

**LEGISLATIVE ASSEMBLY**  
**National Capital Territory of Delhi**



**Report**  
**of**  
**Committee of Experts**  
constituted by Hon'ble Speaker to recommend  
revision of salary and allowances for  
Members of Legislative Assembly,  
NCT of Delhi

**05 October, 2015**

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## A NOTE OF THANKS

On 01 August, 2015, the Committee on Salary and Allowances of the Sixth Legislative Assembly of Delhi headed by Shri Vishesh Ravi, in a first-of-its-kind move, unanimously decided to request the Hon'ble Speaker to constitute an independent committee consisting of experts to make a detailed study of the subject and to make recommendations. The Committee, in effect, forfeited willingly the constitutional and statutory privilege of MLAs in determining their salaries all by themselves.

Honouring the request of the House Committee and visualising the far-reaching positive consequences of such a move, Shri Ram Niwas Goel, Hon'ble Speaker gave shape to this path-breaking measure by constituting a three member *Committee of Experts* on 21 August, 2015.

The Committee, in all, had five sittings and deliberated at length on all relevant aspects of the subject under consideration. The Committee made honest attempt to understand and answer every question that it has encountered.

Such a meaningful exercise could be completed in such a short time only because the Committee has Shri P D T Achary, former Secretary General of Lok Sabha as its Chairman. His wisdom and rich experience in the legislative arena helped the Committee to remain focused and complete the task on hand in the prescribed time limit. A discerning reader would certainly notice his authority on the subject in every paragraph of this report.

Shri K V Prasad, Resident Editor of *The Tribune*, brought to the table the vast knowledge that he has acquired as a journalist and as a *Fulbright US Congressional Fellow*. Meticulous scrutiny and thorough analysis that he subjected each of the proposals to, resulted in added richness to the report.

The Committee also had the benefit of getting each of its proposals examined by a legal mind. Shri Balraj S. Malik, a practicing advocate, provided much needed clarity on certain issues from time to time.


On behalf of Hon'ble Speaker and the Secretariat, I would like to convey sincere thanks to the Chairman and Members of the Committee.

Shri Velmurugan, Deputy Secretary, who led the team of Secretariat in assisting the Committee, Shri Jagdish Singh, Dy Controller of Accounts and Shri Francis, A.A.O. have made remarkable contribution by providing the Committee with requisite data and analyses, on war footing. I thank each of the Officers and Staff who have contributed to the working of the Committee.

This innovation in legislative procedure would not have been possible but for Hon'ble Speaker's readiness to experiment. I would like to place on

record our indebtedness to Hon'ble Speaker Shri Ram Niwas Goel for entrusting the Committee with this unique and gratifying task in spite of the statutorily constrictive environment that is prevalent in the context of NCT of Delhi.

This exercise which has already generated considerable interest among stakeholders has resulted in a report which I believe will prove to be of immense help for all those who are willing to think different and to act bold.



**Prasanna Kumar Suryadevara**  
*Member-Secretary, Committee of Experts*  
*Secretary, Legislative Assembly, NCT of Delhi*



## PREFACE

For the first time in the history of independent India's Legislatures, the hon'ble Speaker of Delhi Assembly appointed a Committee of experts to recommend revision of salary and allowances of the Members. Revision of salary and allowances of legislators is a Constitutional mandate under Article 106 and 195. The Constitution of India has empowered the legislators to determine periodically the salary and allowances by enacting laws. The normal practice has been to straight away pass a Bill containing proposals relating to them. Public criticism has been voiced against members of the legislature raising their own salaries and allowances. As a matter of fact, the public perception of this issue is the result of an inadequate appreciation of the constitutional mandate in regard to the salary of legislators. The Constitution mandates that there shall be periodic revision of salaries and allowances as determined by the legislature. This mandate implies that the legislators of the country should be paid adequately.

However this has not been the common approach of the governments in India. Though the salaries and allowances have been revised from time to time, these have never been adequate. The revisions have been *ad hoc* in nature and have never been realistic.

The legislators' is a full-time job and at present they find it difficult to meet the growing expenses in connection with their public life. There is, therefore, a justifiable case for revisiting the issue of salaries and allowances of legislators, keeping in view the realities on the ground.

This Committee was tasked to recommend a reasonable level of salary and allowances and other amenities for the Members of the Delhi Assembly. It has done a detailed study of the salary structure in various states in India. Although the Committee looked into the salary structure of some of the commonwealth countries and the USA, it found that there is wide variation in it and there is no clear, universally acceptable model available. Nevertheless the Committee has been benefitted by the US practice of providing for office of Members which doubtless, enhances their accessibility. The Committee has recommended the same for the Members of the Delhi Assembly.


As regards the salary and allowances, the Committee examined the pattern of expenses of MLAs, their general financial status and many other relevant factors, before making its recommendation. The package of salary and allowances and other amenities that the Committee has recommended will surely help the Members - on the one hand to meet the expenses in connection with their public life and on the other to improve the quality of their performance. The Committee has, while making these recommendations, also kept in mind the fact that our legislature should be able to attract the best

people as public representatives. Apart from other factors, a reasonable level of remuneration for the legislators is also one of the important factors which can attract men of integrity and professional competence.

The committee places on record its appreciation for the services rendered to it by the Assembly Secretariat led by Shri Prasanna Kumar, the Secretary. Rising to the occasion Shri Velmurugan the Dy. Secretary and the staff of the Secretariat provided all necessary background material to the Committee promptly and did all the secretarial work which greatly helped the Committee to complete its work well before the time line fixed by the hon'ble Speaker. The Committee thanks Shri Prasanna Kumar for his contribution in the finalisation of various proposals. His sympathetic approach towards this problems being faced by the Members of the Assembly greatly helped the Committee finalise the proposals promptly.

The Committee deems it a privilege to present this report to the Hon'ble Speaker.

Delhi  
05 October, 2015

  
(P D T Achary)  
*Chairman*  
*Committee of Experts*

## **Chapter-I**

### **Introduction**

Shri Ram Niwas Goel, the Hon'ble Speaker of the Legislative Assembly of the National Capital Territory of Delhi constituted on 20 August, 2015 an independent *Committee of Experts* to undertake a comprehensive study of the structure of salary and allowances of Members of the various legislatures in the country and of Parliament and to recommend revision of salary, allowances and other facilities for the Members of the Legislative Assembly of NCT of Delhi. The Committee of Experts was appointed in pursuance of a unanimous decision of the Committee on Salary and Allowances of the Delhi Assembly on 01 August, 2015 to request the Speaker to consider setting up such a committee.

The Terms of Reference of the Committee thus constituted are as follows:

- i) To undertake a comprehensive study of the structure of salary and allowances prevalent in various States and National Parliament in the country;
- ii) To undertake a comparative study of similar structure in various Parliaments and provincial legislatures in different countries;
- iii) To recommend revision of salary, allowances and other facilities for Members of Legislative Assembly, NCT of Delhi, in a comprehensive manner so as to enable them to discharge their duties with high degree of efficiency;
- iv) To look into the possibility of evolving a transparent and scientific mechanism for periodic revision of salary and allowances of legislators;
- v) To recommend revision of pension and other facilities for retired MLAs; and

- vi) To take up any other relevant matter with prior approval of Hon'ble Speaker.

The Members of the Committee are:

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|----|---|------------------|
| 1. | Sh. P.D.T. Achary,<br>Former Secretary General, Lok Sabha                             | Chairman         |
| 2. | Sh. K.V. Prasad,<br>Associate Editor, The Tribune & US Congressional Fulbright Fellow | Member           |
| 3. | Sh. Balraj S. Malik,<br>Advocate, Supreme Court of India                              | Member           |
| 4. | Sh. Prasanna Kumar Suryadevara,<br>Secretary, Legislative Assembly of NCT of Delhi    | Member-Secretary |

The hon'ble Speaker desired that the Committee may submit its report within thirty days.

Considering the urgency of the matter, the Committee set itself a rigid timetable and decided to complete the task within the stipulated time. Accordingly, it directed the Secretariat of the Assembly to furnish all the relevant data relating to the salary structure prevailing in various state legislatures and the Indian Parliament. The Committee also sought data relating to the salaries and other related particulars of Members of Parliaments of other countries, with particular reference to the Commonwealth countries. The Assembly Secretariat could compile data of Indian Parliament and Legislatures of various states. In addition, they could also collect data about many Parliaments and provincial Legislatures from other Commonwealth Countries and the US Congress. The Committee carefully studied these data before formulating its proposals.

The Committee held comprehensive deliberations on all aspects of the issue. It examined the pattern of salary and allowances of legislatures within the country and outside, the periodicity of revisions undertaken, the general approach taken by Legislatures towards the salary package for its Members and the practice

followed in the pre-independence era etc. The almost bewildering diversity that prevails in the salary structure as well as the facilities and amenities being provided to the Members of the Legislatures within and outside the country gave the Committee a certain perspective on the issue of revision of salaries and allowances of the Members of the Delhi Assembly. This perspective is amply reflected in our recommendations.

## **Chapter-II**

### **The History**

Article 195 of the Constitution of India provides for salaries and allowances to the Members of State legislatures. It reads as follows:

*“195. Salaries and allowances of members.—Members of the Legislative Assembly and the Legislative Council of a State shall be entitled to receive such salaries and allowances as may from time to time be determined, by the Legislature of the State by law and, until provision in that respect is so made, salaries and allowances at such rates and upon such conditions as were immediately before the commencement of this Constitution applicable in the case of members of the Legislative Assembly of the corresponding Province.”*

Article 106 which is similarly worded provides for salary and allowances to the Members of Parliament. These Articles create an entitlement in the Members of the Legislature to salary and allowances and leave it to Parliament and the state legislatures to enact laws prescribing the rates and scale thereof.

In pursuance of these provisions in the Constitution, the Parliament and the state legislatures enacted laws determining the salaries, allowances and other benefits/facilities for their Members. The Parliament enacted Salaries and Allowances of Members of Parliament Act in 1954. Pension was added to it through an amendment in 1998. Thus, this Act came to be known as Salaries, Allowances and Pension of Members of Parliament Act. This Act originally provided for a salary of Rs.400/- per month and a daily allowance of Rs.21/- for each day of residence on duty. It may be interesting to note that before the commencement of this Act of 1954, the Members of Parliament were receiving no salary, but a daily allowance of Rs.40/-. However, until laws were made, the Members of the state legislatures were entitled to the same salary and allowances as were paid to the Members of the corresponding Provincial Assemblies.

It may be useful, at this stage, to revert to the position of salaries and allowances of Members of the Central Legislature in the period prior to independence. As per a Resolution (No.2441-EB) of the Department of Finance of the Government of India passed on 13.12.1920, Members of the Central Legislative Assembly became entitled to a daily allowance of Rs.15/- for each day of residence at the place where the Assembly met. In March 1921, this allowance was raised to Rs.20/- per day. Twelve years later, **in 1933 for the first time in the Indian Legislative history, a proposal was made by the Speaker Shanmukham Chetty to pay a salary to the non-official Members of the Central Legislative Assembly. It may be specially noted here that a Special Committee was appointed to examine this proposal. Perhaps this was the first Special Committee in the country which was tasked with the duty of examining the question of salaries for the Legislators. However, this proposal was later given up, for some reason, and thus, the question of fixing a regular salary for the Members of the Central Legislature remained in a state of limbo till 1954 when independent India's Parliament enacted the Salaries and Allowances of Members of Parliament Act which provided for a fixed salary and certain allowances. This law was passed in pursuance of Article 106 of the Constitution which created the entitlement to salary and allowances in the Members.**

Article 195 creates the same entitlement in the Members of the State Legislatures. But this Article reveals that the Members of the Provincial Assemblies were receiving salary, apart from allowances. This Article entitles the Members of the State Legislatures to receive until a law is made by the State Legislature, the same salary and allowances as were being paid to the Members of the corresponding Provincial Assemblies. Thus, the picture that emerges from a study of the history of Indian Legislatures before independence is that while the Members of the Federal Legislature were entitled only to certain allowances, those of the Provincial Assemblies were in receipt of salaries as well.

A brief survey of the history of remuneration to Members of the independent India's Parliament as well as the State Legislatures will show that the Governments in the past have invariably been niggardly in providing salaries and allowances for the Members. Salaries were mostly token amounts and the total emoluments were far too low. **As a matter of fact, the Constituent Assembly did not go deep into the concept of a salary for the Legislators when it discussed the draft Article 86 (now Article 106 in the Constitution of India). Nevertheless, Members of the Constituent Assembly expressed themselves in favour of providing adequate salary and allowances for the Members so that they would "not be tempted to derive any benefits from any other source whatever."** However, the approach of the Governments on salary and allowances has been changing of late with Parliament and a few State Legislatures stepping up the level of emoluments. But, the question of reasonable level of emoluments has not yet been fully addressed.

A perusal of the salaries and allowances being paid to Members of Parliament and the State Legislatures today reveals striking dissimilarities. Parliament pays a salary of Rs.50,000/- to its Members. The total emoluments which an MP gets works out to Rs.1,40,000/- per month. In addition, the MP gets Rs.2,000/- as daily allowance when the House sits or the Committee meets. Besides free travel, an MP is entitled to travelling allowance also whenever he/she travels in connection with the business of the House.

Coming to the State Legislatures, the highest monthly emoluments a Member receives today is Rs.1,25,000/- which is in the State of Himachal Pradesh. The lowest amount paid is in the State of Odisha with just Rs.20,000/-. There is no logical explanation for this very wide variation in the monthly emoluments of Members of the State Legislatures in the country. As a matter of fact, the periodical increase in the salary and allowances of Legislators in India have been *ad hoc* in nature and, therefore, have not followed any particular pattern. A particularly interesting paragraph from the 'Practice and Procedure of Parliament',



a celebrated treatise on Parliamentary practices by Kaul and Shakdhar, needs to be quoted in this context:

*“In the face of the high cost of living and the considerable expenses which the members had to incur on account of the various demands of public life, their emoluments were considered to be inadequate and accordingly, daily allowance was raised to thirty-one rupees per day in 1964; fifty-one rupees in 1969; seventy five rupees per day in 1983; one hundred and fifty rupees per day in 1988; and two hundred rupees per day in 1993, subject to signing of Attendance Register; and again to the present scale of four hundred rupees per day from 20 August 1998 and now to Rs. 1000 per day from 14 September 2006.” \**

It clearly shows that the Government and Parliament were aware of the considerable increase in the cost of living and the large expenses which the Members had to incur on account of the various demands of public life. But, the increase effected in the daily allowances from time to time had been too meager to make any dent in the problems caused by high price rise and cost of living. This paragraph shows that the daily allowance which was Rs.51/- in 1969 was raised to Rs.75/- after 14 years! This typifies the general approach of the Governments at the Centre and also in the States towards remuneration to the Legislators.

\*Page 349 of the Sixth Edition edited by Shri PDT Achary (Chairman of the present Committee).

### **Chapter – III**

#### **Salary for the Legislators**

Salary of Legislators is structurally different from that of the government employees. In government there is a hierarchy of salaries which are structured as scales of pay, with annual increments, dearness allowance and certain other allowances fitted into them. But the salary designed for the Members is a lump sum and the allowances are independent segments of payments which do not impact the salary. Salary is defined by New Oxford Dictionary of English as a regular payment paid on a monthly basis to a professional. Articles 106 & 195 of the Constitution, which have used the term 'salary', envisage it as a monthly payment to the members as professionals and its revision from time to time.

**The underlying idea of a revision from time to time is to make the emoluments of the Legislators adequate through the process of revision. It makes no sense for a Legislature to revise a salary from an inadequate level to more inadequate level. The clear constitutional mandate therefore is to provide an adequate salary to the Legislators of the country through periodic revisions. Therefore, it is the constitutional duty of the Legislatures in India to provide from time to time an adequate salary as well as allowances so as to enable the legislators to perform their duty without being hobbled by inadequacy of means.**

It must be said in this context that the revisions undertaken of the salaries & allowances of the Legislators by Indian Legislatures so far have not been in fulfillment of this Constitutional mandate. No systematic study, for example of the expenses a Legislator has to incur for meeting the demands of public life has been conducted so far. In the absence of such a study, all revisions of salary and allowances undertaken so far have been inadequate and were *ad hoc* in nature. It is

quite unedifying for the Legislators to have to clamour perennially for increasing their emoluments.

There is a unanimous demand from the peoples' representatives, be they Members of Parliament or of the state legislatures for higher emoluments because they feel that what they are getting today is quite inadequate. The normal response from the Government is to increase a bit either the salary or allowances or both when there is too much pressure from the elected representatives. But at no time in the past was the question of a reasonable level of emoluments considered seriously. It may be stated here that the Governments in general are very sensitive to the public criticism which is invariably voiced whenever there is an increase in the salary and allowances of Members of the Legislature. As a matter of fact the people of India have a very erroneous impression about the salary & allowances of peoples' representatives. This may have something to do with the general perception about our politicians and legislators in particular. In fact this impression is born out of inadequate appreciation of the legislators' emoluments.

Meeting the expenses which arise in connection with the work in the constituency is a major concern of the Members of the Legislature. Public men without adequate means cannot perform their duty effectively. Dealing with public at different levels on a day-to-day basis is literally a taxing affair. Hospitality, social practices, helping the needy, visibility in the constituency and a whole lot of other legitimate activities in a constituency involve quite a lot of money. The circumstances a public representative faces are very different from those faced by an ordinary salary earner. Therefore we ought to have a different yardstick to measure the adequacy of emoluments paid to Members of the Legislature.

In the initial years after independence the Parliament and State Assemblies were dominated by professionals, especially people from the legal profession. It is a fair guess that the major source of their income was their profession. In fact,

many renowned Members of the Constituent Assembly, which functioned as provisional parliament also, were outstanding jurists. The debates in the Constituent Assembly show that they considered salary for Members of Parliament as an unimportant matter. The socio-economic milieu in which they lived and worked was different. The democratic experiment in India during the past six decades has brought men and women to Parliament and state Legislatures, who are born in a different milieu. For them, adequate financial support from the system has become an absolute necessity. Moreover, the systemic demands on them have become more and more complex and satisfaction of the electorates more and more difficult. A Member of the Legislature today faces a very different kind of electorate than their distant predecessors. People demand productivity, dedication, honesty, transparency and integrity from their representatives. All this has created enormous pressures on the Legislators who cannot be expected to deliver without a solid financial support.

Parliament and the State legislatures are essentially law making bodies. Law making involves high degree of professional competence. Service of the legislature is a profession which needs full time Members. Full time Members require to be supported by a solid financial support system. The social churning which is going on in India has been throwing up less advantaged or disadvantaged people into the political stream which has enriched the content of Indian democracy. A little closer look will reveal that there are a number of Members of Parliament as well as Members of the state legislatures who have to depend entirely on their salaries and allowances. Reasonable remuneration becomes crucially important here. In the Constituent Assembly debates, we find an interesting speech by Dr. P.S. Deshmukh made during the discussion on salary and allowances (Art 106) for the Members of Parliament. While pleading for adequate salaries and allowances he said; *"There is one thing I must say and that is that the Members' salaries must be adequate. I feel very apprehensive that there should be many Members of Parliament who are needy. It is a dangerous thing which*

*will vitiate the proper working of democracy in a country, more so in a poor country like India. So although certain people are nervous about talking of their own allowances, etc., and some people feel patriotic about sacrificing them partly or wholly. I should insist there should be no temptation in the way of these members so as to make them deviate from the path of strictest duty and honesty..... I would ask any Government to face the bitterest criticism from an understanding public, but pay adequate salaries and allowances to the Members so that they may not be tempted to derive any benefit from any other source whatever."*

As a matter of fact all the Governments have shied away from considering providing adequate salaries and allowances to the legislators mainly for fear of public disapproval. So they settled for raising it in dribs and drabs. **The legislators feel guilty of approving the proposal for a salary rise in the House, although they are convinced that it is a necessary step. They compound the perceived public disapproval by an unexplained reluctance on their part to discuss it fully in the House. The result is that the Bills containing proposals to raise the salaries and allowances of legislators are often passed without discussion. This, we feel, is an egregious folly. It has created an impression in the public mind that the legislators are voting themselves huge amount by way of salaries and allowances. If there is a full-fledged discussion on the proposals with Members expressing their views freely and frankly, the public will gain a better understanding of the problems being faced by the Members. We are sure the people of India will not grudge them a decent salary.**

## **Chapter – IV**

### **The Delhi Scene**

Under Article 239AA of the Constitution, the Union Territory of Delhi has been renamed as the National Capital Territory of Delhi. This Article, inserted through the Constitution (Sixty Ninth Amendment) Act, 1991 came into force w.e.f. 1 February 1992. In pursuance of Article 239AA (7), the Parliament enacted the Government of National Capital Territory of Delhi Act, (GNCTD Act), 1991 which came into force between 1 February 1992 and 2 October 1993. Section 19 of the GNCTD Act, 1991 provides for salary and allowances for the Members to be fixed from time-to-time by law passed by the Assembly. Accordingly the Assembly enacted the Members of the Legislative Assembly of the National Capital Territory of Delhi (Salaries, Allowances, and Pensions etc.) Act, 1994 which came into force on 15 December 1995.

As per the above Act of 1995, a Member of the Assembly was entitled to a monthly salary of Rs.1,000/- and a Daily Allowance of Rs.150/- per day for attending a sitting of the House or of a Committee of the House. He was also paid Rs.1,000/- per month by way of Constituency Allowance and Rs.500 per month by way of Conveyance Allowance. Besides, the Act of 1995 also provided for a Secretarial Allowance of Rs.1,000/- per month. Thus, a Member of the Assembly was receiving monthly emoluments to the extent of Rs.3,500/- excluding the daily Allowance. The Act also provided for travelling allowance, medical facility, telephone facility and facilities of travel outside Delhi alongwith his dependents and/ or companion. The upper ceiling fixed for reimbursement on this count was Rs.15,000/- in a year. A Member was also entitled to motor car advance upto Rs.50,000/-.

The Act also provided for pension at the rate of Rs.300/-p.m. Under this provision a Member would be entitled to pension on completion of four years as

Member. It further provided that a Member whose term exceeds five year would be entitled to an additional pension of Rs.75/- p.m. subject to a maximum of Rs.750/-. This Act, however, did not provide for family pension to the spouses of deceased Members.

The first revision of the salaries and allowances was undertaken in 1998 through an amendment to the Principal Act. Through this amendment the Salary was revised to Rs.2,000/- per month and the daily allowance to Rs.225/-. Similarly the constituency allowance was stepped up to Rs.2,000/-. Further, the secretarial allowance was revised to Rs.5,500/- per month. The conveyance allowance of Rs. 500/- p.m. remained unchanged, while the conveyance advance was raised to Rs.1,00,000/-. Thus, after this revision excluding the DA the total monthly emoluments stood at Rs.10,000/-. The net increase in the monthly emoluments was Rs.6,500/-.

The second revision of salaries and allowances was undertaken in 2002. Under this revision monthly salary was raised to Rs.3,000/- and the daily allowance to Rs.400/-. Similarly, the constituency allowance was revised to Rs.6000/- and the Secretarial Allowance to Rs.7000/- Thus excluding the DA, the total emoluments stood at Rs. 16000/- signifying a net increase of Rs.6000/- per month.

The third revision took place in 2007 under which the salary was raised to Rs.6000/- and the DA to Rs.500/-. Further, the Constituency Allowance was revised to Rs.8000/- and the Conveyance Allowance was raised for the first time from Rs.500 to Rs.4000/-. Similarly, the secretarial allowance was increased to Rs.10000/-. For the first time, the provision relating to telephone facility was amended and quantified in monetary terms at the rate of Rs. 4000/- p.m. . Earlier they were receiving reimbursement of rent on telephone and maximum of 2000 calls per bill. Thus after the third revision excluding the DA, the total emoluments stood at Rs.32000/- signifying a net increase of Rs.16,000/-.

The fourth and the last revision was undertaken in 2011. Through this revision the salary was raised to Rs.12000/- and the DA to Rs.1000/-. The DA was revised with a rider that the maximum number of sittings for which DA will be paid shall be forty. The Constituency Allowance was raised to Rs.18000/- and the Conveyance Allowance to Rs.6000/-. The amount to be paid as telephone facility was raised to Rs.8,000/- The Secretarial allowance was left undisturbed at Rs.10,000/-. Thus, after the fourth revision the total emoluments, excluding DA, stood at Rs. 54,000/- representing an increase of Rs.22,000/-.

Thus, from a brief survey of the history of increase in the salary and allowances of Members of the Assembly of the National Capital Territory of Delhi shows that in a period of 17 years after the passing of the Salary and Allowances Act in 1994, the total increase in the main components of the emoluments namely salary, constituency allowance, conveyance allowance and secretarial allowance stands at Rs. 50,500/-. It may, however be noted that the conveyance allowance and secretarial allowance are in the nature of reimbursement which do not in fact, contribute to the disposable income of the legislator. Viewed thus, the net take home of an MLA in Delhi today is Rs.30,000/- p.m. which excludes the Daily Allowance.

The National Capital Territory of Delhi is a large metropolis with a total geographical area of 1483 sq. kms and an ever increasing population which stands at 167.88 lakhs in 2014-15. Within a period of 5 years from 2009-10 to 2014-15 the increase in the population of Delhi has been to the extent of 29.37 lakh. Almost the whole of Delhi is urban with 97.5% of the population being urban. Delhi has 70 territorial constituencies represented in its Assembly. With the literacy rate at 86.2% and per capita income of Rs.240849/-, the highest in India, the Delhi's legislators have to cater to the needs of a highly literate and relatively affluent electorate. The rate of growth of dissatisfaction among Delhi electorates with the elected representatives being phenomenally high, legislators are on enhanced scrutiny and any laxity on their part gets magnified.



Studying the pattern of emoluments of legislators and the periodic increase thereof, we find that the Governments have not addressed the issue of an adequate financial support system for the legislators in a serious manner. Hence the *ad hoc* increases from time-to-time. The traditional view that most of the representatives of people have an affluent background and hence are not in a great need of such a solid financial support system does not reflect the reality. A perusal of the statements of income declared by the elected MLAs of Delhi clearly shows that most of them need strong financial support in order to carry on their work as representatives of the people. Considering the fact that all kinds of services are highly expensive in Delhi, the representatives of people who have to deal with the various problems of their constituency on a daily basis incur huge expenditure in a variety of ways. For instance, even a simple cup of tea or coffee for a couple of hundred people who visit a legislator on a day may cost him/her at least a thousand rupees. One cannot accurately calculate all the expenses they incur on a variety of things. These expenses are unavoidable in public life.

Adequacy of salary and allowances for the MLAs of Delhi needs to be addressed seriously also for two other reasons. One, many of the MLAs seem to have left whatever occupations they were pursuing after being elected. This has deprived them of the income which they were getting. With the present level of salary and allowances they are unable to cope with the work they are required to do in their constituencies and also sustain themselves. Two, a decent salary for the legislators is absolutely necessary to attract professionals and peoples of high caliber in order to improve the quality of representation in the legislature.

On the basis of the above analysis of the issue of adequate remuneration for the legislators, we have come to the conclusion that there is an urgent need to revisit the salary and allowances of the Members of the Delhi Assembly. We feel that there is a need to think outside the box on this issue. It makes no sense to continue with the traditional and *ad hoc* approaches in dealing with the matter. The Committee, therefore, has approached it with a new perspective. The

representatives of people combine within them the professional skills of law makers as well as skill in people's management. It is these skills which make our political system tick. The people's representatives are the interface between the public and the government and therefore the public needs to realize that their representatives are vital stakeholders in the system. They need to get used to the idea that the legislators should be paid adequately. There is also a need to adopt the best international practices in respect of other facilities and amenities. With this perspective we are making the following recommendations.

## **Chapter –V**

### **Recommendations**

#### **1. Salary**

At present the MLAs of Delhi are getting a salary of Rs. 12000/-. Keeping in view the cost of living in Delhi and given the fact that there is no provision being made for housing allowance or for reimbursement of bills for amenities such as electricity and water, the Committee recommends that the salary be raised from the present level of Rs. 12000/- p.m. to Rs. 50000/- p.m. Applying the yardstick of reasonableness and adequacy, the Committee feels that at present this amount is reasonably adequate as salary.

#### **2. Allowances:**

##### **(i) Constituency Allowance**

The Constituency Allowance is meant essentially for meeting a variety of expenses in connection with a legislator's work in his constituency. The MLAs in Delhi are, at present, getting Rs. 18000/- p.m. as Constituency Allowance which, the Committee feels, is grossly inadequate. The average population in a constituency in Delhi is 2.40 lakhs as per the Census, 2011. Considering the ever increasing cost of various services in Delhi, the Committee feels that a reasonable increase in the Constituency Allowance is necessary. Accordingly the Committee recommends that the Constituency Allowance be raised to Rs. 50000/- p.m.

##### **(ii) Allowance for Secretarial, Research and Office Assistance:**

The Committee is convinced of the need for an MLA to have an efficient office for improving the quality of his/her performance and moving towards institutionalizing the office of an elected representatives. This is also a practice which is in vogue in modern democracies around the world. An MLA needs to have a researcher to do research in matters which come up in the Assembly and supply him with necessary

material. Similarly, IT facilities are an essential part of an office set up which requires the help of skilled operators.

Keeping all these in view we recommend a monthly allowances of Rs.70000/- out of which Rs.30000/- may be spent on a computer operator and an office assistant, Rs.30000/- may be spent on a researcher and Rs.10,000/- on an office attendant.

At present an MLA in Delhi is getting reimbursed Rs.30,000/- p.m. for two data entry operators. We want it to be stepped up to Rs.70,000/- as stated above, because for the first time, arrangement for an independent office in each constituency is being made.

To bring in greater accountability the Committee recommends that the amounts recommended above are reimbursable against production of receipts from the staff thus employed. The staff will necessarily have to be paid by cheque or electronic clearance by MLA.

**(iii) Allowance for office rental and related utilities:**

The Committee recommends payment of up to Rs.25,000/- p.m. to meet the expenses in connection with office rental and utilities. Those who opt for space and essential amenities provided by the public agencies or those who choose to function from their own residences/premises shall not be eligible for this allowance.

**(iv) Communication allowance:**

It covers telephone, internet, fax etc. The Committee recommends an allowance of Rs.10,000/- per month.

**(v) Conveyance allowance:**

The Committee recommends a monthly allowance of Rs.30,000/- as conveyance allowance. This figure is arrived by calculating the daily average hire charge of a taxi-cab in Delhi which is around Rs.1000/- for eight hours. On the other hand if the Member buys a car, the fuel cost and the salary of the driver etc. will also almost come to this amount.

**(vi) Daily allowance:**

This allowance is paid to a Member of the legislature for every sitting of the House or its committees or for attending any other business connected with the House. Different states are paying different rates with some states paying at the rate of Rs.2000/-. The Committee recommends that daily allowance in the Delhi Assembly which is Rs.1000/- be raised to Rs.2000/-. We also recommend that the limit of 40 days be done away with.

**3. One time allowances during the tenure of each legislator**

**(i) Allowance for furnishing the office:**

The Committee recommends an onetime allowance of Rs.1,00,000/- for this purpose.

**(ii) Allowance for buying office equipment:**

The Committee recommends Rs.60000/- for buying all essential office equipment for making the office fully functional.

**(iii) Laptop/PC/Tab/Mobile handset etc:**

The General Administration Department of the Delhi Government reimburses an amount upto Rs. 1,00,000 (for each tenure) to the MLAs for purchase of computers, laptops or printer. The Committee recommends no increase in this amount. However this allowance should be made part of the Members Salary and Allowances Act.

**4. Loan/Advances:**

**(i) Vehicle loan:** The Committee recommends upto Rs.12,00,000/- as vehicle loan.

**5. Pension Package:**

**(i) Pension:**

At present a pension of Rs. 7,500/-p.m. for the first term of his/her membership and an additional pension of Rs. 1,000/- p.m for every successive year of his/her membership beyond the first term is being paid. The Committee recommend Rs.15,000/- as

monthly pension and retention of the provision that Rs.1,000/- be added for every year of subsequent terms.

**(ii) Family Pension**

The Committee recommends a family pension at the rate of 50% of the pension to which the deceased ex-Member/ Member was entitled to.

**6. Travel facilities**

The practice in all the democratic countries is to allow their legislators to travel out so as to widen their perspective on men and matters and enrich their knowledge. Keeping this practice in view the Committee recommends that a maximum amount of Rs.3,00,000/- per annum be paid to a Member for travel along with dependents by air/road/rail/steamer (reimbursement of actual expenses).

**7. Future revision of salary**

The Committee feels that the revised salary and allowances should be effective for one term. These will, however, continue till further revision is done. We recommend that the salary be raised by 10% of the basic salary i.e. Rs. 5,000 every 12 months from the date on which the new pay and allowances comes into force. We are making these recommendations to neutralise the impact of inflation.

**Conclusion**

We are happy that we are recommending a reasonable revision of the salary and allowances of the Members of the Delhi Assembly. When we started this exercise, there were three options before us (i) to follow the traditional, conventional path of revision which means a bit of increase in everything, but the total will be kept disappointingly low; (ii) to follow a radical path and suggest something substantial so that the MLAs could breathe easy; or (iii) follow a middle path which means neither the traditional nor the radical, but somewhere in between. We opted for the radical path as we believed that our legislators should be adequately paid in order to be

effective. Members of the Constituent Assembly were worried that if the Members of the legislature were not paid an adequate salary, the tendency to resort to unethical means may gradually take roots. The governments in India have by and large taken a very conservative approach on it and kept the salary and allowances at an unreasonably low level.

We are not suggesting that what we have recommended is the most ideal salary structure. There may be scope for further improvement. But we have tried to address this problem with the seriousness it deserves. Our recommendations take care of hitherto neglected aspects of legislators' needs.

We commend the report to the hon'ble Speaker of the Legislative Assembly of the NCT of Delhi.



**(Prasanna Kumar  
Suryadevara)  
Member-Secretary**



**( Balraj S Malik)  
Member**



**(KV Prasad)  
Member**



**(PDT Achary)  
Chairman**

**Delhi  
05 October, 2015**