



Supreme Court puts brakes on 'bulldozer culture'

POLITY & GOVERNANCE



CONTEXT: The Supreme Court on Wednesday rapped State Government punishing accused persons awaiting trial by driving bulldozers into their homes.

A Bench of Justices B.R. Gavai and K.V. Viswanathan invoked extraordinary powers under Article 142 of the Constitution to issue a slew of "binding directives" to fasten accountability on public officials. The directives included:

- A 15-day prior notice of demolition must be issued to the occupants.
- The notice should include details of the unauthorized construction, specific violations, and the grounds for demolition.
- The owner or occupants must be given a fair opportunity to

- challenge the State's action before the designated authority.
- The final order of the authority must include reasoned conclusions.
- The actual demolition process must be documented through video recording.

Officials will face action

On September 17, the top court suo motu extended the ambit of the case and barred such demolitions across the country. The judgment followed petitions representing citizens from several States, including Uttar Pradesh, Madhya Pradesh and Rajasthan, who had sought redress against the States' "bulldozer culture". The petitioners had complained that their properties were demolished by the State machinery without due process of law on the ground that they were accused of criminal offences. The petitions even claimed the demolitions had a communal tone.

'Collective punishment'

Justice Gavai noted that the government could not transform itself into a judge to find an accused guilty without trial and deliver a "collective punishment" to him and his family by wrecking their home and their shared memories with a bulldozer in a violation of the 'rule of law', a part of the Basic Structure of the Constitution.

The Supreme Court Bench noted an accused to be presumed innocent until proven guilty in a court of law. The principle of 'separation of powers' gave the courts, not the State, the authority to decide if a person was guilty of a crime or not. The State cannot take excessive measures even against convicts and called for institutional accountability if public officials violate the rights of an accused or a convict through arbitrary exercise of power.



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Musk, Ramaswamy to be Trump's 'advisers'

INTERNATIONAL RELATIONS

CONTEXT: U.S. President-elect Donald Trump on Tuesday said Elon Musk and former GOP presidential candidate Vivek Ramaswamy will lead a new "Department of Government Efficiency" — which is not, despite the name, a government agency.

Mr. Elon Musk and Mr. Vivek Ramaswamy will work from outside the government to offer the White House "advice and guidance" and will partner with the Office of Management and Budget to "drive large scale structural reform, and create an entrepreneurial approach to Government never seen before."

Mr. Trump nominated Fox News host Pete Hegseth to serve as his Defense Secretary. Mr. Trump's choice of Mr. Hegseth, 44, could bring sweeping changes to the military. Mr. Hegseth is opposed to "woke" programmes that promote equity and inclusion. He also has questioned the role of women in combat and advocated pardoning service members charged with war crimes. Mr. Hegseth is the author of *The War on Warriors: Behind the Betrayal of the Men Who Keep Us Free*.

'Sea ranching' launched off Vizhinjam coast as follow-up to artificial reef project in Kerala

ECOLOGY & ENVIRONMENT



CONTEXT: The Department of Fisheries released twenty-thousand pompano (*Trachinotus blochii*) fingerlings in the sea off Vizhinjam on Wednesday as a follow-up to the artificial reef project designed to replenish marine fishery resources and promote sustainable fishing practices.

The National Fisheries Development Board (NFDB) cleared the Centrally funded ₹ 3 Cr. Pradhan Mantri Matsya Sampada Yojana (PMMSY) in March. The fingerlings, with size ranging between 8 to 10 gm, were released from two small fishing vessels at the coordinates of artificial reef modules deposited about 1.5 nautical miles off Vizhinjam coast. They formed the first batch of a State Fisheries Department sea

ranching project aimed at releasing 10 lakh pompano and cobia (*Motha*) fingerlings at 10 locations off Thiruvananthapuram coast — one lakh each in the selected locations — where artificial reefs were deployed under Pradhan Mantri Matsya Sampada Yojana (PMMSY).

For the project, the State Fisheries Department had stocked and reared 10 lakh pompano and cobia fry at the Ayiramthengu fish farm of the Agency for Development of Aquaculture Kerala. Artificial reefs were created at 42 locations off 33 fishing villages in Thiruvananthapuram district. They consist of 150 triangular, flower and pipe-shaped reef modules. The sea ranching project constitutes the next step in this process. According to the department, the reefs have already attracted a large variety of fish including tuna, trevally and mackerel.

The Fisheries Department is also awaiting Central government sanction for extending the artificial reef project beyond Thiruvananthapuram district. In the second phase, the department proposes to cover 96 villages in Kollam, Alappuzha, Ernakulam and Thrissur districts at an estimated cost of ₹ 29.76 Cr. Ninety-six villages in the northern districts Malappuram, Kozhikode, Kannur and Kasaragod are proposed to be covered in the ₹25.82 Cr Phase III.



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Inaugural Indian Ocean Dialogue between U.S., India to be held today

INTERNATIONAL RELATIONS

CONTEXT: India and the U.S. are set to hold the inaugural U.S.-India Indian Ocean Dialogue on Thursday deepening the ongoing cooperation over the Indian Ocean Region.

U.S. Deputy Secretary of State Kurt Campbell and Principal Deputy National Security Adviser Jon Finer will take part in the inaugural U.S.-India Indian Ocean Dialogue virtually. India and U.S. will “discuss measures to promote security and prosperity throughout the Indo-Pacific region”. The dialogue comes just after the U.S. presidential elections in which former President Donald Trump secured a decisive victory, and the transition is now under way. The Critical and Emerging Technologies (iCET) Intersessional seeks to further expand cooperation between the two countries on technological innovation and production.

In January 2015, during the visit of President Barack Obama to India as Chief Guest for the Republic Day parade, both sides had issued their Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region. In addition to the bilateral cooperation, there is significant regional and multilateral cooperation. The Quad grouping, comprising India, Australia, Japan and the U.S., is focused on the Indian Ocean Region (IOR) and has announced the Indo-Pacific Maritime Domain Awareness initiative, as a global good for the entire region.

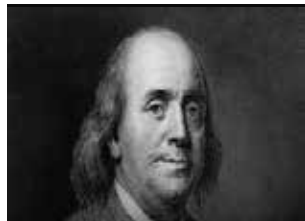
Manipur's misery

INTERNAL SECURITY

CONTEXT: The Central Reserve Police Force (CRPF) and the Manipur Police killed ten armed militants in retaliatory firing after the militia attacked security personnel and internally displaced people sheltered in the vicinity on November 11 in Manipur's Jiribam district, as ethnic conflict continues to pulverise the State.

More than 250 people have been killed and 60,000 displaced since the conflict between Meitei and Kuki-Zo communities began in May 2023. Three women and three children, including an eight-month-old infant, were allegedly abducted and two elderly persons were burnt to death on Monday in Jiribam. The victims were among the 13 Meitei people who were already displaced from their homes in June. Two of the 10 weapons found at the encounter site had been looted from the police. The Kuki Students' Organisation has called for 'non-cooperation' with the CRPF, claiming that the militia men were on a security patrol.

The Kuki community consider the Bharatiya Janata Party State government led by Chief Minister N. Biren Singh to be partisan, leaving the entire responsibility of managing the conflict on the shoulders of the Centre. In October, the Union Ministry of Home Affairs organised a non-conclusive meeting with political representatives of both the Kuki and Meitei communities. Kuki outfits are demanding the creation of a Union Territory with legislature which will require a division of Manipur. Ethnic relations in India's northeast are extremely complex, and violence, once it erupts, can continue for a long spell. Kukis largely trust Central police forces and the Indian Army, notwithstanding the incident involving the CRPF this week. In a porous border region populated by numerous armed militia groups, policing alone cannot restore peace and order. A lasting end to the violence can be brought about only through a political arrangement of accommodation and the coexistence of communities. Only the Centre has the resources and the capacity to attempt that. The fresh surge in violence is a setback, but the Centre must step up its efforts to nudge the Meitei and the Kuki communities towards peace.



“If you invest more in your education, then you are likely to get more interest in it.”

–Benjamin Franklin

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Sri Lankans to vote in key parliamentary elections today

INTERNATIONAL RELATIONS



CONTEXT: Around 17 million voters in Sri Lanka would elect their representatives to Parliament, barely two months after Anura Kumara Dissanayake won the presidency in a crucial election held on the heels of a painful economic crisis.

Voters elect as many as 196 MPs directly, while the remaining 29 members to the House are chosen through a “national list” that allocates seats to parties based on their share of votes as per Sri Lanka’s proportional representation system. A total of 8,821 candidates from various political parties and independent groups are running in the general elections, after the country witnessed a staggering political shift. Mr. Dissanayake’s victory in September and the rise of the Janatha Vimukthi Peramuna (JVP) he leads — the NPP’s

chief political constituent — as a formidable third force coincided with the decimation of Sri Lanka’s traditional parties, the centre-left Sri Lanka Freedom Party and centre-right United National Party (UNP) and their offshoots that dominated national politics for decades. The ruling National People’s Power [NPP] alliance, which held just three seats in the last Parliament, must obtain 113 for an absolute majority in the 225 member House.

Mr. Dissanayake’s vote share grew from 3.16 % in the 2019 presidential race to 42.3 % in the September election. Further, Sri Lanka’s electoral history shows that the party of a newly-elected President often garners a parliamentary majority, especially when the general election is held soon after the presidential poll.

Constructive role

Regional parties representing ethnic minorities — Tamils of the north and east, Malaiyaha Tamils of the hill country and Muslims — are facing a tough election. Political groups have split, and several former MPs face sharp criticism within their electorate. Many residing in the island’s north and east say voters are ready for “change”, implying that the call for change that preceded Mr. Dissanayake’s election is now echoing regionally as well. Thursday’s election marks the next phase of the political churn that began with the 2022 Janatha Aragalaya (people’s struggle) that ousted President Gotabaya Rajapaksa.

The perfect cocktail of layered discrimination

POLITY & GOVERNANCE

CONTEXT: Indian unity was forged in the anti-imperialist struggle against British imperialism and that unity continues in independent India through a delicate balance of power distribution between federating units and ongoing dialogue between diverse peoples of the Indian subcontinent.

Article 82 of the Indian Constitution requires that the number of Lok Sabha seats per State is recalibrated after each Census by the Delimitation Commission, in accordance with the population. Delimitation last happened based on the 1971 census, when in 1976, the Indira Gandhi government suspended the delimitation process for 25 years, until 2001. It was further suspended for another 25 years by the A.B. Vajpayee government, and would lapse by 2026, unless another amendment is introduced. The freezing of delimitation was done in order not to disincentive States that were effective in population control. Narendra Modi government has given hints about undertaking fresh delimitation before the elections in 2029.

Delimitation as a threat

Total Fertility Rate (TFR) is a demographic indicator that estimates the average number of children a woman gives birth to during her reproductive years.

Even today, TFR of non-Hindi States such as Kerala, Tamil Nadu and West Bengal is in the 1.6-1.8 range, below the

replacement level of 2.1. The TFR of Hindi heartland States such as Bihar, Chhattisgarh, Madhya Pradesh, Rajasthan and Uttar Pradesh, at about 3.5, is well above the replacement level. For example, if delimitation takes place, the proportion of seats in Parliament for the southern States would be reduced from 25 % to 17 % and the number of seats from Hindi heartland States where the Bharatiya Janata Party (BJP) has electoral dominance would increase from 40 % to 60 %.

States such as Karnataka, Maharashtra and Tamil Nadu already receive only about 30 % of the total funds that contribute as direct taxes, while Bihar and Uttar Pradesh receive between 250 % and 350 % of their overall contribution. The decision of 16th Finance Commission to include the 2011 Census instead of the 1971 Census to devolve funds to States will be even more discriminatory to developed States.

Fostering discrimination

India was conceived as a permanent, multi-ethnic, multi-lingual federal union, and not as a mono ethno-linguistic majoritarianism territory. The difference with states such as China and Russia is that they are only federal in name, the population being made of a ethno-linguistic group with a majority of upwards of 80 % and several other small minority nationalities. In India's case, however, there never was a majority ethno-linguistic group. India is a federation of various ethno-linguistic stakeholders, none of whom is a majority in India.

But the major ones among them form the basis of various linguistic States, where they are super majority. But with long-term

differences of TFR among States, and thereby, ethno-linguistic groups, this long-settled pattern faces the threat of being unsettled. Since 1947, the population proportion of Bengali, Kannada, Malayalam, Marathi, Odia, Punjabi, Tamil and Telugu have all decreased while the population proportion of one language, Hindi, has massively increased, from 36 % to nearly 43 %; 43 % is not too far away from the majority.

The ratio of Lok Sabha seats allocated to a State to the total number of Lok Sabha seats represents the Stakeholdership Index of a State in matters of the Union. Delimitation will reward the non-performers of population control policies that will effectively dominate and determine the policy of the Union. The performers will have a declining say and will be reduced to being mere revenue contributors. The proportion of GDP and revenue from non-Hindi States is much greater than their population percentage while the proportion of GDP and revenue from Hindi States is lesser than their population percentage.

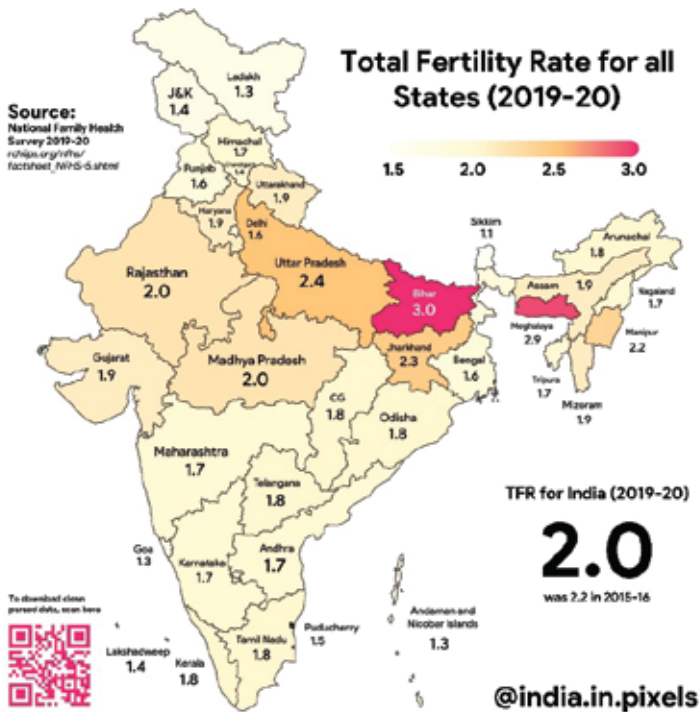
Post delimitation, States such as Bihar and Madhya Pradesh, where the BJP is dominant, will have their Stakeholdership Index nearly double, whereas States such as Kerala and Tamil Nadu where the BJP has one to zero seats will see it being reduced by 30 % - 40 %. Such a situation would skew Indian democracy in favour of the Hindi States, with other regions risking a loss of electoral dominance. Without electoral dominance and representation in the Union, this would further alienate the non-Hindi states.

Thus, the implementation of delimitation will create the perfect cocktail of layered discrimination. Non-Hindi States that have implemented population control measures successfully will lose a say in Union affairs. Non-Hindi States that contribute a majority of GDP, resources, revenue and taxes will lose say in how their monies are used. The 'unsuccessful' will create policies for the 'successful' with money from the 'successful'. No taxation without representation was the cry in the Boston Tea Party. In a similar vein, delimitation will further shrink the representation of States that produce taxes. This is a very risky and dangerous path to pursue. There is no place for any system in India where some States increasingly look like owners of an imperial centre while others mimic colonies. Therefore, it is necessary to balance two competing constitutional values: formal equality in voting and federalism.

Possible solutions

The four potential solutions regarding the issue of political representation and delimitation in India:

- **Extend the Freeze:** Follow the example of Mrs. Gandhi and A.B. Vajpayee by extending the freeze on delimitation for another 25 years, deferring the issue to a future generation.
- **Permanent Freeze on Delimitation:** Permanently freeze the redistribution of Lok Sabha seats across states, effectively



maintaining the current allocation.

- **Proceed with Delimitation but with a New Federal Compact:** Carry out delimitation as planned, but also introduce a new federal framework where powers are more decentralized. This would involve abolishing the Concurrent List, expanding the State List, and transferring more subjects from the Union List to the State List, while keeping national defense, foreign affairs, and currency under the Union.
- **Preserve Proportionality but Increase Seats:** Maintain the current seat distribution among states but increase the number of seats within each state to address the representational deficit caused by population growth in certain states.

India is neither an ethnic-linguistic majoritarian empire like Russia or China nor a mono-linguistic nation state such as Bangladesh and Thailand. India is like Africa or Europe, a tapestry of languages, ethnicities, cultures, civilisations and faiths, but with a crucial difference. It is bound in an inseparable political Union born in the crucible of anti-imperialist struggle with one, unified voice when speaking to others. India is the grandest experiment of plurality in modern human history. Majoritarianism and partisanship cannot be allowed to undo it and threaten its unity.

The CKM syndrome as the price of modernity

POLITY & GOVERNANCE

CONTEXT: Cardiovascular Kidney Metabolic (CKM) syndrome is a growing global health crisis linked to lifestyle factors and the effects of globalization. The Cardiovascular Kidney Metabolic (CKM) syndrome often begins with gradual weight gain, eventually leading to obesity, which triggers a cascade of health problems. The heart, kidneys, liver, and blood vessels are especially impacted, increasing the risk of premature death for those affected.

In Tamil Nadu, a state with a robust public health system, health indicators like life expectancy, infant and maternal mortality, and deaths from infectious diseases are better than the national average. However, the Global Burden of Disease (GBD) report highlights a growing concern: non-communicable diseases (NCDs), which are responsible for 69 % of premature deaths and 68 % of years lost to disability in the state.

The Tamil Nadu STEPS survey, 2020 reveals concerning rates of non-communicable diseases: 28.5 % of participants were overweight, 11.4 % obese, 33.9 % had hypertension, and 17.6 % had diabetes. These trends align with the National Family Health Survey (2019-21), which shows India's diabetes prevalence at 16.1% and obesity at 40.3 %. Low awareness and poor glycemic control, particularly in poorer communities, exacerbate this public health crisis. Additionally, hypertension affects 24 % of men and 21 % of women, with less than one-fourth achieving proper blood pressure control.

Health economics, the cost of CKM

Nearly ₹1,200 Cr is spent annually on insurance premiums under the Chief Minister's Comprehensive Health Insurance Scheme (CMCHIS), covering 1.4 Cr families. Topping the list of claims are coronary angioplasty and dialysis, which are both stark outcomes of the CKM syndrome. Meanwhile, the private sector has seen insurance premiums soar, tracking the rise in NCD cases over the past decade. While the aim of the UN's Sustainable Development Goals is also to reduce NCD deaths by one-third by 2030, the current trends of rising obesity, diabetes, and hypertension rates threaten not only those goals but also the health budget and the economy as a whole.

Need for integrated clinics

The American Heart Association recently laid emphasis on the importance of integrated care for CKM calling for a shift from segmented care to unified, simultaneous management of risk factors. Rather than isolating diabetes, hypertension, heart disease, and kidney disease, the association argues that health professionals should view them as symptoms of a broader metabolic condition.

Today's management models miss key opportunities for optimal, holistic risk assessment. Patients with multiple affected organs may see separate specialists for each issue, leading to fragmented care, drug interactions, repeated visits, and, ultimately, a loss in wages and productivity. An integrated clinic could address these issues, with a multidisciplinary team of a diabetologist, cardiologist, nephrologist, dietician and physiotherapist working together. Public health teaching hospitals could make this a reality, acting as centres for training medical students and expanding the model to secondary- and primary-care levels.

Tamil Nadu's health efforts begin early. For pregnant mothers, the State's Muthu Lakshmi Reddy scheme provides direct cash transfers and nutrition kits, a step toward addressing low birth weight (a known precursor to future diabetes, hypertension, and kidney disease). Could the inclusion of protein-rich foods such as two eggs a day for mothers from the fourth month of pregnancy, further improve outcomes? For the next generation — preschool through secondary schoolchildren — regular weight and obesity screenings could identify high-risk individuals early.

Since the 1960s, rice, which is a high glycemic food, has been widely accessible through the Public Distribution System (PDS), transforming the nutrition landscape. But this staple, while sustaining the population, has also contributed to obesity. In response, partial replacement of rice in the PDS with millets is essential.

In addition, replacement of common salt with low sodium salt can be considered as a pilot project as there is enough evidence for reduction of hypertension with low sodium salt in clinical trials. But there must be caution in people with heart or kidney ailments and where common salt is preferred.

Globalisation and CKM

The lifestyle of today, which is marked by long work hours and night shifts. As Alex Soojung-Kim Pang in his book Rest, the global economy demands that we ignore our need for rest, idolising workaholism and dismissing rest as a weakness. In reality, rest is essential for productivity and creativity. Long working hours and frequent night shifts lead to brain fatigue and reduced secretion of happy hormones, often counterbalanced by eating super-palatable foods which are rich in salt, sugar and butter. Our physiology, however, tells a different story. Extended work hours disrupt hormone levels, with cortisol (the “stress hormone”) driving unhealthy carbohydrate and lipid metabolism resulting in obesity.

Regulation of work hours and shifts, many argue, is as essential a public health measure as any medical intervention. In the end, the goal is simple. Not only does an economy grow, but there is also a society that lives longer, healthier and happier. We must pause and ponder over this today, which is also World Diabetes Day (November 14).

Surprise spike

POLITY & GOVERNANCE

CONTEXT: The domestic consumer prices have gained fresh momentum over September and October, rendering the tangible softening in inflation to a pace below the official median target of 4 % in the two months preceding them, a fleeting reprieve. From 3.65% in August, retail price rise had hit a nine-month high of 5.5% in September. To be clear,

The Reserve Bank of India (RBI) Monetary Policy Committee (MPC) in its October review termed the inflation moderation as slow and uneven, and anticipated a reversal in September. A sharp surge in vegetable prices, particularly tomato, from the onset of the festival-packed month of October, and an uptick in edible oil prices after nearly two years of decline, had stoked anticipation that the inflation may end up a tad higher than September. However, the Consumer Price Index for October beat all economists’ projections by a wide margin, to rise 6.2 %, the highest since August 2023 when it was up 6.8 %.

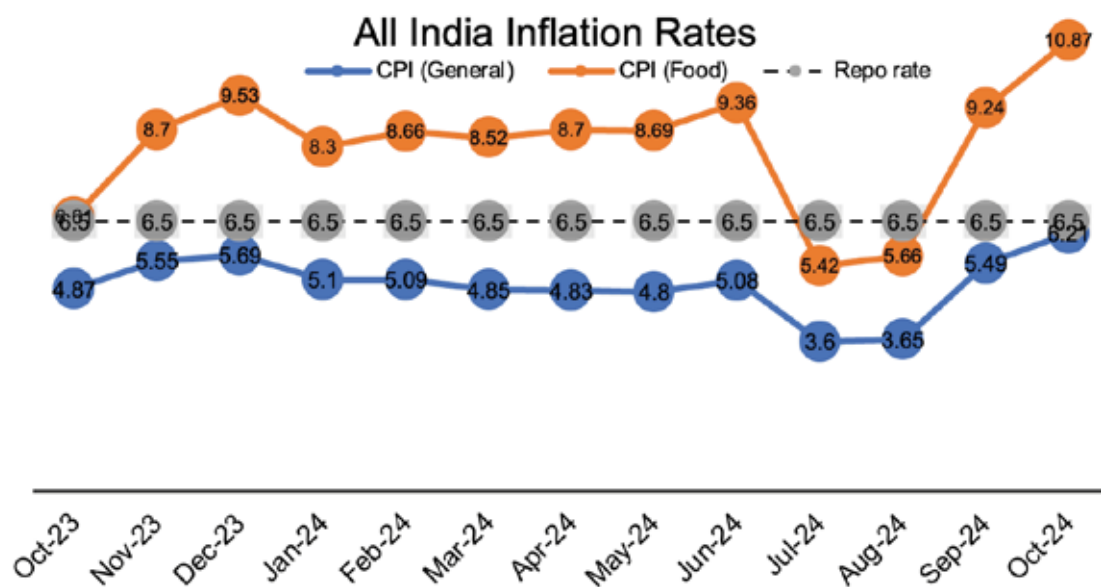


FIGURE: Line chart representation of the All India Consumer Price Index inflation and All India Consumer Food Price Index inflation.

Food prices have been a major driver of inflation, with a significant 10.9% rise, the highest since last July. Urban consumers faced an even sharper 11.1% increase. Within the food basket, vegetable prices surged by 42.2%, led by a sharp rise in tomato prices. Global edible oil price hikes and higher fruit prices also contributed. However, the Finance Ministry's economic review noted that this inflation is largely confined to food items and has not impacted other goods. Core inflation, excluding food and energy, remains well below headline inflation, and the availability of sufficient food grain buffers from a strong kharif harvest is expected to ease price pressures.

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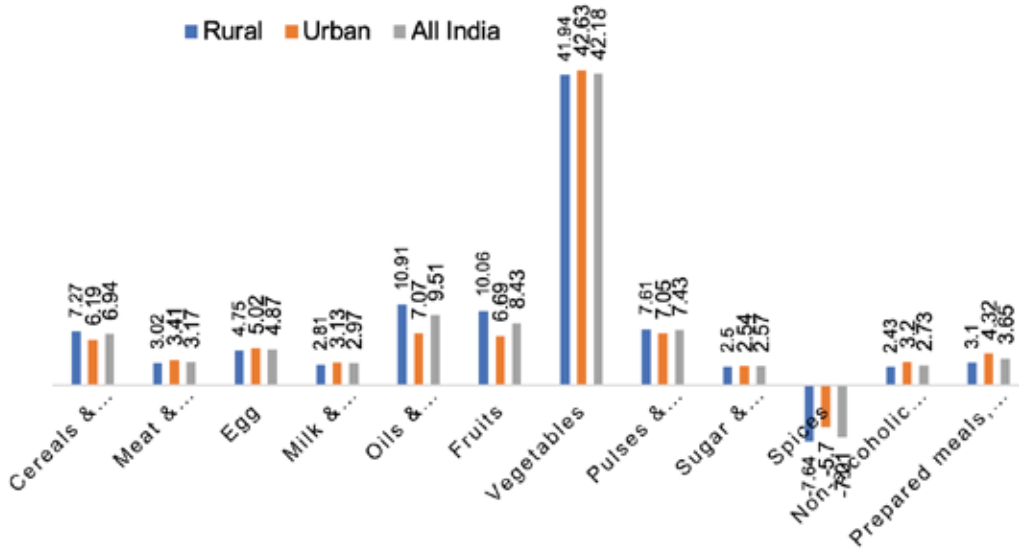


FIGURE: Column chart representation of an All-India Year-on-Year (YoY) inflation rates (%) for food items for October 2024 (Provisional) for Rural, Urban and Combined.

The Governor of the RBI, Shaktikanta Das, noted that core inflation had bottomed out, and is beginning to show — personal care and effects’ prices were up 11 % in October. Even if food prices cool with fresh crop arrivals in coming months, other components of the price gauge are heating up. A durable decline in inflation that the MPC is waiting for to mull interest rate cuts is now a poor prospect while hopes of a December rate cut are out of the window. That this coincides with a period of slackening growth momentum and notably waning demand in urban India bodes ill for private investments. Policymakers at the Centre must acknowledge the interlinked challenge of inflation and consumption, so that an attempt can be made to fix what they can with the fiscal tools at their disposal — be it tax cuts, or better food management.

CRACKING CIVIL SERVICES NO MORE A DIFFICULT TASK

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Municipal corporations' tax revenue share rise in recent years

POLITY & GOVERNANCE

Income and expenditure statement

Charts were sourced from the Reserve Bank of India's 'Report on Municipal Finances'



Chart 1: Components of revenue receipts of all municipal corporations. The inner circle corresponds to figures for 2019-20 while the outer circle corresponds to 2023-24 (BE)

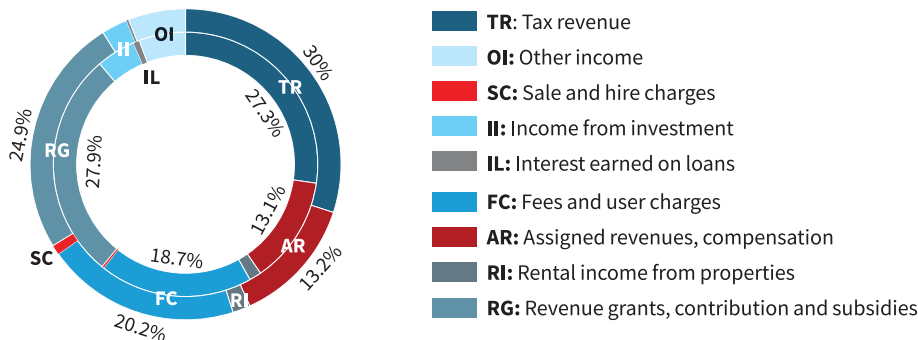


Chart 2: Composition of revenue receipts of municipal corporations. Figures in %

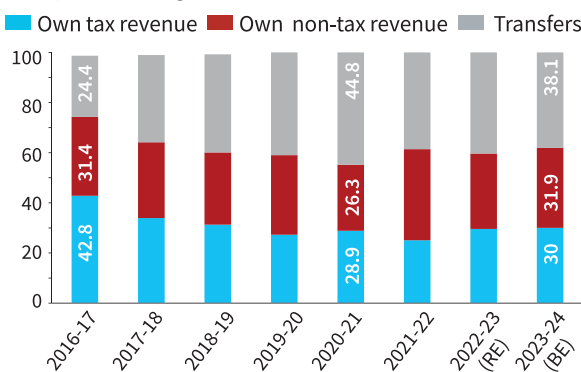


Chart 4: Revenue and capital expenditure of municipal corporations as a percentage of total expenditure

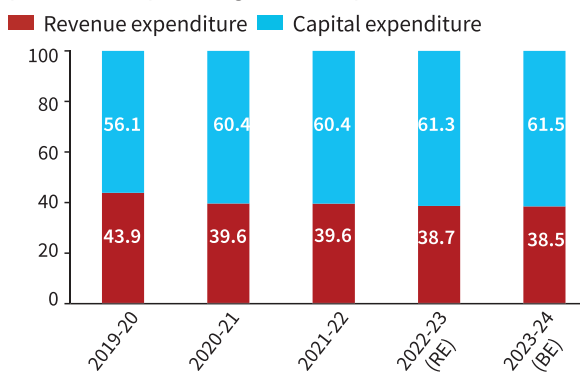
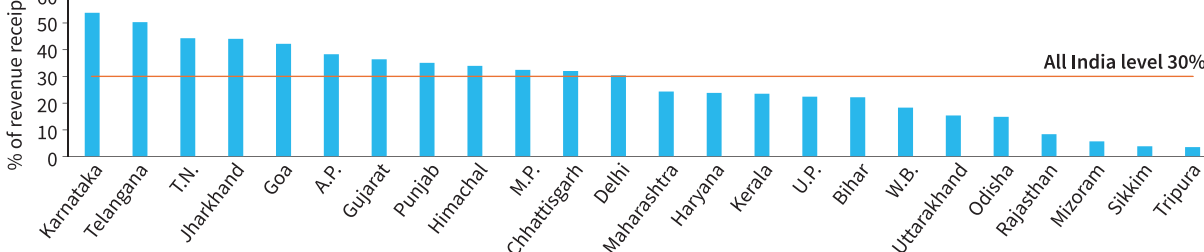


Chart 3: The chart shows the municipal corporations' own tax revenue as a share of revenue receipts in 2023-24 (BE)



According to a recent Reserve Bank of India (RBI) report in FY24, Municipal Corporations in India are estimated to generate 50 % of their revenue from their own taxes, fees, and user charges. A further 25 % comes from revenue grants provided by the Central and State governments. The remaining portion comprises rental income, compensations, and investment income.

The Report on Municipal Finances shows significant improvement since the first edition released two years ago. The latest report examines the fiscal position of 232 municipal corporations from 2019-20 to 2023-24 (Budget Estimates or BE), focusing on the theme 'Own Sources of Revenue Generation in Municipal Corporations: Opportunities and Challenges'. The scope of the report has been expanded to include more municipal corporations. It is further enriched by findings from a primary survey on property taxes.

Charts 1 and 2 compare the revenue sources of municipal corporations — own tax, non-tax, and transfers from the Centre/States — over two periods: the short term (FY24 compared to the year just before the pandemic) and the long term (FY24 compared to the year just before the implementation of GST). Transfers include revenue grants from the Finance

Commission, State Finance Commission, State and Central government. In some cases, it may also include reimbursement for expenses and contribution towards schemes.

Chart 1 displays the components of revenue receipts for all municipal corporations in FY24 (BE) and FY20 (the year before the pandemic). As shown, the ability of municipal corporations to raise their own revenue through taxes, fees, and charges has improved in FY24 compared to FY20. Their dependence on Central and State government grants has decreased. During this period, the share of revenue from own taxes increased from 27.3 % to 30 %, fees and user charges rose from 18.7 % to 20.2 %, while the share of revenue grants, contributions, and subsidies declined from 27.9 % to 24.9 %. The share of compensations and rental incomes stayed the same (13 % and 6 % of the revenue receipts, respectively). Interest earned on loans and income from investments formed 1-2 % of the overall revenue in both periods.

Chart 2 displays the components of revenue receipts for all municipal corporations between FY17 (the year before GST implementation) and FY24 (BE). Overall, in the post-GST period (from FY18 onwards), own tax revenue as a share of total revenue has declined for municipal corporations. Conversely, the share of transfers from Central and State governments has increased. In FY17, 43 % of municipal corporations' revenue receipts came from their own tax revenue compared to only 30 % in FY24. So, while there has been a short-term improvement in the revenue-raising capabilities of municipal corporations, the long-term decline in this potential has been substantial.

Chart 3 shows the State-wise split. In FY24, own tax revenue which includes property tax, water tax, electricity tax, education tax, and other local taxes was highest in Karnataka (53.8 %), followed by Telangana (50.3 %), Tamil Nadu (44.3 %), and Jharkhand (44.0 %). Among major States, Rajasthan, Odisha, and Uttarakhand had the lowest ratios.

Chart 4 shows the share of revenue expenditure in their total expenditure. The share of revenue expenditure in their total expenditure has declined from 43.9 % in 2019-20 to 38.5 % in 2023-24 (BE), with a corresponding increase in capital expenditure from 56.1 % to 61.5 %.



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