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### **Cash-starved BMC to cut corporators' funds by 25 pc**

Corporators will also feel the pinch of the cash crunch in the civic body.

The Brihanmumbai Municipal Corporation (BMC) has decided to cut the corporators' local area development funds by 25 per cent.

The BMC is facing a revenue shortfall of an estimated Rs 2,000 crore due to the economic slowdown and real estate slump.

The latest casualty of its drive to cut down on expenditure is the local area development fund under which each corporator gets Rs 35 lakh every year to spend in his or her ward. The sum is not handed over to corporators but the civic body sanctions works of up to Rs 35 lakh going by the corporators' recommendations.

The fund has often been at the center of controversy as citizen groups have been alleging that it leads to corruption due to a nexus between contractors and corporators. The fund is mostly used for building community halls and laying tiles on pavements.

Corporators are unhappy. Chairman of the Standing Committee Ravindra Waikar (Sena) said the civic body should revoke the circular on cutting funds immediately.

Acting Municipal Commissi-oner, R A Rajeev said, "The circular is effective at

least for one more week and later we will submit all facts about the financial situation of the civic body before various political party leaders. It would affect corporator fund and development fund too.”

The BMC has also decided to stall new projects and cut down contracts for civil works like replacing tiles on pavements and constructing community halls and public toilets by 25 per cent. Instructions have been issued to all wards. This would save at least Rs 2 crore in each ward.

The BMC, one of the richest civic bodies in the country with a budget of Rs 19,000 crore, has been facing a financial crunch for the last four months. An estimated fall of 10 to 15 per cent in its revenue due to a drop in octroi collections and the burden of increased salaries of the 1.10-lakh employees due to the sixth pay commission have forced the BMC to cut corners.