

Apex court examining legality of MP local area funds

The Supreme Court Wednesday began examining the legality of allocating approximately Rs.16 billion annually to parliamentarians to help them undertake developmental activities in their constituencies.

A five-judge constitution bench, headed by Chief Justice K.G. Balakrishnan, began examining the legality of what is commonly known as MPLADS Funds (or the Members of Parliament Local Area Development Scheme Funds) on a plea by Panthers Party's chief Bhim Singh.

Appearing for Singh, senior counsel K.K. Venugopal asserted before the bench that the Rs.20-million annual corpus for each MP is illegal simply because Indian parliament has never enacted any law to back the monetary scheme.

The bench also included Justice R.V. Raveendran, Justice D.K. Jain, Justice P. Sathasivan and Justice J.M. Panchal.

Pointing out the constitutional provisions that bar the government from spending a single paisa from the public exchequer without due budgetary mandate of parliament, Venugopal said the government cannot even make a law to back the development funds scheme for the parliamentarians.

He explained to the bench that the constitution lays down a definite method for the government to spend any money from the public exchequer, but the expenditure under MPLADS Funds is not covered by any constitutional scheme.

Venugopal said that the MPLAD Scheme was started in 1993-94 and has already consumed a staggering sum of over Rs.900 billion.

Initially this scheme permitted a grant of Rs.500,000 to each MP. But in the very next year of its implementation in 1994-95, the amount was increased to Rs.10 million and in 1997-98 it was again increased to Rs.20 million. He said that a proposal was now underway to increase this to Rs.50 million.

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