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# Last six Mumbai civic budgets: Without elected body, BMC prioritises mega projects; capex exceeds daily spending

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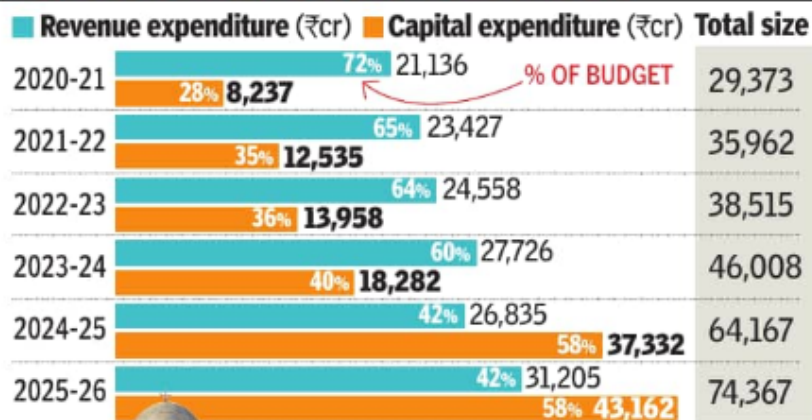


MUMBAI: BMC has altered its spending pattern over the last two financial years. For the first time in recent history, the country's richest civic body allocated a much larger portion of its annual budget to capital expenditure, while keeping revenue expenditure below half of the total outlay. This marked an aggressive push towards infrastructure creation and large-scale projects, a trend that has coincided with a period when BMC has been functioning without elected representatives.

The change in priorities reflects massive investments in big-ticket infrastructure projects such as Coastal Road, Goregaon-Mulund Link Road (GMLR) and multiple sewage treatment plants (STPs). Each of these projects involves an outlay of over Rs 14,000 crore

and is either currently under execution or has just been completed.

## LAST SIX CIVIC BUDGETS



The 2024-25 financial year saw BMC record a historic capital expenditure of Rs 36,900 crore -- the highest ever spent by it on infrastructure in a single year. This was nearly the entire Rs 37,332 crore earmarked for capital expenditure that year. Officials said the pace of spending has continued in the current financial year as well. In 2025-26, senior civic officials said nearly Rs 19,000 crore has already been spent on capital works.

Explaining the sharp increase, an official noted that capital expenditure during 2020-21 and 2021-22 had remained relatively low due to Covid, when most major construction activities were stalled or slowed. "Over the last two years, several major infrastructure works have been taken up simultaneously," the official said. These also include road concreting projects, water conveyance tunnels and over a dozen bridge projects such as Gokhale, Hancock, Carnac, Delisle and Vidyavihar. "Since many of these projects were executed at the same time, capital expenditure has increased substantially," the official said.

While infrastructure spending has surged, BMC's fixed deposits (FDs) have declined. The civic body's FDs, which peaked at Rs 91,690 crore in 2022, have now reduced to around Rs 80,000 crore. One key reason for the earlier rise -- from Rs 78,745 crore in 2020-21 to Rs 91,690 crore in 2021-22 -- was substantial revenue generated through premiums collected from development works across the city.

However, in Jan 2021, the state govt issued a resolution slashing construction premiums paid by builders by 50% after cabinet approval. A senior BMC official said part of the funds collected during this period was also diverted to other agencies.

"Out of this amount, BMC had to share funds with the Maharashtra State Road Development Corporation, for which around Rs 2,000 crore was sanctioned," the official said. "In addition, Rs 3,800 crore was given to MMRDA following a letter from the urban development department asking the municipal commissioner to contribute to metro rail projects," the official said. BMC has also extended nearly Rs 2,000 crore in financial support to the BEST undertaking in the past year.

But concerns remain about everyday civic needs. Milind Mhaske, CEO of Praja Foundation, said, "While large projects are important, basic services must not be ignored."

Advocate Godfrey Pimenta echoed this view, pointing to poor footpaths, internal roads and lack of open maidans in many areas. Political voices have also questioned accountability. Samajwadi Party MLA Rais Shaikh said the absence of corporators raised concerns about oversight.

Civic officials maintained that all works are properly scrutinised and supervised through established administrative mechanisms.