

**TERMS OF REFERENCE
OF THE FIRST FINANCE COMMISSION
FOR THE NATIONAL CAPITAL TERRITORY OF DELHI**

The commission is constituted under clause (1) of article 243-I read with article 243-Y of the Constitution of India, with the following terms of reference:

The Commission shall –

- (a) Determine the manner, principles and procedure which should govern
 - (i) the distribution between the National capital territory of Delhi and the Municipalities, of the net proceeds of the taxes, duties, tolls and fees leviable by the National Capital territory of Delhi which may be divided between them;
 - (ii) the determination of the taxes, duties, tolls and fees which may be assigned to or appropriated by the Municipalities;
 - (iii) the grants-in –aid to the Municipalities from the Consolidated Fund of the National capital territory of Delhi and
- (b) The measures needed to improve the financial position of the Municipalities. While making its recommendation, the Commission shall have regard, among other considerations, to
 - (a) the overall resource position of the Government of the National Capital Territory of Delhi;
 - (b) the scope for economy in the Municipal Administration;
 - (c) the scope for improvements in resource mobilisation by the Municipalities; and
 - (d) the tax efforts made by the Municipalities.

The Commission shall make its report available by 31 March, 1996 on each of the matters aforesaid and covering a period of five financial years commencing from the 1st April, 1996. Its shall also indicate in the report the basis on which it has arrived at its findings and state, as far as possible, the estimates/ forecasts for all the Municipalities together, as well as separately for each of such bodies.