

## **Mumbai: Despite unspent funds in current financial year, BMC substantially increases capital expenditure**

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Despite having unspent funds from the total capital expenditure proposed in the current financial year, the BMC in the Budget 2022-23 has substantially increased the capital expenditure. The funds sanctioned towards capital works and development projects is 49.28 per cent of the total budget outlay.

For fiscal 2021-22, the revenue collection is expected to be 27,811.57 crores. which was revised to Rs 37538.41 crores, a rise by ₹9726.84 crores. However, the actual income received up to January 31, 2022, is Rs 30851.18 crore, thus facing a shortfall of over Rs 6000 crores.

Hence, the municipal administration has decided to take an internal loan to meet the low income and high expenses required for the upkeep and up gradation of development projects. Municipal Commissioner Iqbal Singh Chahal had made a statement in this regard during the budget of 2021-22. The civic body plans to take an internal loan of Rs 4998 crores.

"Considering the increasing liabilities of ongoing projects, obligatory duties, huge amounts will be required in the future to meet Capital Expenditure as well as Revenue Expenditure. Also, there will be a need for sizable funds for up-keeping and up-gradation of these facilities in the future. The completion of these significant projects will be hampered if sufficient funds are not made available during the ensuing years. Therefore, the necessity of raising internal loans to meet out the expenditure on these projects has arisen and it is proposed to raise ₹4998 crores by way of internal loan during 2022-23," stated Iqbal Singh Chahal.

Last year, BMC had proposed a capital expenditure of Rs 18,750.99 crore, of which Rs 8758.46 crore or around 46 per cent of the funds for development works in fiscal 2021-22 have been spent till December 30, 2021, the capital expenditure of Rs 9575.48 crores incurred upto January 2022, the civic data further revealed.

Opposition leaders claim that taking internal loans and digging into reserves will lead to repercussions. " The budget was made keeping the upcoming elections in mind, infrastructure projects like coastal; road getting more funds what about basic facilities to

Mumbaikar's like roads. Sewerage treatment, Stormwater drains? Announcing exemption from property tax now ahead of elections, after keeping it pending for years and now taking internal loans. All this is leading BMC to bankruptcy," said Ravi Raja, leader of opposition in BMC.

Milind Mhaske - Project director- Praja Foundation said," Spending funds from internal loans on capital works is not that a bad idea, though there are many other civic issues that should have been on the priority list of BMC. It's high time the Mumbai civic body must think of new sources of revenue beyond its fixed deposits and internal loans. Decisions like exemption from property tax will gradually lead to dilution of the civic body's funds. It's important to understand policies and politics can not go hand in hand."

Link:<https://www.freepressjournal.in/mumbai/mumbai-despite-unspent-funds-in-current-financial-year-bmc-substantially-increases-capital-expenditure>