

# EXECUTIVE SUMMARY



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### Fiscal situation of the Union Territory

**Revenue receipts:** Revenue receipts increased by 11.52 *per cent* in 2017-18 over the previous year. Buoyancy of revenue receipts with reference to GSDP increased from 0.59 in 2016-17 to 1.15 in 2017-18.

*(Paragraph 1.3)*

**Revenue expenditure:** During 2017-18, the revenue expenditure increased by 6.39 *per cent* over the previous year. However, as a percentage of GSDP, the revenue expenditure declined from 18.64 in 2016-17 to 18.02 in 2017-18. The buoyancy of revenue expenditure with reference to revenue receipt during 2017-18 stood at 0.55.

*(Paragraphs 1.6.1 & 1.6.2)*

**Fiscal status:** Union Territory of Puducherry had achieved revenue surplus (₹ 196 crore) during 2017-18 as against the target in the fiscal roadmap (₹ 16.78 crore) and was due to tax revenue under Goods and Services tax. The ratio of fiscal deficit to GSDP (0.61 *per cent*) is above the target of fiscal roadmap (0.64 *per cent*) and budget estimates of 2017-18 (1.34 *per cent*). UT's Debt-GSDP ratio decreased from 24.75 *per cent* in 2016-17 to 24.02 *per cent* in 2017-18.

*(Paragraphs 1.1.2 & 1.10)*

The primary surplus of the UT Government increased from ₹ 58 crore in 2016-17 to ₹ 489 crore during 2017-18, which indicates that the receipts were sufficient to meet the primary expenditure.

*(Paragraph 1.11.1)*

### Resource mobilisation

**Revenue receipts:** Revenue receipts increased by 11.52 *per cent* over 2016-17 and stood at ₹ 6,003 crore in 2017-18, which was higher than the budget estimates (₹ 5,772 crore).

*(Paragraphs 1.1.3 & 1. )*

**UT's own tax revenue:** The annual growth rate of own tax revenue increased from 6.24 *per cent* in 2016-17 to 16.87 *per cent* in 2017-18.

*(Paragraph 1.3)*

## Application of resources

**Total expenditure:** The total expenditure of ` 5,905 crore during 2016-17 increased by ` 296 crore and stood at ` 6,201 crore in 2017-18. The Government spent more on General Services.

*(Paragraph 1.6.1)*

**Capital expenditure:** Capital expenditure decreased (11.85 *per cent*) from ` 447 crore in 2016-17 to ` 394 crore in 2017-18. The Government had provided ` 552 crore in the Budget of 2017-18. The proportion of capital expenditure to aggregate expenditure decreased from 7.57 *per cent* in 2016-17 to 6.35 *per cent* in 2017-18.

*(Paragraphs 1.1.3 & 1.6.1)*

**Revenue expenditure:** Revenue expenditure stood at ` 5,807 crore, which was higher than the budget estimates (` 5,654 crore), accounted for 93.65 *per cent* of the total expenditure. It increased by 6.39 *per cent* over 2016-17.

*(Paragraph 1.6.2)*

**Committed expenditure:** The committed expenditure on salaries, pension and interest payments was 56 *per cent* of the revenue expenditure in 2017-18 as against 53 *per cent* in 2016-17. The committed expenditure as a percentage of revenue receipts remained constant at 54 *per cent* for the years 2016-17 and 2017-18.

*(Paragraph 1.6.3)*

**Subsidies:** Subsidies consumed 2.61 *per cent* of State's revenue. The subsidies had increased from ` 134 crore in 2016-17 to ` 157 crore in 2017-18.

*(Paragraph 1.6.3)*

## Quality of expenditure

**Adequacy of expenditure:** The ratio of aggregate expenditure as a percentage of GSDP declined from 24 *per cent* in 2014-15 to 19 *per cent* in 2017-18. However, as compared to General Category States, it had increased from 15 *per cent* in 2014-15 to 16 *per cent* in 2017-18.

*(Paragraph 1.7.1)*

**Priority of expenditure:** Development expenditure, as a percentage of aggregate expenditure, marginally decreased from 71 *per cent* in 2016-17 to 68 *per cent* in 2017-18.

*(Paragraph 1.7.2)*

**Efficiency of expenditure:** During the five year period from 2013-14 to 2017-18, the developmental revenue expenditure gradually decreased from 67 *per cent* to 63 *per cent*. However, developmental capital expenditure increased from six *per cent* in 2013-14 to 10 *per cent* in 2014-15 but then decreased to five *per cent* in 2017-18.

*(Paragraph 1.7.2)*

### Investment and return

**Investments:** As on 31 March 2018, Government invested ` 1,028 crore in 12 Government Companies and 358 Co-operative Institutions. The Government Companies did not finalise their respective accounts ranging between one and five years as at the end of 31 March 2018.

*(Paragraph 1.8.2)*

**Return on investments:** The return on investments was 0.01 *per cent* in 2017-18 as against Nil return during 2016-17. However, the interest on UT Government's borrowings increased from 7.20 *per cent* in 2016-17 to 8.02 *per cent* in 2017-18.

*(Paragraph 1.8.2)*

### Fiscal liabilities

**Outstanding liabilities:** The outstanding fiscal liabilities increased by 6.02 *per cent* of ` 8,299 crore in 2016-17 and ` 8,799 crore at the end of 2017-18. The outstanding liabilities as a percentage of GSDP represented 27 *per cent* in 2017-18. The fiscal liabilities at the end of 2017-18 represented 147 *per cent* of Revenue receipts during the year, as against 154 *per cent* during 2016-17.

*(Paragraph 1.9.2)*

**Contingent liabilities:** As a percentage of guarantees given against total revenue receipts, the contingent liabilities increased from 1.04 *per cent* in 2016-17 to 1.05 *per cent* in 2017-18. The maximum amount guaranteed by

Government of India and by UT was ` 63.18 crore in 2017-18 as against ` 20.98 crore in 2013-14.

*(Paragraph 1.9.3)*

### **Debt management**

**Incomplete projects:** Blocking of funds on incomplete works impinges negatively on the quality of expenditure. The Public Works Department (PWD) had 12 incomplete projects with cumulative expenditure cost of ` 77 crore as of March 2018.

*(Paragraph 1.8.1)*

**Interest burden:** The burden of interest payments (interest payments/revenue receipts) increased from 10.74 *per cent* in 2016-17 to 11.43 *per cent* in 2017-18.

*(Paragraph 1.10)*

**Maturity Profile:** The maturity profile of UT Government's Public debt indicated that nearly 64.41 *per cent* of the total Public debt was repayable within next seven years.

*(Paragraph 1.10)*

### **Budgetary control**

**Summary:** During 2017-18, an expenditure of ` 6,799.94 crore was incurred against total grants and appropriations of ` 7,589.01 crore, resulting in overall savings of ` 789.07 crore (10.40 *per cent*).

*(Paragraph 2.2)*

**Deficient budgeting:** In 189 cases, out of total provision of ` 1690.94 crore, where savings exceeded ` 50 lakh in each case and also by more than 20 *per cent* of the total provision, resulted in overall savings of ` 818.99 crore. Out of 189 cases, in 47 cases no expenditure was incurred against the provision of ` 250.35 crore. Supplementary provision of ` 10 lakh or more in each case aggregating ` 108.88 crore obtained in 12 sub heads/cases during the year 2017-18 proved unnecessary.

*(Paragraphs 2.3.1 & 2.3.3)*

**Persistent savings:** Out of 33 grants, persistent savings of more than ` 10 lakh were noticed in 23 grants during 2013-18.

*(Paragraph 2.3.2)*

**Rush of expenditure:** Rush of expenditure was noticed in respect of six sub heads. The total expenditure of the six sub heads for the year was ` 6.43 crore. Out of this, the last quarter expenditure was ` 5.12 crore, against which ` 4.45 crore was spent only in March 2018.

*(Paragraph 2.3.7)*

## Financial Reporting

**Utilisation Certificates:** 1,250 UCs were pending from various grantee institutions for Grants-in-aid of ` 477.17 crore. In respect of 296 cases (` 26.75 crore), the pendency was more than nine years.

*(Paragraph 3.1)*

**Non-submission of accounts:** Forty one autonomous bodies/authorities did not submit their annual accounts due for the period upto 2016-17 to Principal Accountant General (G&SSA) as of March 2018. Fifteen autonomous bodies/authorities did not submit their accounts since 2008-09.

*(Paragraph 3.2)*

**Temporary advance:** Temporary advances aggregating to ` 152.83 crore were pending adjustment in respect of 1,872 cases by Drawing and Disbursing Officers. Out of the above, 248 cases (` 28.13 crore) were pending for more than 10 years and 914 cases (` 70.43 crore) were pending for the period ranging between 10 years and one year. Temporary advances in respect of 710 cases (` 54.27 crore) remained unadjusted within a year.

*(Paragraph 3.3)*

**Misappropriation and losses:** The UT Government reported 311 cases of misappropriation, loss, theft and defalcation upto March 2018 involving Government money of ` 26.92 crore in various Departments. FIRs had been lodged against all the 311 cases. Out of the above, 276 cases were awaiting departmental investigation, in three cases departmental action was initiated and final action pending. In 13 cases, departmental action was taken but recovery or write-off orders awaited and 19 cases were pending in Courts of Law.

*(Paragraph 3.4)*