

Acknowledgments

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Abbreviations

ARV	:	Annual Rental Value
BEST	:	Bombay Electricity Supply and Transport
CSTC	:	Calcutta State Transport Corporation
DCB	:	Delhi Cantonment Board
DESU	:	Delhi Electricity Supply Undertaking
DIFC	:	Delhi Industrial Finance Corporation
DTC	:	Delhi Transport Corporation
DVB	:	Delhi Vidyut Board
DWSSB	:	Delhi Water Supply and Sewage Board
HIS	:	High Income States (Goa, Gujarat, Haryana, Maharashtra and Punjab)
kWh	:	Kilo Watt Hour
MCD	:	Municipal Corporation of Delhi
MES	:	Military Engineering Service
MGD	:	Million Gallons Per-day
NCT	:	National Capital Territory
NDMC :		New Delhi Municipal Committee/Council
PO	:	Private Operators
PTC	:	Pallavan Transport Corporation
RV	:	Rateable Value
SRC	:	States' Reorganisation Commission
UT	:	Union Territory

Preface

The Delhi Fiscal Study is a part of the series of fiscal studies of states that the National Institute of Public Finance and Policy (NIPFP) has prepared under a local consultancy assignment with the World Bank. The purpose of the study is to review the fiscal performance of the finances of the Government of National Capital Territory of Delhi (NCT), assess its fiscal stance, and suggest options for sectoral and fiscal reforms to improve and strengthen its finances. The study has accordingly focused on two sets of questions: what, if any, are the major fiscal issues facing the Government of NCT? What reform measures would best address those issues?

The fiscal study of Delhi differs from studies of other states in two respects: First, Delhi is a union territory with a legislature which places its functional and fiscal jurisdiction on a special footing *vis-a-vis* other states. This fact combined with Delhi's overwhelmingly urban character puts the finances of Delhi, and consequently the problems that it faces, somewhat apart from the other states of the Indian union.

Second, the finances of Delhi are inextricably interwoven with those of its public utilities and local bodies. Accordingly, this study has made a special analysis of the finances of the Delhi Transport Corporation (DTC), Delhi Vidyut Board (DVB), and the Delhi Water Board, (DWB), and two of the three local bodies, namely, the Delhi Municipal Corporation (DMC) and the New Delhi Municipal Committee (NDMC), and attempted to assess their impact on the finances of the Government of Delhi.

The study is based on the finance accounts of the Government of Delhi for 1994-95, 1995-96 and 1996-97, and likewise the budgets and finance accounts of public utilities and local bodies. The long run trends have been derived from the budgets of the Ministry of Home Affairs (Government of India) and related documents of the Planning Commission. Use has also been made of the *Delhi Statistical Handbook* as also of a memorandum specially prepared by the Planning Department of the Government of Delhi for the Delhi Finance Commission. The study, however, stands severely handicapped on account of the non-availability of first, the report of the Delhi Finance Commission that had been set up in pursuance of the provisions of the *Constitution (seventy-fourth) Amendment Act, 1992*, and second, the economic-cum-functional classification of accounts of the government. The latter has particularly constrained the analysis in so far as it relates to ascertaining the volume of expenditure on wages and salaries and interest payments, and the rate at which it has multiplied over the years.

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At NIPFP, Professor Om Prakash Mathur undertook the responsibility of conducting the study. He was assisted by a research team consisting of T.S. Rangamannar, Deepa Raghwan, Ishita Sengupta, Sandeep Thakur, and Anil Yadav. Rita Wadhwa assisted in editing and production of the publication. Word processing of the report was done by Usha Mathur. Sushma Malhotra transformed it into the present format. We thank all of them. The responsibility of the report and its conclusions and findings rests with them. The members of the Governing Body of NIPFP do not hold any responsibility for the study.

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