
DELHI FINANCE COMMISSION ACT, 1994**10 of 1994****[3-10-1994]****CONTENTS**

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DELHI FINANCE COMMISSION ACT, 1994**10 of 1994****[3-10-1994]**

AN ACT To provide for the composition of a Finance Commission for the National Capital Territory of Delhi, the qualifications requisite for appointments, and the manner of selection of, the Cairman and the members thereof, the functions of the Finance Commission and for matters incidental thereto. Be it enacted by the Legislative Assembly of the National Capital Territory of Delhhi in the Forty-fifth year of the Republic of India as follows :

1. Short title, extent and commencement :-

- (1) This Act may be called the Delhi Finance Commission Act, 1994
- (2) It extends to the whole of the National Capital Territory of Delhi.
- (3) It shall be deemed to have come into force on the 23rd day of April, 1994

2. Definitions :-

In this Act, unless the context otherwise requires,

- (a) "Commission" means the Finance Commission for the National Capital Territory of Delhi constituted under clause (1) of Article 243-J read with Article 243-Y of the Constitution of India;
- (b) "Council of Ministers" means the Council of Ministers of the Government of National Capital Territory of Delhi;
- (c) "Government" means the Government of the National Capital Territory of Delhi;
- (d) "Legislative Assembly" means the Legislative Assembly of the National Capital Territory of Delhi;
- (e) "Lieutenant Governor" means the Lieutenant Governor of the National Capital Territory of Delhi;
- (f) "Municipality" means a Municipality constituted under Article 243-Q of the Constitution of India
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- (g) "Prescribed" means prescribed by rules made under the Act

3. Composition of the Finance Commission :-

- (1) The Finance Commission shall consist of a Chairman and such number of members not being less than two and more than four, as the Government may determine
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- (2) The Chairman and the members shall be appointed by the Lieutenant Governor on the recommendation of the Council of Ministers, by order in writing :

Provided that no person who is a Minister of the Government or a Chairman/President (by whatever name called) or an employee of a Municipality shall be appointed as a Chairman or a Member of the

Commission

4. Qualifications for appointment and manner of selection of Chairman and members :-

(1) The Chairman shall be selected from among persons who have experience in financial and economic matters and in public affairs

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(2) The members shall be selected from among persons who-

(a) are, or have been, or are qualified to be appointed as Judges of a High Court; or

(b) have special knowledge in economics, and of the finances and accounts of the Government; or

(c) have wide experience in financial management of the Municipalities and in the administration thereof

5. Term of appointment :-

The Chairman and the members of the Commission shall hold office for such period as may be specified from time to time

6. Disqualification for being a Chairman or a member of the Commission :-

A person shall be disqualified from being a Chairman or a member of the Commission :

(a) if he is of unsound mind; or

(b) if he is adjudged an insolvent; or

(c) if he has been convicted of an offence involving moral turpitude; or

(d) if he has such financial or other interest as is likely to affect prejudicially his functioning as a Chairman or a member of the Commission

7. Conditions of service of Chairman and members :-

(1) The Chairman and the members of the Commission shall render whole-time or part-time service to the Commission as may be specified

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(2) The other terms and conditions of service of the Chairman and

the members of the Commission including the salaries and allowances of fee shall be such as may be prescribed

8. Registration :-

The Chairman or any member of the Commission may by writing under his hand addressed to the Lieutenant Governor resign his office

9. Removal :-

The Lieutenant Governor may on the recommendation of the Council of Ministers, by order, remove from office the Chairman or any member :-

(a) if after his appointment, he becomes subject to any of the disqualifications. referred to in section 6; or

(b) if he has, in the opinion of the Government, so abused his position as to render his continuance in office as Chairman or member undesirable :

Provided that no such order shall be passed under this section without giving the Chairman or such members a reasonable opportunity of being heard

10. Vacancy in the office of Chairman :-

If the Office of the Chairman becomes vacant or if the Chairman is unable to discharge his functions owing to absence, illness or any other cause, such member of the Commission as the Lieutenant Governor may, on the recommendation of Council of Ministers, by order, specify shall discharge the functions of the Chairman until new Chairman is appointed and assumes office or, as the case may be, the Chairman resumes his duties

11. Staff of the Commission :-

(1) The Commission may, with the previous sanction of the Government, appoint.

(a) a Secretary, and

(b) such employees as it may think necessary, for the efficient discharge of its functions

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(2) The qualifications of the Secretary and the terms and conditions of service of the Secretary and other employees of the Commission,

including the salaries and allowances, shall be such as may be prescribed

12. Procedure :-

The Commission shall determine the procedure for the discharge of its duties

13. Functions of the Commission :-

The Commission shall review the financial position of the Municipalities and make recommendations to the Lieutenant Governor as to.

(a) the principles which should govern.-

(i) the distribution between the Government and the Municipalities of the net proceeds of the taxes, duties tolls and fees leviable by the Government 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;

(b) the measures needed to improve the financial position of the Municipalities

;

(c) any other matter referred to the Finance Commission by the Lieutenant Governor in the interest of sound finance of the Municipalities

14. Powers of the Commission :-

(1)The Commission shall have all the powers of a Civil Court under the Code of Civil Procedure. 1908 (5 of 1908) while trying a suit in respect of the following matters, namely :

(a) summoning and enforcing the attendance of witnesses;

(b) requiring the production of any document;

(c) requisitioning any public record from any court or office.

(2) The Commission shall have power to require any person to furnish information on such points or matters as in its opinion may be useful for, or relevant to, any matter under the consideration of the Commission and any person so required shall, notwithstanding

anything contained in any other law for the time being in force, be deemed to be legally bound to furnish such information within the meaning of section 176 of the Indian Penal Code, 1860 (45 of 1860).

Explanation. For the purposes of enforcing the attendance of witnesses, the local limits of the jurisdiction of the Commission shall be the limits of the National Capital Territory of Delhi

15. Protection of action taken under this Act :-

No suit, prosecution or other legal proceedings shall lie against the Chairman, or a member or the Secretary or any employee for anything which is in good faith done or purported to be done under this Act

16. Power to make rules :-

(1) The Government may, make rules for carrying out the provisions of this Act

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(2) In particular and without prejudice to the generality of the foregoing power, such rules, may provide for all or any of the following matters, namely:

(a) the terms and conditions of service of the Chairman and the members of the Commission including the salaries and allowances or fees payable to them;

(b) qualification of the Secretary and the terms and conditions of service of the Secretary and other employees of the Commission, including the salaries and allowances payable to them

(c) any other matter which is to be or may be prescribed under this Act

.

(3) Every rule made by the Government under this Act shall be laid, as soon as may be, before the Legislative Assembly

17. Power to remove difficulties :-

(1) If any difficulty arises in giving effect to the provisions of this Act, the Government, may, by order, do anything not inconsistent with the provisions thereof which appears to be necessary or expedient for the purpose of removing the difficulty:

Provided that no such order shall be made under this section after the expiry of two years from the commencement of this Act

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(2) Every order made under this section shall be laid as soon as may be, on the table of the Legislative Assembly

18. Repeal Ordinance 1 of 1994 :-

(1) The National Capital Territory of Delhi Finance Commission Ordinance, 1994 (Ordinance 1 of 1994) is hereby repealed

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(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance, shall be deemed to have been done or taken under this Act