
EDITORIAL

No doubt India is primarily a country of villages but over the last few decades it has also emerged as a country of ever-expanding towns and cities. Today, more than 28.5 crore people live in urban India and the number is set to grow to over 400 million by the year 2011 and 533 million by 2021, if the estimates based on census 2001 are to go by.

With the number of cities having more than 1 million population increasing from 23 in 1991 to 35 in 2001, the growth of urban India has been phenomenal. But unfortunately most of this growth has been unplanned. The required infrastructure facilities and services like water supply, sewerage or sanitation, roads, bridges, primary education and primary health have not been able to keep pace with the surge of urbanisation. Poor fiscal health and inadequate Governance of the local bodies have aggravated the problem further.

But with a renewed focus on infrastructure development to supplement the economic boom at the national level, more and more urban local bodies are rising up to the challenge with the help of state governments and the Centre. Although it is a State subject, the Centre has been keen on urban sector reforms through 2 lakh rural Panchayat bodies and about 3700 urban local bodies across India. Suitable amendments have been made in Article 280 of the Constitution to set up proper linkages among the local bodies, State governments and the Centre. The Urban Reforms Incentive Fund, tax-free municipal bonds and tax exemptions for bonds issued by local self-governments for raising funds for urban infrastructure have been some of the key Central initiatives. Further, the seven-year Jawaharlal

Nehru Urban Renewal Mission (JNNURM) to modernise urban infrastructure aims to cover some sixty cities across the country with an outlay of Rs. 1 lakh crore.

All these have indeed been steps in right direction. But a lot is yet to be done. The need of the hour, as JNNURM has rightly identified, is to create productive, efficient, equitable and responsive cities with a transparent local budget making process.

This background offers ample opportunities for the professionals to not only play a role as a Partner in Nation Building but also expand their professional horizon. They can put in place the much-needed fiscal discipline, accountability, transparency, fairness of transactions and good governance in the local bodies.

In the year 2001, the Supreme Court of India had opined that urban local bodies in India should take immediate steps to get their accounts converted from cash basis to accrual basis. It is a challenge for all the urban local bodies, which can be met only with the help of Chartered Accountants. Recently, a number of local municipal bodies have sought professional assistance in this regard. The ICAI ARF, which has been engaged by Municipal Corporation of Delhi for the Conversion, has done research in the area, which will help the Chartered Accountants to take up such assignments on their own. It is high time that members serve the urban local bodies and start spreading awareness about the benefits of the conversion.

—**Editorial Board**

ICAI—Partner in Nation Building

We Cannot All Be Great, But We Can Attach Ourselves To A Great Cause.