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North Corporation able to pay only 40 per cent staff this month

The North Delhi Municipal Corporation's financial health is going from bad to worse, as the civic body has managed to pay only 40 per cent of its employees this month. Next month, the Corporation may not be able to do even that, leaving its 70,000 employees in the lurch.

The Standing Committee of the civic body was informed of the dire financial situation by Chief Accountant-cum-Financial Advisor Pankaj Singh on Wednesday.

“We are experiencing a financial crunch, which we cannot get out of without help from the government,” said Mr. Singh.

He said the Corporation spent Rs. 170 crore on salaries alone every month, taking the annual expenditure on wages to Rs.2,040 crore. In comparison, the civic body's annual income from taxes is about Rs. 1,400 crore.

There was nothing new in this, said Mr. Singh, referring to the internal deficit that has been there since the Corporation was created in 2012.

“We depend on grants-in-aid from the Delhi Government to make up for the shortfall. But, the external help we get has been reduced.”

Mr. Singh said the corporation's share in Delhi's taxes was supposed to be Rs. 302 crore, but this amount had been adjusted against loan repayments to the government.

For running its primary schools, the Corporation was supposed to get Rs.620 crore, but this had been reduced to Rs. 486 crore.

“We also spend Rs.360 crore on running five big hospitals, for which we don’t charge anything from the patients,” said Mr. Singh, adding that the South and East civic bodies did not have the same liability.

Office-bearers in the BJP-led civic body, however, said they had been trying to get the deficit under check.

“There appears to be lethargy on the officers’ part as we still have not been able to use our own resources optimally,” said Leader of the House Mira Aggarwal, referring to municipal properties lying vacant.

Standing Committee chairperson Mohan Bhardwaj added that the Corporation was in the process of auctioning some of its properties to raise funds.

But, for now the civic body may have to take harsh decisions to get back on track.

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