

Estimates of Receipts 2022-2023

Estimates of Receipts 2022-2023

The city area and periphery comprise that the Karachi is twentieth largest metropolitan area in the world, and twelfth biggest city in the world. The political leadership always looking and anticipated to present a people friendly budget and intend to undertake immediate repair and maintenance works of deteriorating infrastructure of Karachi and to provide basic necessities to the citizens and to the community of less privileged areas and to improve the municipal and civic services, as well as ensured for improvement in quality of life of people through development and extension of environmental conditions, within the frame work envisaged under the Sindh Local Government Act 2013. The emphasis has been made on good governance, effective delivery of services and transparent decision making through institutionalized participation of people.

As per census 2017, the population of Karachi's was enumerated at 14.90 million, the figure was immediately disputed by various corners as a severe underestimate. In general view, the population of Karachi climbed up to 30 million. Karachi is one of the world's fastest growing cities and has communities representing almost every province of Pakistan, therefore the span of the responsibilities is widening constantly.

The budget of Karachi Metropolitan Corporation basically emphasis to make sure to good governance, effective delivery of services to the poor people's i.e health and medical services including other municipal services, and transparent decision making through institutionalized participation of people. The expansion of environmental conditions and improvement of basic municipal infrastructure is to be ensured.

The total outlay of budget estimates for the year 2022-2023 of Karachi Metropolitan Corporation comes to **Rs.32,212.087** million as under:

Estimates of Receipts 2022-2023

Sr. No.	Nomenclature	Budget Estimates 2022-2023 (Rs. In million)	Budget Revised 2021-22 (Rs. In million)	Budget Estimates 2021-2022 (Rs. In million)
1	Current Receipts	26,616.774	16,059.481	20,088.20
2	Capital Receipts	5,595.313	4,848.800	5,894.21
	Total.	32,212.087	20,908.281	25,982.41

Current Receipts.

The main components of the current receipts are briefly described in the following manners:

- Matching Grant in lieu of Octroi / Zila Tax (OZT) received from the Government of Sindh out of the share of General Sales Tax provided by the Federal Government to Provincial Governments.
- Special Grant in Aid (for salary & pension) received from the Government of Sindh @Rs.600 million per month on fixed basis.
- Other Grant in Aid for Special / Specific purposes.
- Income derived from sources defined in the SLGA 2013 i.e recovery of Fees, Charges, Tax, Rent, Toll & other Recoveries etc. collected by the different departments of KMC.
- Releases of funds from Government of Sindh under District Annual Development Program (ADP).
- Funds provided by the World Bank under CLICK Schemes / Projects.

Capital Receipts.

The main component of the capital receipts is the Income from Sale / Auction of Municipal Land, Transfer / Mutation Fee, Development Charges and Lease proceeds.

Estimates of Receipts 2022-2023

The estimated budget targets set for the next financial year 2022-2023 derived a sum of **Rs.32,212.087** million as against the budget estimates of **Rs.25,982.41** million for the year 2021-2022 and revised estimates have reduced to **Rs.20,908.281** million. The reduction is made mostly under the un-settled / stuck up revenue recovery heads of own resources i.e Dues of KMC against K-Electric, Dues of KMC against KPT, Shabhuiddin Market at Saddar & further due to non finalization of issues / disputes between KMC and other departments / GoS. Some important revenue recoveries heads i.e., Land Commercialization Fee on KMC's Major Roads, Fee on BTS Towers, License Fee on Milching Animals, Toll Tax from Link Road b/w National Highway to Super Highway are also not materialized / decided during the year 2021-2022 and resultantly, the budget targets have nullified in the revised budget estimates.

Estimates of Receipts 2022-2023

The following table shall further reveal the department-wise revenue income of KMC for the next financial year 2022-2023 and revised budget estimates for the financial year 2021-2022 and budget estimates of the same year:

(Rs.in million)				
Sr. No.	Department	Budget Estimates 2022-2023	Revised Estimates 2021-2022	Budget Estimates 2021-2022
1	Grants/Releases/Share from Government			
	Matching Grants in Lieu of Octroi & Zila Tax (OZT).	2,950.110	2,538.624	2,125.662
	Special Grant in Aid. (Salary & Pension)	7,200.000	7,200.000	7,200.200
	Misc. Grant in Aid.	750.000	1,185.700	250.000
	OZT share of DMCs for Pensioners	3,500.000	3,026.363	3,500.000
	Bailout Package for payment of Pensioners dues	4,200.000	-	-
	Total	18,600.110	13,950.687	13,075.662
2.	Revenue Department.			
	Land	799.600	424.750	932.500
	P.D.Orangi	181.213	11.000	161.213
	Katchi Abadis	110.000	90.000	110.000
	Estate	171.100	97.550	168.100
	Charged Parking / Toll Tax.	105.100	61.500	80.600
	Enforcement / Anti-Encroachment.	110.600	60.600	70.600
	Total	1,477.613	745.400	1,523.013
3.	Recreation, Culture & Sports.			
	Culture & Sports & Sports Complex	47.750	13.360	25.200
	Zoo.	111.300	54.700	100.000
	Safari Park.	45.200	15.905	45.000
	Alladin Park.	-	-	14.500
	Total	204.250	83.965	184.700
4.	Engineering	125.000	16.254	95.000
	Total	125.000	16.254	95.000

Estimates of Receipts 2022-2023

Sr. No.	Department	Budget Estimates 2022-2023	Revised Estimates 2021-2022	Budget Estimates 2021-2022
5.	Finance & Accounts.			
	Financial Resources & Others.	367.560	251.410	312.560
	Municipal Utility Charges & Tax (MUCT).	2,000.000	250.000	1,000.000
	Advertisement Tax	500.000	40.00	
	Total	2,867.560	541.410	1,312.560
6.	M.C. Secretariat			
	Misc. Income from different departments.	1.100	0.512	1.100
	Parks & Horticultural.	36.000	24.100	35.780
	Veterinary.	213.024	17.610	222.959
	Total	250.124	42.222	259.839
7	E & I Promotion	20.550	13.500	15.625
8	Medical & Health Services	67.705	25.455	81.415
9	Transport & Communication/ Terminals	198.500	28.500	446.500
10	Municipal Services	311.000	79.500	201.000
11	Information Technology	0.100	0.050	0.100
	Total.(1 to 11)	27,211.087	16.256.281	20,981.414
12.	Other Revenues			
	District ADP.	5,001.000	4,652.000	5,001.000
	CLICK Project (World Bank)	888.586	699.338	1,536.000
	KMC dues against <u>K-Electric.</u>	1,850.000	-	1,850.000
	Transfer of income on account of Entertainment Tax (Current & Arrears) from GoS	200.000	-	200.000
	Transfer of income from <u>SBCA.</u>	50.000	30.000	100.000
	KMC dues against KPT.	100.000	-	100.000
	Grand Total (1 to 12)	32,212.087	20,908.281	25,982.414

Estimates of Receipts 2022-2023

The major sources of revenue income of KMCs various departments as shown in the above table are detailed and discussed as under:

Matching Grant in lieu of OZT.

- ✓ **Matching Grant from Provincial Government in lieu of Octroi & Zila Tax (OZT) has been estimated as follows:**

(Rs.in Million)		
Nomenclature	Year	Amount
• Budget Estimates	2022-2023	Rs.2,950.000
• Revised Estimates	2021-2022	Rs.2,538.624
• Budget Estimates	2021-2022	Rs.2,125.662

A sum of **Rs.2,125.662** million was estimated in the current FY 2021-2022 on account of matching grants from Provincial Government in lieu of OZT. The Provincial Government has increased the share of OZT and released excess funds of **Rs.412.962 million** during the FY 2021-2022. Thus, KMC has received **Rs.2,538.624 million** from GoS on account of OZT and budget target has been revised to **Rs.2,538.624 million** as per actual funds released by GoS. An amount of **Rs.2,950.000 million** has been earmarked in next year's budget for the year 2022-2023 by expecting the incremental receipts of **Rs.411.376** million in the share of OZT on account in anticipation of 15% increase in salary / pension as announced by the Hon'able Chief Minister Sindh in his Budget Speech in the Provincial Assembly on 14.06.2022.

- ✓ **Special Grant in Aid.**

(Rs.in Million)		
Nomenclature	Year	Amount
• Budget Estimates	2022-2023	Rs.7,200.000
• Revised Estimates	2021-2022	Rs.7,200.000
• Budget Estimates	2021-2022	Rs.7,200.000

Estimates of Receipts 2022-2023

The Provincial Government is releasing an amount of **Rs.600.00 million** per month on account of Special Grant-in Aid to KMC for disbursement of monthly salary of KMC's employees. KMC estimated a sum of **Rs.7,200 million** in the FY 2021-2022 as Grant-in Aid, which has been fully received from Provincial Government till June 2022. This has been also reflected in the revised budget estimates as **Rs.7,200 million** for the year 2021-2022. A sum of **Rs.7200 million** again has been earmarked for the next fiscal year's budget estimates 2022-2023 (@Rs.600 million p.m.)

The back ground of the Grant- in Aid is given hereunder:

- Since 2011-2012 the Government of Sindh had been releasing Rs.500.00 million per month to KMC as Grant in Aid to meet out the shortfall in disbursement of salary to the employees of the KMC.
- The Special Grant-in Aid of Rs.500.00 per month was continued to release by the Government of Sindh upto August 2016.
- On revival of KDA in May 2016, the Government of Sindh had reduced the amount of Grant-in Aid to KMC from Rs.500.00 million p.m. to Rs.300.00 million p.m. and rest Rs.200.00 million p.m were released to KDA to protect the salaries of KDA employees from the Grant-in-Aid of KMC while the actual requirement of salaries for employees of KMC could not be considered.
- The Ex-Mayor Karachi had taken up the matter with Honorable Chief Minister Sindh for release of reduced amount of Rs.200.00 million p.m to KMC on account of Grant-in Aid, for disbursement of salary & pension of KMC employees & pensioners in time.
- On the directives of Honorable Chief Minister Sindh, the Secretary Local Government Department, GoS moved a Summary to Chief Minister Sindh in October 2017 for release of curtailed amount of Rs.200 million p.m. and recommended to restore the Grant-in Aid Rs.500 million p.m for payment of salary of KMC employees.

Estimates of Receipts 2022-2023

- From November 2017, the Finance Department, GoS increased the Special Grant-in Aid by Rs.130.00 million p.m instead of agreed amount of Rs.200 million per month and released Rs.430 million per month. The Secretary Finance, GoS has refused to pay the salary of KM&DC, Stipend to House Job Doctors/ PGs/ Nurses and Fire Risk Allowance to Fire Brigade Staff.
- In the year 2021-2022, the Government of Sindh acceded to the long and chronic issue of shortfall in payments of monthly salary and pension to the employees of KMC and increased the amount of Grant-in Aid by Rs.170.00 million per month and is releasing the Grant @Rs.600 million per month.

Entertainment Tax.

The entertainment tax is levied on entertainment places such as Dramas, plays, amusements, parks, variety programs and sports etc.

(Rs.in Million)		
Nomenclature	Year	Amount
• Budget Estimates	2022-2023	Rs.200.000
• Revised Estimates	2021-2022	-----
• Budget Estimates	2021-2022	Rs.200.000

As provided in the Schedule-V(Part-I) of Sindh Local Government Act 2013, wherein it is clearly mentioned that the “**ENTERTAINMENT TAX**” is required to be collected by Karachi Metropolitan Corporation. On the contrary, this tax is collecting by the Excise & Taxation Department, Government of Sindh. Accordingly, a new revenue head of Entertainment Tax was created / reflected in the Budget estimates for the year 2021-2022 with estimated revenue of Rs.200 million but the Excise & Taxation Department, GoS is reluctant to shift the above revenue head and collection on account of Entertainment Tax to KMC administration. Resultantly, KMC has nullified the estimates of Rs.200 million in the Revised Budget 2021-2022. However, KMC has again earmarked an amount of Rs.200 million in the Budget Estimates FY 2022-2023 with the hope that the Provincial Government will realize the ground reality and will direct the Excise & Taxation Department, GoS to shift the collection in the treasury of KMC in accordance with the provision of rules in SLGA 2013.

Estimates of Receipts 2022-2023

✓ Revenue Departments KMC.

(Rs.in Million)

Revenue Department.	Budget Estimates 2022-2023	Revised Estimates 2021-2022	Budget Estimates 2021-2022
Land (Lease)	799.600	424.750	932.500
P.D.Orangi	181.213	11.000	161.213
Katchi Abadis	110.000	90.000	110.000
Estate	171.100	97.550	168.100
Charged Parking / Toll Tax.	105.100	61.500	80.600
Enforcement/ Anti-Encroachment.	110.600	60.600	70.600
Total	1,477.613	745.400	1,523.013

While going through the above table, it is to appraise that the budgetary estimates reflects in aforementioned table to the tune of **Rs.1,477.613** million is anticipated to be realized by the above major Revenue Earning Departments of KMC. The revenue targets mentioned against each in the next FY 2022-2023, whereas total revised budget estimates for 2021-2022 is reduced to Rs.745.400 million in absolute terms and in terms of percentage 15.06% reduced against current year's targets. The above budget targets for the year 2022-2023 and revised targets 2021-22 of the each departments further discussed separately in the following:

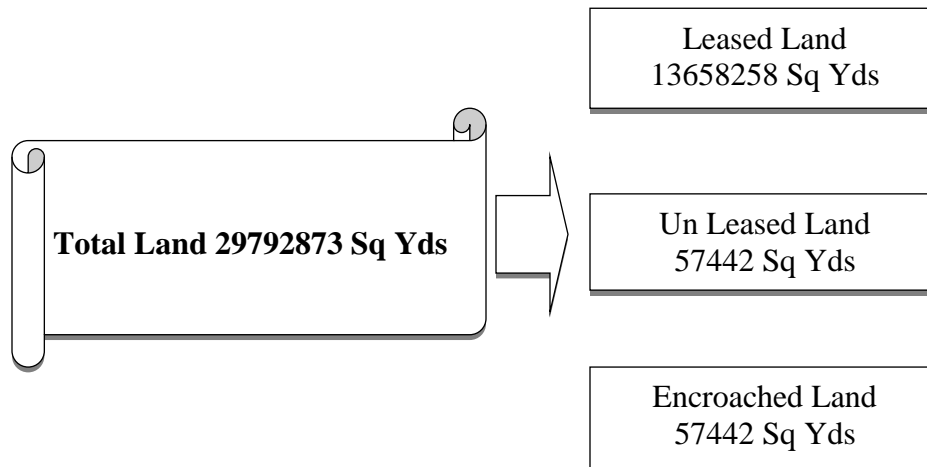
Estimates of Receipts 2022-2023

• Land Department KMC.

(Rs.in Million)

S.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.744.600
2.	Revised Estimates	2021-2022	Rs.424.750
3.	Budget Estimates	2021-2022	Rs. 932.500

❖ Land of KMC in Square Yards is given hereunder:-



❖ District wise details of KMCs plots with land area:-

Sr. No	District	Unit	No of Plots
1	Central	4	20457
2	East	11	14387
3	South	22	28763
4	West	5	2392
5	Korangi	1	1100
6	Malir	2	626
7	Kemari	2	48535
	Total	47	116260

❖ KMC Petrol Pumps

Total 11 Petrol Pumps Measuring 6686 Sq Yds

❖ KMC Huts at Hawksbay

Total 99 Huts Measuring 27000 Sq Yds

Estimates of Receipts 2022-2023

The income from Land Department, KMC is generated through Renewal of Leases, Land Rent, Mutation Charges, Fee on BTS Tower etc. An amount of **Rs.799.600 million** has earmarked in the next year's Budget 2022-2023 as against the current year's targets of **Rs.932.500 million** and revised estimates have reduced to **Rs.424.750 million**. The reduction in revised estimates and next year's projection are mainly due to the curtailment of the following heads:-

- Recently, the GoS has amended the SLGA 2013 in the Schedule-V (Part-I) of Sindh Local Government Act 2013 wherein recovery of Tax on account of **Tax on transfer of Immoveable Property** has been assigned to DMCs only. Therefore no amount has been projected in the budget estimates for the year 2022-23 under this head, whereas an amount of Rs.150.00 million was earmarked in the year 2021-2022.
- As per directives of the Honourable Chief Minister Sindh, the project of "Lines Area Parking Plaza" has been assigned / shifted to Karachi Development Authority (KDA). The budget target under this head has nullified for the next FY 2022-2023.
- The Provincial Government has imposed ban of auction of land and Land Department could not auctioned any land throughout the year.
- The policy for collection of Fee for Commercialization of KMC Land was also not materialized /finalized and decision in the regard pending for approval with Provincial Government since long.

Estimates of Receipts 2022-2023

- The function to recover “Fee on installation of BTS Towers” has been assigned to the Enforcement / Anti-Encroachment Department, KMC.
- **PD Orangi Town.**

(Rs.in Million)			
Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs. 181.213
2.	Revised Estimates	2021-2022	Rs.11.000
3.	Budget Estimates	2021-2022	Rs.161.213

The income from PD Orangi is mainly realized through Renewal of Leases, Land Rent, Mutation Charges etc. An amount of **Rs.181.213 million** has reflected in next year’s Budget Estimates for the year 2022-2023 as against the revised estimates of **Rs.11.000 million**. A new revenue under the title of “Auction of Land” has been suggested in the Budget Estimates of P.D. Orangi in next year budget estimates 2022-2023.

The recovery heads of income has been further classified in sub-heads rather than one recovery head as mentioned below:-

- a) Recover on account of Lease Money / Development Charges,.
- b) Mutation / NOC /Sub Division / Amalgamation.
- c) Other Fee and Ground Rent,

The following outstanding dues / claims against PTCL and Police Department, Government of Sindh have again incorporated in the budget estimates for the year 2022-23, as per directives of worthy Administrator, KMC. in order to alive the claim of KMC against different government departments, 50% of the claim has been reflected in the Budget Estimates for the year 2022-2023. The claim of P.D.Orangi is given hereunder as mentioned against each:-

Estimates of Receipts 2022-2023

- PTCL Rs.48.326 million
- Police Department, GoS Rs.54.100 million

Total **Rs.102.426 million**

The Project Director Orangi, KMC has also filed a recovery suit against both the government departments, which are pending before Sindh High Court.

- **Katchi Abadies.**

(Rs.in Million)			
Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.110.000
2.	Revised Estimates	2021-2022	Rs.90.000
3.	Budget Estimates	2021-2022	Rs.110.000

A sum of **Rs.110.000 million** has again been earmarked in the Budget Estimates for the year 2022-2023. Whereas the revised estimates have reduced to Rs.90.00 million. The income from Katchi Abadies is projected on account of recovery from Renewal of Leases, Land Rent, Mutation Charges etc. The recovery heads of income have been further sub-classified instead of one recovery head as mentioned below:-

- a). Recover on account of Lease Money/ Development Charges,.
- b). Mutation/ NOC/Sub Division/Amalgamation.
- c). Other Fee and Ground Rent,

Estimates of Receipts 2022-2023

Estate Department.

(Rs. in Million)

Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.171.100
2.	Revised Estimates	2021-2022	Rs.97.550
3.	Budget Estimates	2022-2022	Rs.168.100

The District-wise detail of KMC Markets is given hereunder:-

Sr. No	District	No. of Markets	No. of Shops
1	Central	9	1186
2	East	7	547
3	South	38	6335
4	Korangi	2	95
5	Malir	2	937
6	Kemari	3	92
	Total	61	9192

Total Active Markets 53
Total Active Units 7913

An amount of **Rs.171.100 million** has been anticipated in the Budget Estimates for the ensuing year 2022-2023 on account of the recovery of rent from above mentioned active shops i.e. 9192, which reflects an increase of **Rs.73.550 million** in absolute term over the revised budget estimates **Rs.97.550 million** of 2021-2022.

Further it may be reminded that in the year 2019-2020 on the directives of Honourable Supreme Court of Pakistan, Karachi Metropolitan Corporation has demolished thousands of shops and offices in different Markets of KMC throughout Karachi, which has curtailed the income of Estate Department, KMC drastically.

The Sr. Director Estate, KMC has proposed various recommendations to improve the current status of remaining 53 KMC markets as well as increase in their recovery. He also proposed to introduce revenue projects to collect revenues from markets with extra spaces. Moreover, the repair & restoration of markets should also be expediently completed.

Estimates of Receipts 2022-2023

Charged Parking

(Rs.in Million)

Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.105.100
2.	Revised Estimates	2021-2022	Rs.61.500
3.	Budget Estimates	2021-2022	Rs. 80.600

The District-wise detail of KMC Charged Parking Sites is given hereunder:-

Sr. No	District	Parking Sites
1	Central	18
2	East	34
3	South	16
4	West	1
4	Korangi	11
6	Malir	2
7	Keamari	1
	Total	83

• Auction Sites	33
• Reserved Sites	17
• Experimental Sites	14
• Proposed Sites	19

Budget Estimates of **Rs.80.600 million** was reflected in the current year's Budget 2021-2022, which has not achieved fully and the same has reduced in the revised estimates to the extent of **Rs.61.500 million**. An amount of **Rs.105.100 million** has now assessed in the Budget Estimates for the ensuing year 2022-2023 registered an increase of Rs.19.100 million to be realized over the current year's estimates 2021-2022.

As the facts are always kept on record that as per notification issued by the Local Government Department, GoS, six DMCs are also authorized to collect the Parking Fee on DMCs roads and KMC is restricted to collect Charged Parking Fee only on main roads belongs to KMC, whereas the Schedule-V Part-I item 09 of Sindh Local Government Act 2013, KMC empowers KMC to collect / recover Charged Parking Fee.

Estimates of Receipts 2022-2023

Zulfiqarabad Oil Terminal

<u>(Rs.in Million)</u>			
<u>Sr.No.</u>	<u>Nomenclature</u>	<u>Year</u>	<u>Amount</u>
1.	Budget Estimates	2022-2023	Rs.135.500
2.	Revised Estimates	2021-2022	Rs.18.000
3.	Budget Estimates	2021-2022	Rs. 185.000

The Zulfaqarabd Oil Terminals is spread over 200 acres, 150 acres have been reserved for the parking lot while remaining 50 acres have been allocated for development of basic facilities in the terminal. The oil tankers parking facility has the capacity of parking 3,200 oil tankers, while for the drivers all facilities will be provided with an infrastructure to accommodate over 10,000 peoples. The project would help to move around 3,000 oil tankers from Shireen Jinnah Colony to National Highway easing traffic congestion in Karachi city region and adjoining areas. It would also have 1,500 shops for spare part and oil tanker repair shops too.

On becoming operational of Zulfaqarabd Oil Terminals, a new revenue head has been projected in the KMC Budget Estimates for the year 2022-2023 targeted for an amount of **Rs.135.500 million** against the collection of Charged Parking and Rent of shops from Zulfiqarabad Oil Tankers Terminal.

Estimates of Receipts 2022-2023

- **Enforcement / Anti Encroachment.**

(Rs.in Million)			
Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.110.600
2.	Revised Estimates	2021-2022	Rs.60.600
3.	Budget Estimates	2021-2022	Rs.70.600

The main function of Enforcement/Anti-Encroachment Department, KMC is to remove the unauthorized structure / obstacles which creates bottleneck for smooth flow of traffic or create hindrance in providing municipal services at large to the people as a whole.

Karachi Metropolitan Corporation with the collaboration of Project Director Competitive and Livable City of Karachi (CLICK) has established the Geographic Information System (GIS) anti-encroachment cell under the aegis of Commissioner Karachi. The GIS Cell for Anti-Encroachment is a stepping stone in the way of improving urban planning, management and services delivery. The GIS would transpire into improving the infrastructure of the city, business environment and addressing anti-encroachment challenges in Karachi.

Although, the Anti-Encroachment Department is not a revenue earning department, however, the Sr. Director Anti-Encroachment, KMC has committed in the Budget meeting that income will realize through removal of unauthorized encroachments in the city. An amount of **Rs.70.600 million** was projected in the Budget Estimates for the year 2021-2022 which was reduced to Rs.60.600 million in the revised Budget Estimates 2021-2022. An amount of **Rs.110.600 million** is being expected in the next year's Budget Estimates 2022-2023, which indicates an increase of Rs.40.00 million over the budget estimates for the year 2021-2022 as the Income on account of "Fee on installation of BTS Towers" has been transferred from Land (Lease) Department, KMC.

Estimates of Receipts 2022-2023

✓ Engineering Department.

(Rs.in Million)			
Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs. 125.000
2.	Revised Estimates	2021-2022	Rs.16.254
3.	Budget Estimates	2021-2022	Rs.95.000

The Engineering Department, KMC provides infra-structure and maintains Roads, Bridges, Underpasses and Street Lights at major roads of Karachi. The main revenue resources of Engineering Department, KMC are Road Cutting Charges, Asphalt Plants & Tender Fee Forms etc. The Engineering Department, KMC contributes 16% share against the amount recovered from the various departments / organizations on account of Road Cutting Charges, Trenches & etc. and rests are utilized for improvement of trenches.

An amount of **Rs.125.000 million** was estimated to earn during the year 2021-2022 against which only **Rs.16.254 million** (approx.) has been realized and reflected in the revised Budget 2021-2022 accordingly. It has again reflected the same Budget Estimates of **Rs.95.00 million** for the year 2022-2023 and it is anticipated to be realized during the next financial year successfully.

Estimates of Receipts 2022-2023

Culture & Sports.

(Rs.in Million)

Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.47.750
2.	Revised Estimates	2021-2022	Rs.13.360
3.	Budget Estimates	2021-2022	Rs.25.200

An amount of Rs.47.750 million has reflected in the budget estimates for the year 2022-2023 expected to be realized and registered as an increase of Rs.22.550 million over the Budget Estimates of 2021-2022. The projected income of Culture & Sports Department, KMC is anticipated to be derived from Culture and Sports activities to be arranged at Sports Complexes of KMC against various fees collection by the different sections of Culture & Sports Department, KMC.

✓ Recreation Department.

(Rs.in Million)

Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.156.500
2.	Revised Estimates	2021-2022	Rs.70.605
3.	Budget Estimates	2021-2022	Rs. 159.500

An amount of Rs.156.500 million has been earmarked in the next year's Budget 2022-2023 and it has assessed to be achieved by the Recreation Department, KMC against the revised budget estimates 2021-2022 of Rs.70.605 million. The income of Recreation Department, KMC is mainly derived from Entrance fee of Zoo, Safari Park & Allahdin Park including income of Landhi Korangi Zoo, KMC. On implementation of directives of Honorable Subprime Court of Pakistan, the Allahdin Park has been demolished completely. The income head from Alladin Park has nullified in the Budget Estimates of 2021-2022 & onwards. The Budget Estimates for Recreation Department, KMC for next FY 2022-2023 has also reduced to Rs.156.00 million as compared to current year budget estimates of Rs.159.50 million.

Estimates of Receipts 2022-2023

✓ Finance & Accounts Department.

(Rs.in Million)			
Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.367.560
2.	Revised Estimates	2021-2022	Rs.251.410
3.	Budget Estimates	2021-2022	Rs. 312.560

The collection of Revenue income from Finance & Accounts Department, KMC mainly is based upon the earning of Profits amount against the sums invested in Profitable schemes through the authorized scheduled banks on yearly basis. The profit can be earned through better management of funds by the Finance & Accounts Department, KMC. It is to be appreciated that KMC had earned **Rs.391.658 million** in the Financial Year 2020-2021 by taking better and timely decision by the then KMC administration.

However, owing to reduction in rate of markup by the SBP during the last FY 2020-2021, KMC accrued less profit of **Rs.251.410 million** as against the expected Budget Estimates of **Rs.312.560 million** for the year 2021-2022. The same has reflected in the revised Budget Estimates 2021-2022 accordingly.

The SBP has now enhanced the rate of markup on savings and the Budget Estimates for ensuing year 2022-2023 for Rs.367.560 million has earmarked and to be fetched from accrued profits on Investments.

Estimates of Receipts 2022-2023

Municipal Utility Charges.

(Rs.in Million)

Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.2,000.100
2.	Revised Estimates	2021-2022	Rs.290.000
3.	Budget Estimates	2021-2022	Rs.1,000.000

The Municipal Utility Charges Department, KMC came into being in January 2009 through a Council Resolution (CR) No.364, dated 02nd June 2008 under section 39 (b) in the repealed SLGO 2001. An amount of Rs.2,130.00 million has again been provided in the next year's budget 2022-2023.

As provided in the Section 100(1) Chapter-X of SLGA 2013, KMC Council vide Resolution No. dated 21-6-2022 has approved the collection of MUCT Charges of Karachi Metropolitan Corporation through monthly electric billing (K-Electric). Hopefully, the collection of MUCT Charges through the electricity bill (K-Elect.) will commence from July 2022.

The proper tax mechanism for MUCT have been developed which is mainly based on electricity units consumed during the month and fixed slabs by reducing the current MUCT Charges have been defined according to the units consumed by the consumers during each month in the following manner:

Sr. No.	Type	Category	Amount
1	Residential	Up to 50	Exempted
		51 to 100	40
		101 to 200	50
		201 to 300	60
		301 to 400	75
		401 to 500	90
		501 to 600	100
		601 to 700	125
		700 and above	150
2	General	All Categories	300
3	Commercial	All Categories	400
4	Industrial	All Categories	500

Estimates of Receipts 2022-2023

The main purpose of the collaboration of KMC with M/S K-Elect is to increase collection of MUCT bills at a reasonable level. The consumers will have to pay the MUCT bills with reduced rates as mentioned in their bills. This will decrease the burden on the individual with maximum reduced rates as similar to the way the people and entities are paying TV license fees without any hesitation.

Consequent upon the implementation of CR No.78 dated 21-06-2022, it is anticipated that collection of MUCT bills may improve manifold. Initially, **Rs.2,000.10 million** has projected in the Budget Estimates for the year 2022-2023 to be fetched as against the revised estimates Rs.290.00 million for the year 2021-2022.

Advertisement Tax.

<u>(Rs.in Million)</u>			
Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.500.000
2.	Revised Estimates	2021-2022	Rs.40.000
3.	Budget Estimates	2021-2022	Nil

The Local Government & Housing Town Planning Department, Government of Sindh under section 138 read with section 24 and 31 of Schedule-V of the Sindh Local Government Act 2013, has been promulgated the “**Sindh Local Councils (Advertisement) Rules, 2021**” vide Notification No.RO/MISC/4(74)/2016 dated 01-11-2021.

Consequent upon the promulgation of above rules, Karachi Metropolitan Corporation has authorized to collect Advertisement Tax on Bill Boards in KMC limits. Therefore an amount of **Rs.500.00 million** has been projected to be realized in the next year budget estimates.

Estimates of Receipts 2022-2023

✓ Secretariat, KMC.

(Rs.in Million)			
Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2021-2022	Rs.37.100
2.	Revised Estimates	2020-2021	Rs.24.612
3.	Budget Estimates	2020-2021	Rs.36.880

The KMC Secretariat means that departments/ section who are controlled directly by the Municipal Commissioner Secretariat, KMC i.e. Parks & Horticulture Department, KMC and CIIM etc. An amount of Rs.37.100 million is projected to be realized in the next year budget 2022-2023 with revised Budget Estimates of Rs.24.612 million for the year 2021-2022.

• Veterinary Department, KMC.

(Rs.in Million)			
Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.213.024
2.	Revised Estimates	2021-2022	Rs.17.610
3.	Budget Estimates	2021-2022	Rs. 222.959

The Veterinary Department, KMC controlled and monitor the slaughtering of animal in KMC Slaughter Houses. An amount of Rs.222.959 was estimated to collect during the current FY Budget 2021-2022, which could not be achieved. Ultimately, the revenue target for current FY 2021-2022 has reduced to **Rs.17.610 million** in the revised estimates against the earmarked targets of Rs.222.959 million. It is recalled that in view of CRs No.28 & 29 dated 9th May 2017 passed by the then KMC Council regarding recovery of income from Milching animals and Cattle Piri, the Veterinary department, KMC was required to be take over the possession of both sites but unfortunately the same is not implemented till date. Therefore, the recovery target is estimated to **Rs.213.024 million** in the Budget 2022-2023. Further an amount of Rs.10.00 million against the "Fee in Cattle Farms" has also been earmarked in the next year budget expected to be realized

Estimates of Receipts 2022-2023

✓ Municipal Services KMC.

(Rs.in Million)			
Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.311.000
2.	Revised Estimates	2021-2022	Rs.79.500
3.	Budget Estimates	2021-2022	Rs.201.000

The Budget estimates of **Rs.311.000 million** including an amount of Rs.220.00 million has been earmarked for collection of “Fire and Building Safety Inspection Fee” as amended and provided in the Schedule-V (Part-I) of Sindh Local Government ACT 2013.

Attention is also invited to the directives of Honorable High Court of Sindh in a Constitution Petition to SBCA filed by the NGOs regarding tragic incidents in Karachi for ensuring the installation of Fire Protection System in High Rise Buildings to avoid such tragic incidents in future. The Sindh High Court also directed to the SBCA to obtain NOC of Fire Brigade Department, KMC before approval of completion building plan of High Rise Buildings”. The income is mainly to be realized from different departments of KMC working directly under the control of MC Secretariat i.e. Food Laboratory, Fire Brigade, Solid Waste Management, Incineration Plant & etc.

✓ Enterprise & Investment Promotion Department.

(Rs. in Million)			
Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.20.550
2.	Revised Estimates	2021-2022	Rs.13.500
3.	Budget Estimates	2021-2022	Rs.15.625

An amount of Rs.20.550 million has been earmarked in the next year’s Budget Estimates 2022-2023 as against of Revised Budget Estimates for the year 2021-2022 of **Rs.13.50 million**. The income in E&IP Department mainly derives from “Establishment of Buchat Bazar in the City” and “Income from Ready Mix Batching Plant” etc. On enhancement of rent of stalls in Bachat Bazars, the Association of Bachat Bazar Organization filed a CP against the enhancement of rent the same is pending before Honorable Court of law.

Estimates of Receipts 2022-2023

✓ Medical & Health Department.

(Rs.in Million)

Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.67.705
2.	Revised Estimates	2021-2022	Rs.25.455
3.	Budget Estimates	2021-2022	Rs.81.415

An amount of **Rs.67.705 million** has reflected in the Budget Estimates for the year 2022-2023 and it has anticipated to be realized in the different heads of all Medical Institutions of KMC. As the Medical & Health Department KMC is not a revenue generating department, therefore the Budget Estimates has reduced to **Rs.67.705 million** as compared to **Rs.81.415 million** of current FY 2021-2022. No major change is made in the Budget Estimates against the services being provided through paying wards, OPD, X-Ray Services, Operation Theaters, Ultra Sound Machines and collecting nominal fees for services provided by the Hospitals and Maternity Homes of KMC.

✓ Transport & Communication/ Terminals.

(Rs.in Million)

Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.198.500
2.	Revised Estimates	2021-2022	Rs.28.500
3.	Budget Estimates	2021-2022	Rs. 446.500

An amount of **Rs.198.500 million** is reflected in the Budget Estimates for the year 2022-2023 as compared to **Rs.446.500 million** of FY 2021-2022 because the revenue / income head of ZOT has been transferred from T&C Department, KMC to Estate department, KMC and it is expected to be realized.

The main income of T&C Department, KMC comprises of "Occupancy value of Shahabuuddin Market". The Budget Estimates for the year 2022-2023 has been reflected to **Rs.198.500 million**.

Estimates of Receipts 2022-2023

✓ Other Revenues.

• Recovery of Dues of KMC from K-Electric.

(Rs.in Million)

Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.1,850.000
2.	Revised Estimates	2021-2022	Nil.
3.	Budget Estimates	2021-2022	Rs.1,850.000

As per directives of then Administrator KMC and to prepare a realistic budget estimates as well as to avoid reflection of unachievable revenue targets in the next year's budget, the claim against M/s K-Elect. has been restricted to **Rs.1,850.00 million** being the cost of precious KMC Land under the use/possession of M/s K-Elect. at Elvender Road. The cost of land has estimated through the private consultant firm.

Although KMC is basically service rendering agency yet M/s K-electric previously known as KESC has been billing to KMC on the basis of commercial charges with other levies like additional surcharges, energy charges, fixed charges, fuel adjustment charges, electricity duty, sales tax as well as late payment charges. It should have a separate tariff distinct from industrial / commercial organization at par with other WASA's charges in Lahore.

• Transfer of Betterment Charges from SBCA.

(Rs.in Million)

Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.50.000
2.	Revised Estimates	2021-2022	Rs.30.000
3.	Budget Estimates	2021-2022	Rs.100.000

The income of SBCA is mainly derived from the Regularization, Commercialization and Betterment Charges of buildings within the limit of Karachi". According to the determined sharing formula, KMC share @10% is being released by the SBCA. An amount of Rs.50.00 million has again been earmarked in the next year budget 2022-2023.

Estimates of Receipts 2022-2023

- **Claim of Municipal / Conservancy Tax from KPT.**

(Rs. in Million)

Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs.100.000
2.	Revised Estimates	2021-2022	Rs.NIL
3.	Budget Estimates	2021-2022	Rs.100.000

As per directives of Administrator KMC to prepare a realistic budget and to avoid reflection of unachievable revenue targets in the next year budget, the budget targets against “Recovery of arrears / current Municipal / Conservancy Tax from KPT” for the year 2022-2023 has reduced to Rs.100.00 million.

It has already been described in the previous years that Karachi Port Trust is collecting municipal / conservancy tax from the people residing in their limits. As per the procedure / policy the collection / realized amount should be remitted to the KMC through KW&SB. Since the introduction / imposition of Municipal Utility Charges and suspension of Conservancy and Fire Tax by the defunct CDGK in 2008, KPT has stopped the remittance of collected municipal / conservancy tax to KW&SB or other organization. Only an amount of Rs.49.3 million had been remitted in the year 2019-20 by KPT on account of MUCT claim.

Estimates of Receipts 2022-2023

- **District A.D.P.**

(Rs.in Million)

Sr.No.	Nomenclature	Year	Amount
1.	Budget Estimates	2022-2023	Rs. 5,001.000
2.	Revised Estimates	2021-2022	Rs.4652.000
3.	Budget Estimates	2021-2022	Rs. 5,001.000

The above figures reflect that an amount of Rs.4652.000 million has been released by GoS during the current FY 2021-2022. Thus an amount of Rs.4652.000 million has reflected in the revised budget 2021-22 under the head of District ADP.

Further, the Provincial Government of Sindh in the Budget Estimates for the year 2022-2023 has allocated Rs.20,000 million for on-going development scheme for all over the local councils in Sindh under District ADP as well as Rs.10,000 million for New Schemes under Block Allocation. The share of Karachi District @16.67% comes to Rs.5,001.000 million for On-going and New Schemes and the same has been reflected in the Budget Estimates of KMC under District ADP for the year 2022-2023.