

**DIRECTORATE OF INFORMATION AND PUBLICITY
GOVERNMENT OF DELHI**

Delhi government stand on the MCD issue :

- Delhi government wants to know where is the money being given to three MCDs going ?
- When the government has given entire amount for the current financial year meant to be spent on the salaries of employees, why it has not reached them ?
- Who takes responsibility for the financial & functional mess of three MCDs ?

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Delhi government has taken note of the objectionable statements issued against it by political functionaries of the three Municipal Corporations of Delhi.

Attempts are being made to create an erroneous impression that the non-payment of salaries/arrears is on account of non-devolution of funds by the Delhi government to the three Municipal Corporations.

The three Municipal Corporations are being given Non-Plan grants in aid as per the accepted recommendations of the Third Delhi Finance Commission. The position of funds released against Revised Estimates proposed by Government of Delhi for the current financial years is as follows :

- Entire amount of Rs.892.92 crore i.e. 100% of the revised estimates of the year 2015-16 for North Delhi Municipal Corporation under Non Plan has been released by the Delhi Government. Similarly, in case of East Delhi Municipal Corporation, entire amount of Rs.465.53 crore i.e. also 100% of the revised estimates of the year 2015-16 have been released by the Delhi Government. Further in case of North and East Delhi Municipal Corporations, the principal amount of outstanding loans and interest amount was not recovered during the current financial year to tide over their financial crisis.
- In case of South Delhi Municipal Corporation, an amount of Rs.668 crore i.e. approximate 80% against revised estimate of Rs.830 crore for the current financial year has been released. The proposal for release of remaining amount is under process and the same will be released immediately. Thus, entire funds under Non Plan heads earmarked for the year 2015-16 against Revised Estimate has been /will be released to all the three Municipal Corporations.
- It is pertinent to note that the Corporations are holding unspent balance of about Rs.300 crore under education and health sector. The unspent money remains only on the books of the Corporations since the Corporations have diverted the money earmarked for primary health care and primary education. The poor state of primary education and health infrastructure in Delhi is purely due to the lackadaisical attitude of the elected leadership of Municipal Corporations.
- In case of Education Sector under Plan, about 75% of budgeted amount has already been released to North Delhi Municipal Corporation and East Delhi Municipal Corporation and in case of South Delhi Municipal Corporation, about 53% of the budgeted amount has been released upto December, 2015. The remaining fund under Education and Health Sector is being released to all three municipal corporations.

- In case of Urban Development Sector about 59% of the budgeted amount has been released to all three Corporations and the remaining funds will be released in January, 2016. However, in case of Transport Sector, about 25% funds have been released. The short release in this sector is due to the fact that the Corporations have not submitted their proposals for release of funds. The position of requirement of Plan Funds will be reviewed and thereafter remaining amount will be released on the basis of Revised Estimate.
- In case of share of local bodies in the collection of stamps and Registration fees, all the claims raised by the Corporations upto the month of November, 2015 have already been paid to them. The remaining amount will be released immediately after getting the claims from the local bodies by the Revenue Department.
- In case of payment of parking fees to local bodies, the payment has been made to local bodies upto the month of November, 2015. The next tranche will be released in the month of February 2016. The payments are made after every two months. Therefore, the Delhi government has fulfilled its obligation as regard to release of both plan and non-plan funds.

The Municipal Corporations have raised property tax demand against one of their major defaulters i.e. Delhi Development Authority working under the Ministry of Urban Development to the tune of Rs.1555/- (Rs.765 crore by North DMC, Rs.590 crore by South DMC and Rs.200 crore by East DMC). DDA refuses to abide by the law of the land and is yet to clear the property tax dues to the Municipal Corporations.

The liabilities of the Corporations in term of outstanding loan released by the Delhi Government is as under :

Agency	Outstanding Loan Amount (only Principal) (<i>figures in crore</i>)		
	Pre-Trifurcation	Post-Trifurcation	Total
North DMC	491.66	997.06	1488.72
South DMC	384.07	132.07	516.14
East DMC	261.91	493.25	755.16
Total	1137.64	1622.38	2760.02

The fundamental problem with the Municipal Corporations is the fact that they have not paid any attention to generate their internal revenue resources. A case in point is that of property tax. As per the economic survey, the number of power consumers in Delhi is 54.05 lakh in 2014-15 (domestic 81%, 16% commercial). It means there are 8.64 lakh commercial power connections. The total approximate commercial property tax assessees in three corporations are about 9.5 lakh (the NDMC 3.5 lakh, SDMC 4 lakh and East DMC 2 lakh). South DMC has intimated that as per data collected from DISCOM there are 2.77 lakh commercial connections whereas only 60,000 file property tax returns in the commercial category. North DMC has informed that only 3.5 lakh assessees are paying property tax out of an estimated.10 lakh properties.

The other revenue sources of Corporation i.e. advertisement, parking, tehbazari etc. function as Mafia in Delhi and the whole system need to be revamped to ensure that the Municipal Corporations realize their due sources of revenue.
