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Civic budget likely to shrink by Rs 300 crore

PUNE: The Pune municipal corporation's budget for the 2014-15 fiscal is likely to shrink by around Rs 300 crore and the civic administration will concentrate on big projects such as the metro in the next financial year.

The civic administration will present the budget and the elected members will then give a final touch to it in March 2014. The administration will hold a budget review meeting on Friday, which will be attended by officials and elected members.

The civic administration had presented a budget of around Rs 3,605 crore for 2013-2014, which was increased by the elected representatives to Rs 4,100 crore. This year, however, the civic administration's budget is expected to be around Rs 3,300 crore.

Civic officials said that the municipal corporation is likely to face a revenue deficit due to local body tax (LBT) this financial year, as compared to the revenue it had earned through octroi in the past.

Officials said the civic administration is expected to get around Rs 1,000 crore this year as opposed to last year's revenue of Rs 1,300 crore. Between April and September this year, PMC

earned Rs 500 crore from LBT. Last year, the corporation had mopped up Rs 650 crore through octroi in the same period. Mahesh Pathak, municipal commissioner, confirmed to TOI that the budget is "likely to shrink as against last year". Asked if LBT could be one of the reasons for shrinking the budget he said, "Yes, and the budget gets inflated too much."

"The union government has given a green signal to carry out big projects in the city and funds for projects like metro, sewage treatment plants, Bhama Askhed water pipeline project and procurement of buses for the city have been allocated. The civic administration has promised the union government to pay the civic body's share for these projects, so the budgetary provisions for them will have to be made on priority," Pathak said.

The civic budget had gone beyond Rs 4,000 crore mark to reach Rs 4,167 crore, (for the first time for the next fiscal) since PMC's inception. This was after the civic standing committee, which takes all financial decisions, proposed a Rs 562-crore hike in the draft budget for 2013-14 presented by municipal commissioner Mahesh Pathak, who had presented a Rs 3,605 crore budget.