xxx | | | | Self-reported |
| 26 | ULB website URL link where Audited Accounts are available | URL | | | | Self-reported |
| 27 | Is the property tax register GIS-based? | Yes/No | | | | Self-reported |
| 28 | Do you use accounting software? (Eg.Tally, State-prescribed ERP etc) | Yes/No | | | | Self-reported |
| 29 | Own Revenue collection amount for FY 2021-22 - by Cash/Cheque/DD | xxx | | | | Self-reported |
| 30 | Own Revenue collection amount for FY 2021-22 - by Online modes/channels | xxx | | | | Self-reported |
| 31 | Number of Properties assessed/listed as per Property Tax Register | xxx | | | | Self-reported |
| 32 | Number of Properties exempt from paying Property Tax | xxx | | | | Self-reported |
| 33 | Number of Properties for which Property Tax has been paid | xxx | | | | Self-reported |

III. UPLOAD FINANCIAL DOCUMENTS

Guidance Notes:

1. Audited Annual Accounts should include: Income and Expenditure Statement (IES), Balance Sheet (BS), Schedules to IES and BS, and Auditor's Report. The annual accounts and auditor's report should preferably be in English language.
2. Annual Budgets should be the detailed final approved version and should preferably be in English language.
3. Files uploaded should be in PDF only and file size should not exceed 5MB

- 1 Copy of Detailed Audited Annual Accounts of FY 2018-19
- 2 Copy of Detailed Audited Annual Accounts of FY 2019-20
- 3 Copy of Detailed Audited Annual Accounts of FY 2020-21
- 4 Copy of Detailed Audited Annual Accounts of FY 2021-22
- 5 Copy of Detailed Approved Annual Budget for FY 2020-21
- 6 Copy of Detailed Approved Annual Budget for FY 2021-22
- 7 Copy of Detailed Approved Annual Budget for FY 2022-23
- 8 Copy of Detailed Approved Annual Budget for FY 2023-24

ANNEXURE

Annexure-2: State-wise number of ULBs, based on population size (as per 2011 Census), for the purpose of state-level awards

Table 1: Number of ULBs, by population category, for 19 LARGE STATES (for Type 1 Categorization)

The cities/ULBs of these states will be competing in any one of the 3 categories, i.e. (a) 1 Lakh+, (b) 50,000-1 Lakh, and (c) Less than 50,000.

| S. No | State Name | Less than 50,000 | 50,000 - 1 Lakh | 1 Lakh+ | Total No of ULBs* |
|--------------------|----------------|------------------|-----------------|------------|-------------------|
| 1 | Andhra Pradesh | 45 | 46 | 33 | 124 |
| 2 | Assam | 75 | 8 | 4 | 87 |
| 3 | Bihar | 78 | 25 | 24 | 127 |
| 4 | Chhattisgarh | 151 | 8 | 11 | 170 |
| 5 | Gujarat | 114 | 33 | 30 | 177 |
| 6 | Haryana | 55 | 12 | 20 | 87 |
| 7 | Jharkhand | 31 | 7 | 11 | 49 |
| 8 | Karnataka | 221 | 41 | 25 | 287 |
| 9 | Kerala | 51 | 30 | 13 | 94 |
| 10 | Madhya Pradesh | 347 | 31 | 32 | 410 |
| 11 | Maharashtra | 298 | 52 | 44 | 394 |
| 12 | Odisha | 81 | 13 | 9 | 103 |
| 13 | Punjab | 122 | 24 | 14 | 160 |
| 14 | Rajasthan | 158 | 27 | 30 | 215 |
| 15 | Tamil Nadu | 576 | 54 | 34 | 664 |
| 16 | Telangana | 85 | 34 | 17 | 136 |
| 17 | Uttarakhand | 548 | 62 | 69 | 679 |
| 18 | Uttar Pradesh | 82 | 6 | 8 | 96 |
| 19 | West Bengal | 37 | 31 | 57 | 125 |
| Grand Total | | 3155 | 544 | 485 | 4184 |

*Data Source: www.cityfinance.in and MoHUA

Tables 2 and 3: Number of ULBs for 9 SMALL STATES and 8 UNION TERRITORIES (for Type 2 Categorization)

The ULBs of the 9 small states will all be competing with each other, in one category, within the state, irrespective of their population size. The ULBs of all 8 union territories (UTs) will all be competing with each other in a separate consolidated category, irrespective of their population size.

| S. No | State Name | Total No of ULBs* |
|-------|--------------------|-------------------|
| 1 | Arunachal Pradesh | 31 |
| 2 | Goa | 14 |
| 3 | Manipur | 27 |
| 4 | Meghalaya | 7 |
| 5 | Mizoram | 23 |
| 6 | Nagaland | 39 |
| 7 | Sikkim | 7 |
| 8 | Tripura | 20 |
| 9 | Himachal Pradesh | 68 |
| | Grand Total | 236 |

| S. No | State Name | Total No of ULBs* |
|-------|---------------------------|-------------------|
| 1 | Andaman & Nicobar Islands | 1 |
| 2 | Chandigarh | 1 |
| 3 | Daman and Diu | 4 |
| 4 | Delhi | 3 |
| 5 | Jammu and Kashmir | 95 |
| 6 | Ladakh | 2 |
| 7 | Puducherry | 5 |
| 8 | Lakshadweep | 0 |
| | Grand Total | 111 |

*Data Source: www.cityfinance.in and MoHUA





Ministry of Housing and Urban Affairs

Government of India

Knowledge Partner: JANAGRAHA

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