

EXECUTIVE SUMMARY

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Fiscal situation of the Union Territory

Revenue receipts: Revenue receipts increased by 6.61 *per cent* in 2018-19 over the previous year. Buoyancy of revenue receipts with reference to GSDP decreased from 1.01 in 2017-18 to 0.59 in 2018-19.

(Paragraph 1.3)

Revenue expenditure: During 2018-19, the revenue expenditure increased by 10 *per cent* over the previous year. However, as a percentage of GSDP, the revenue expenditure declined from 17.62 in 2017-18 to 17.42 in 2018-19. The buoyancy of revenue expenditure with reference to revenue receipts during 2018-19 stood at 1.51.

(Paragraphs 1.6.1 & 1.6.2)

Fiscal status: Union Territory of Puducherry had achieved revenue surplus (₹ 13 crore) during 2018-19 as against the revenue deficit targeted in the fiscal roadmap (₹ two crore). The percentage of fiscal deficit to GSDP (0.82 *per cent*) is above the target of fiscal roadmap (1.28 *per cent*) and budget estimates of 2018-19 (1.20 *per cent*). UT's Debt-GSDP ratio decreased from 23.47 *per cent* in 2017-18 to 22.11 *per cent* in 2018-19.

(Paragraphs 1.1.2 & 1.10)

The primary surplus of the UT Government decreased from ₹ 489 crore in 2017-18 to ₹ 405 crore during 2018-19.

(Paragraph 1.11.1)

Resource mobilisation

Revenue receipts: Revenue receipts increased by 6.61 *per cent* over 2017-18 and stood at ₹ 6,400 crore in 2018-19, which was lower than the budget estimates (₹ 6,455 crore).

(Paragraphs 1.1.3 & 1.3)

UT's own tax revenue: The annual growth rate of own tax revenue decreased from 16.87 *per cent* in 2017-18 to 13.61 *per cent* in 2018-19.

(Paragraph 1.3)

Application of resources

Total expenditure: The total expenditure of ₹ 6,201 crore during 2017-18 increased by ₹ 502 crore and stood at ₹ 6,703 crore in 2018-19. The Government spent more on Social Services.

(Paragraph 1.6.1)

Capital expenditure: Capital expenditure decreased (20.56 per cent) from ₹ 394 crore in 2017-18 to ₹ 313 crore in 2018-19. The Government had provided ₹ 439 crore in the Budget of 2018-19. The proportion of capital expenditure to aggregate expenditure decreased from 6.35 per cent in 2017-18 to 4.67 per cent in 2018-19.

(Paragraphs 1.1.3 & 1.6.1)

Revenue expenditure: Revenue expenditure stood at ₹ 6,387 crore, which was lower than the budget estimates (₹ 6,457 crore), accounted for 95.29 per cent of the total expenditure. It increased by 10 per cent over 2017-18.

(Paragraphs 1.1.3, 1.6.1 & 1.6.2)

Committed expenditure: The committed expenditure on salaries, pension, interest payments and subsidies was 55 per cent of the revenue expenditure in 2018-19 as against 56 per cent in 2017-18. The committed expenditure as a percentage to revenue receipts was in the range of 54 to 55 during 2016-19.

(Paragraph 1.6.3)

Subsidies: Subsidies consumed 2.70 per cent of State's revenue. The subsidies had increased from ₹ 157 crore in 2017-18 to ₹ 173 crore in 2018-19.

(Paragraph 1.6.3)

Quality of expenditure

Adequacy of expenditure: The percentage of aggregate expenditure to GSDP declined from 24 per cent in 2014-15 to 18 per cent in 2018-19. In respect of General Category States, it was 16 per cent in 2014-15 and 2018-19.

(Paragraph 1.7.1)

Priority of expenditure: Development expenditure, as a percentage of aggregate expenditure, remained constant at 68 per cent in 2017-18 and 2018-19.

(Paragraph 1.7.2)

Efficiency of expenditure: The developmental revenue expenditure which was 62 *per cent* in 2014-15 after exhibiting an increasing trend during 2015-17 started declining from 2017-18 and stood at 63 *per cent* 2018-19. However, developmental capital expenditure gradually decreased from 10 *per cent* in 2014-15 to five *per cent* in 2018-19.

(Paragraph 1.7.2)

Investment and return

Investments: As on 31 March 2019, Government invested ₹ 1,034 crore in 12 Government Companies and 359 Co-operative Institutions. The Government Companies did not finalise their respective accounts ranging between one and eight years as at the end of 31 March 2019.

(Paragraph 1.8.2)

Return on investments: The return on investments was 0.01 *per cent* and remained constant in 2017-18 and 2018-19. However, the interest on UT Government's borrowings decreased from 8.02 *per cent* in 2017-18 to 7.88 *per cent* in 2018-19.

(Paragraph 1.8.2)

Fiscal liabilities

Outstanding liabilities: The outstanding fiscal liabilities increased by 3.92 *per cent* over the previous year and stood at ₹ 9,144 crore at the end of 2018-19. The outstanding liabilities as a percentage of GSDP represented 25 *per cent* in 2018-19. The fiscal liabilities at the end of 2018-19 represented 143 *per cent* of Revenue receipts during the year, as against 147 *per cent* during 2017-18.

(Paragraph 1.9.2)

Contingent liabilities: As a percentage of guarantees given against total revenue receipts, the contingent liabilities decreased from 1.05 *per cent* in 2017-18 to 0.99 *per cent* in 2018-19. The maximum amount guaranteed by Government of India and by UT was ₹ 63.18 crore in 2018-19 as against ₹ 37.50 crore in 2014-15.

(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 had 30 incomplete projects with cumulative expenditure cost of ₹ 184.49 crore as of March 2019.

(Paragraph 1.8.1)

Interest burden: The burden of interest payments (interest payments/revenue receipts) decreased from 11.43 *per cent* in 2017-18 to 11.05 *per cent* in 2018-19.

(Paragraph 1.10)

Maturity Profile: The maturity profile of UT Government's Public debt indicated that nearly 72.80 *per cent* of the total Public debt was repayable within next seven years.

(Paragraph 1.10)

Budgetary procedure and control of expenditure

Summary: During 2018-19, an expenditure of ₹ 7,423.20 crore was incurred against total grants and appropriations of ₹ 7,962.68 crore, resulting in overall savings of ₹ 539.48 crore (6.78 *per cent*).

(Paragraph 2.2)

Deficient budgeting: In 134 cases, savings exceeded ₹ 50 lakh in each case and also by more than 20 *per cent* of the total provision. As against the total provision of ₹ 708.63 crore in these cases, there was overall savings of ₹ 432.73 crore. Out of the 134 cases, in 48 cases no expenditure was incurred against the provision of ₹ 133.35 crore. Supplementary provision of ₹ 10 lakh or more in each case aggregating to ₹ 28.39 crore obtained in 18 sub heads/cases during the year 2018-19 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 27 grants during 2014-19.

(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 ₹ 8.07 crore. Out of this, the last quarter expenditure was ₹ 5.51 crore, against which ₹ 4.57 crore was spent only in March 2019.

(Paragraph 2.3.7)

Financial Reporting

Utilisation Certificates: 601 UCs were pending from various grantee institutions for Grants-in-aid of ₹ 331.93 crore. In respect of 187 cases (₹ 34.03 crore), the pendency was more than nine years.

(Paragraph 3.1)

Non-submission of accounts: Forty five autonomous bodies/authorities did not submit their annual accounts due for the period upto 2018-19 to Principal Accountant General (G&SSA) as of March 2019. Fifteen autonomous bodies/authorities have not submitted their accounts since 2008-09.

(Paragraph 3.2)

Temporary advance: Temporary advances aggregating to ₹ 118.39 crore were pending adjustment in respect of 1,597 cases by Drawing and Disbursing Officers. Out of the above, 240 cases (₹ 11.84 crore) were pending for more than 10 years and 663 cases (₹ 43.04 crore) were pending for the period ranging between 10 years and one year. Temporary advances in respect of 694 cases (₹ 63.51 crore) remained unadjusted within a year.

(Paragraph 3.3)

Misappropriation and losses: The UT Government reported 317 cases of misappropriation, loss, theft and defalcation upto March 2019 involving Government money of ₹ 27.74 crore in various Departments. FIRs had been lodged against all the 317 cases. Out of the above, 286 cases were awaiting departmental investigation, in four cases departmental action was initiated and final action pending. In 13 cases, departmental action was taken but recovery or write-off orders awaited and 14 cases were pending in Courts of Law.

(Paragraph 3.4)