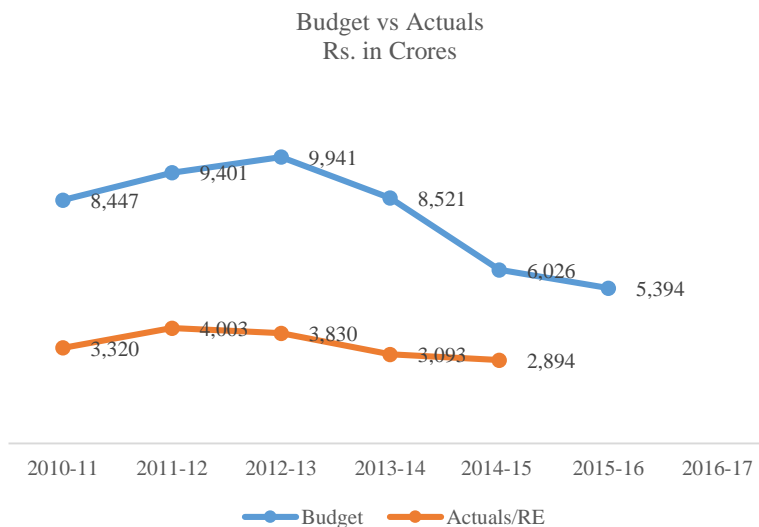


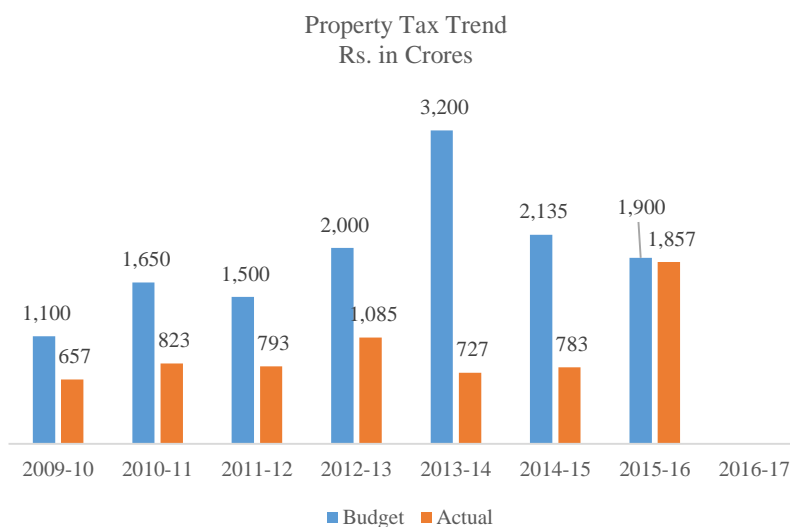
Pre-Budget Release

Will the BBMP Budget 2016-17 turn the corner and present a realistic budget?



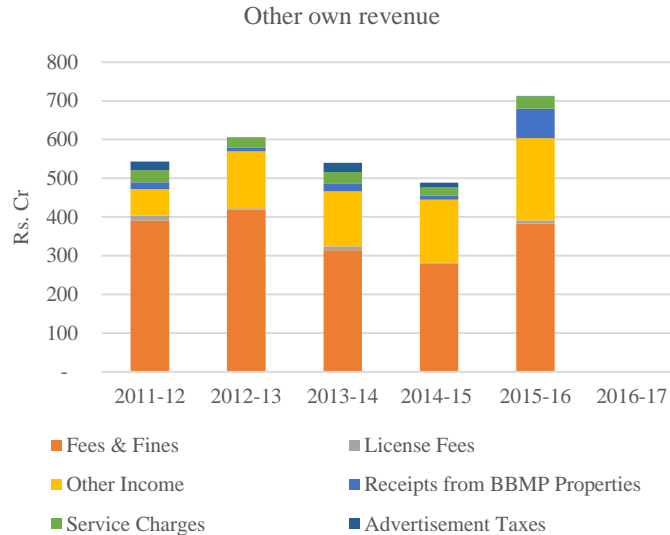
- High variance of >60% till 2013-14
- 30% reduction in 2014-15 BE as compared to 2013-14 BE
- A further 10% reduction in 2015-16 BE as compared 2014-15 BE

Greater than 2x increase in property tax collections in FY 16



YTD collections as per BBMP website of 1,857 crores, highest in last 5 years; property tax collections ranged between 23% to 60% up to 2014-15; 98% achieved in 2015-16.

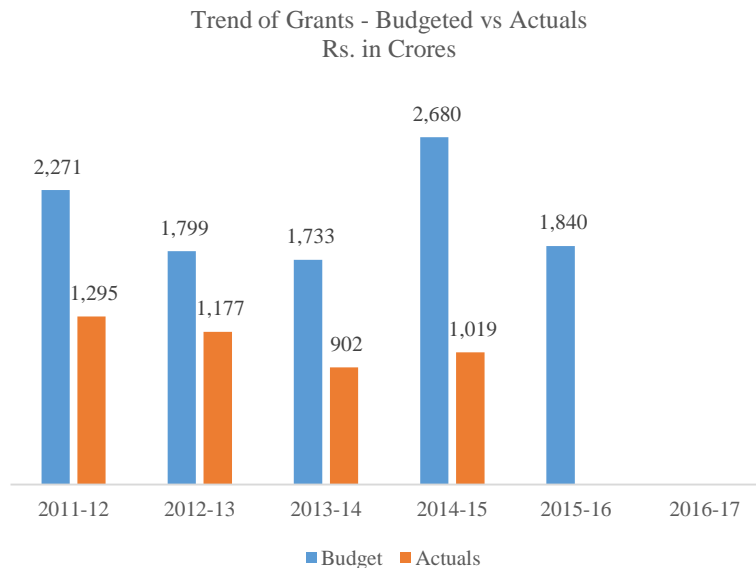
Only 16% of BBMP's total receipts is contributed by own revenues other than property tax, ie, building licence fee, ad tax, etc.



Other income as a % of total income

- Fees and Fines – 10%
- Advertisement tax – 0.5%
- License fees – 0.24%
- Receipts from BBMP Properties – 0.46%
- Service charges – 0.80%
- Other income – 3.38%

Grants to BBMP over the years



Dependence on State Grants is increasing with 2015-16 grant budgeted at 34% of the total receipts

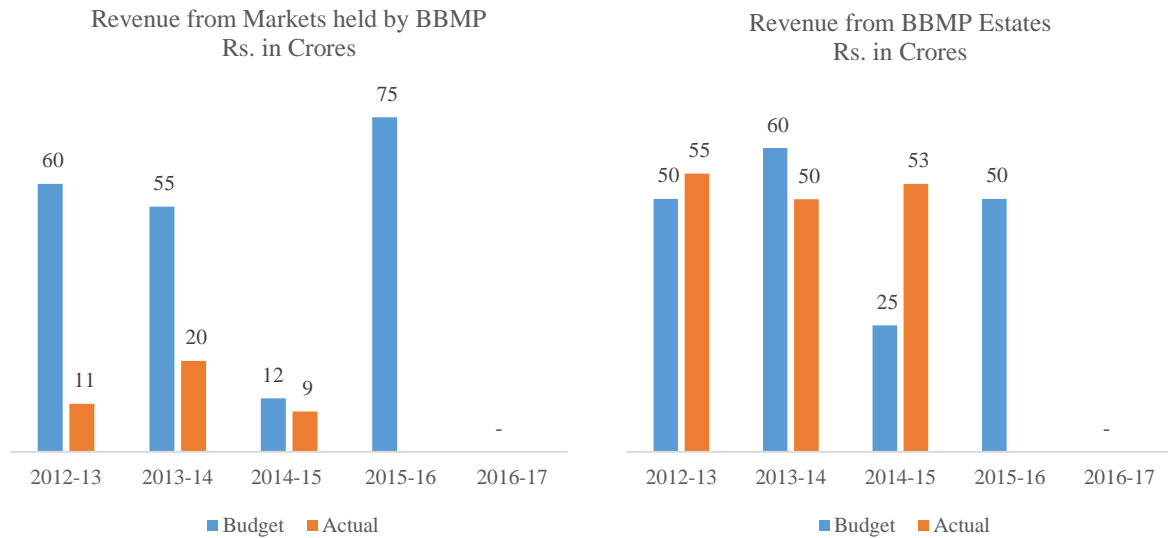
The State Budget of 2016-17 has announced Rs. 4,222.73 crores to BBMP

BBMP spends around Rs 1,270 per capita on capex, lesser than cities smaller than Bangalore

City	Bangalore	Pune	Surat	Bhopal
Population (ULB) (Million)	8	3	5	2
Area (ULB) (Km. Sq.)	710	244	326	285
Density (Persons/Km. Sq.)	11,901	13,684	12,816	6,310
Total Capital Expenditure (Rs Cr) 2013-14	1,072	1,407	1,625	451
Capital expenditure per capita (Rs/person)	1,270	4,539	3,611	2,506

Key Revenue Drivers for BBMP

Lease Properties: Markets & Estates



BBMP has 591 properties, comprising of 409 Estates and 182 markets. The markets have 5211 units. There is also possible under - utilisation of BBMPs own offices and community halls

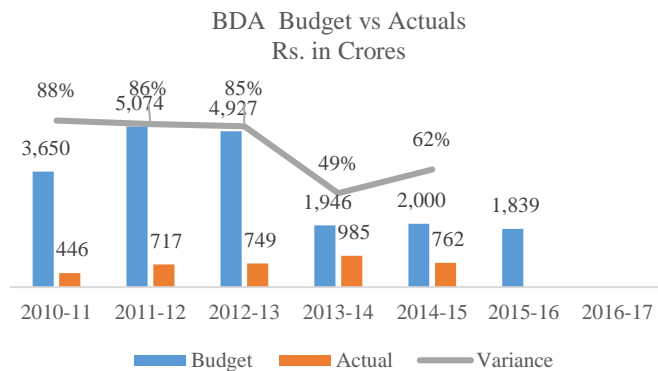
Service Charges on Central Government Properties

	2011-12	2012-13	2013-14	2014-15 RE	2015-16 BE
Service Charges (Rs Cr.)	2.33	1.00	-	-	5.00

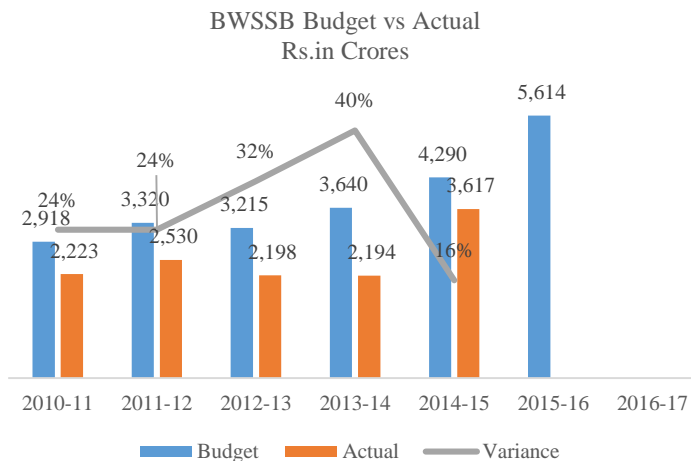
The Municipal Corporations can levy the service charges on the services rendered to the properties owned by the Central Government, as per the Supreme Court Ruling The service charges collected on such Central government properties is declining and efforts should be made to increase the same. BBMP has not collected service charges in 2013-14.

Bangalore is also home to a very large number of State Government properties and it is unlikely that BBMP is collecting service charges on the same.

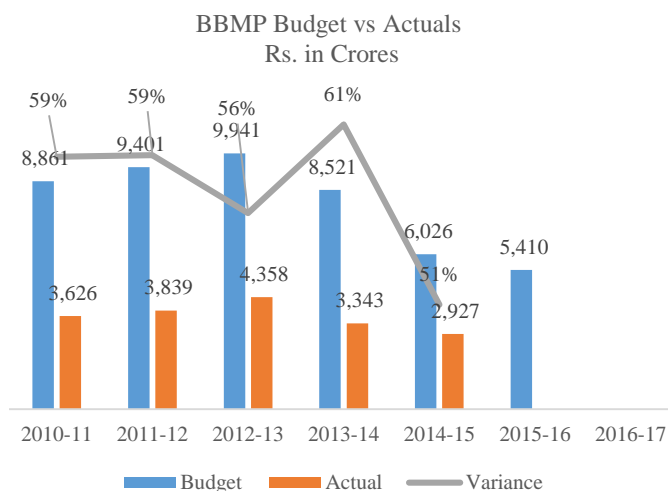
Unrealistic budgets plague all Bengaluru civic agencies



Variance: 50% to 90%



Variance: 16% to 40%



Notes:

1. All data is sourced from respective Budget books
2. Data for 2016-17 will be updated after release of Budget for 2016-17
3. Figures for 2014-15 are Revised Estimates