

# **Report of the Comptroller and Auditor General of India**

**on**

**Union Territory Finances  
for the year ended March 2011**



**Government of the Union Territory of Puducherry  
Report No. 1**

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## **PREFACE**

1. This Report has been prepared for submission to the Lieutenant Governor of the Union Territory of Puducherry under Section 49 of the Government of Union Territories Act, 1963.
2. Chapters I and II of this Report respectively contain audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts of the Government of Union Territory of Puducherry for the year ended 31 March 2011.
3. Chapter III on 'Financial Reporting' provides an overview and status of the Union Territory Government's compliance with various financial rules, procedures and directives during the current year.

# **EXECUTIVE SUMMARY**

## Executive Summary

The Twelfth Finance Commission recommendations were not applicable to the Union Territory (UT) of Puducherry. Consequently, no Fiscal Responsibility and Budget Management (FRBM) Act was enacted by the UT Government of Puducherry. However, a road map has been prepared based on the principles of FRBM Act, which is pending for approval by the Government of India. Based on the audited accounts of the Government of Union Territory of Puducherry for the year ending March 2011, this Report provides an analytical review of the Annual Accounts of the Union Territory Government. The Report is structured in three chapters.

**Chapter I** is based on the audit of Finance Accounts and makes an assessment of the Government's fiscal position as at 31 March 2011. It provides an insight into trends in committed expenditure and borrowing pattern, besides giving a brief account of Central funds transferred directly to State implementing agencies through the off-budget route.

**Chapter II** is based on audit of Appropriation Accounts and gives a grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

**Chapter III** is an inventory of the Government's compliance with various reporting requirements and financial rules. The Report also has additional data collated from several sources in support of the findings.

### Audit findings

#### 1. Finances of the Union Territory Government

**Inadequate mobilization of revenue receipts:** During the year 2010-11, revenue receipts grew by 13 *per cent* whereas revenue expenditure grew by 15 *per cent*. This indicates that revenue receipts are not enough to meet revenue expenditure.

**Funds transferred directly to implementing agencies:** During 2010-11, GOI directly transferred ₹ 60.46 crore to Union Territory implementing agencies for implementation of various schemes/programmes. As these funds were not routed through the UT budget, the Annual Finance Accounts had not captured the flow of these funds and to that extent, the receipts and expenditure of the UT as well as other fiscal variables/parameters derived from them were underestimated.

**Arrears of revenue :** Arrears of revenue pending for collection increased from ₹ 342.06 crore in 2009-10 to ₹ 425.03 crore in 2010-11 (24.26 *per cent*) which constituted 23.39 *per cent* of the UT's own revenue and was more than the revenue deficit for the year by ₹ 84.93 crore.

**High share of revenue expenditure in total expenditure:** The revenue expenditure during 2010-11 constituted 90.47 *per cent* of total expenditure and the committed expenditure constituted 46.72 *per cent* of revenue expenditure.

**Inadequate priority to Development expenditure:** The Capital expenditure increased marginally by ₹ two crore from ₹ 369 crore in 2009-10 to ₹ 371 crore in 2010-11 and the development capital expenditure as a percentage of aggregate expenditure decreased from nine in 2009-10 to eight in 2010-11.

**Low return on investments:** As of 31 March 2011, the Government had invested ₹ 910.91 crore in Government companies and co-operative institutions. The return on these investments was 0.53 *per cent*, while the Government paid interest at an average rate of 7.81 *per cent* on its borrowings during 2010-11.

**High ratio of fiscal liabilities to GSDP:** The outstanding fiscal liabilities increased from ₹ 3,887 crore in 2009-10 to ₹ 4,588 crore (18 *per cent*) in 2010-11 which constituted 35 *per cent* of GSDP.

**Increasing deficits:** The fiscal deficit increased by ₹ 134 crore during 2010-11, mainly due to increase in revenue deficit by ₹ 98 crore. The increase in fiscal deficit, along with increase in interest payments by ₹ 44 crore, led to an increase of ₹ 90 crore in the primary deficit during the year.

## **2. Financial management and budgetary control**

During 2010-11, expenditure of ₹ 4,090.90 crore was incurred against total grants and appropriations of ₹ 4,982.97 crore, resulting in a savings of ₹ 892.07 crore. There were persistent savings of more than ₹ 10 lakh in 11 grants during 2006-11. Savings of ₹ 13.92 crore effected in ten grants were not surrendered and out of the total savings of ₹ 746.09 crore in seven grants, only ₹ 524.91 crore was surrendered. In 122 cases, the expenditure exceeded the approved provisions, resulting in excess of ₹ 402.68 crore. Even though there was no immediate requirement, ₹ 1.38 crore was drawn by the Registrar of Co-operative Societies on 30 March 2011 and kept outside the Government account in violation of the financial rules.

## **3. Financial Reporting**

There was large scale pendency in furnishing of utilisation certificates by various grantee institutions for grants-in-aid of ₹ 401.41 crore. The pendency ranged from one to more than nine years. Thirty autonomous bodies/authorities had not submitted to Audit their annual accounts due for the period upto 2009-10 as of September 2011.

The Union Territory Government departments reported 293 cases of misappropriation, loss, defalcation, etc., involving Government money of ₹ 7.66 crore up to March 2011. Final action on these cases was pending for periods ranging from one to more than 15 years.

# **CHAPTER I**

## **FINANCES OF THE UNION TERRITORY GOVERNMENT**

## CHAPTER I

### FINANCES OF THE UNION TERRITORY GOVERNMENT

The Union Territory (UT) of Puducherry is administered under the provisions of the Government of Union Territories Act, 1963. The UT consists of four regions, namely, Puducherry, Karaikal, Mahe and Yanam, geographically separated from each other. The UT's population increased from 9.74 lakh in 2001 to 12.44 lakh in 2011 (provisional figure), recording a decadal growth rate of 27 *per cent*. The UT has higher literacy level and the compound annual growth rate of Gross State Domestic Product (GSDP) for the period 2001-02 to 2010-11 has been over 13 *per cent*. As per the estimate (2004-05) of the Central Planning Commission, 22.4 *per cent* of the UT's population was below poverty line (**Appendix 1.1 Part A**).

This chapter provides a broad perspective of the finances of the Government of the Union Territory of Puducherry during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The structure of Government Accounts and the layout of the Finance Accounts are shown in **Appendix 1.1 Part B and Part C**. The methodology adopted for the assessment of the fiscal position of the UT is given in **Appendix 1.2**. A time series data on the UT Government finances is given in **Appendix 1.3**.

#### 1.1 Summary of Current Year's Fiscal Transactions

**Table 1.1** presents the summary of the UT Government's fiscal transactions during the current year (2010-11) *vis-à-vis* the previous year, while **Appendix 1.4 - Part A** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table 1.1 Summary of Current Year's Fiscal Operations

(₹ in crore)

| 2009-10            | Receipts                               | 2010-11      | 2009-10      | Disbursements                      | 2010-11  |       |              |
|--------------------|--|--------------|--------------|------------------------------------|----------|-------|--------------|
| Section-A: Revenue |  |              |              |                                    | Non Plan | Plan  | Total        |
| 2,841              | Revenue receipts                       | 3,200        | 3,083        | Revenue expenditure                | 2,319    | 1,221 | 3,540        |
| 868                | Tax revenue                            | 1,074        | 871          | General services                   | 833      | 32    | 865          |
| 643                | Non-tax revenue                        | 743          | 1,265        | Social services                    | 578      | 801   | 1,379        |
| -                  | Share of Union Taxes/<br>Duties        | --           | 943          | Economic services                  | 904      | 388   | 1,292        |
| 1,330              | Grants from the<br>Government of India | 1,383        | 4            | Grants-in-aid and<br>Contributions | 4        |       | 4            |
| Section-B: Capital |  |              |              |                                    | Non Plan | Plan  | Total        |
| 33                 | Miscellaneous Capital<br>Receipts      | --           | 369          | Capital Outlay                     | 2        | 369   | 371          |
| 5                  | Recoveries of Loans and<br>Advances    | 4            | 2            | Loans and Advances<br>disbursed    | 2        | --    | 2            |
| 659                | Public Debt receipts                   | 854          | 131          | Repayment of Public<br>Debt        | *        | *     | 148          |
|                    | Contingency Fund                       | --           | -            | Contingency Fund                   |          |       | --           |
| 836                | Public Account receipts                | 393          | 614          | Public Account<br>disbursements    | *        | *     | 772          |
| 1,023              | Opening Cash Balance                   | 1,210        | 1,198        | Closing Cash Balance               |          |       | 828          |
| <b>5,397</b>       | <b>Total</b>                           | <b>5,661</b> | <b>5,397</b> | <b>Total</b>                       |          |       | <b>5,661</b> |

(Source: Finance Accounts)

\* Bifurcation of Plan and Non-Plan not available

The following are the significant changes during 2010-11 as compared to the previous year:

- Revenue receipts grew by ₹ 359 crore (13 per cent) over the previous year. The increase was contributed by tax revenue (₹ 206 crore), non-tax revenue (₹ 100 crore) and grants received from the Government of India (₹ 53 crore).
- Revenue expenditure increased by ₹ 457 crore (15 per cent) over the previous year due to increase in expenditure on Social Services (₹ 114 crore), and Economic Services (₹ 349 crore) which were offset by decrease in expenditure on General Services (₹ six crore).
- Revenue expenditure on Social Services and Economic Services increased by nine per cent and 37 per cent respectively.
- Capital expenditure increased marginally by ₹ two crore (0.54 per cent) during the year and it was at nine per cent of the aggregate expenditure.
- Public Account receipts decreased by ₹ 443 crore (53 per cent) mainly due to transfer of Central Sales Tax collections of ₹ 422 crore pertaining to years 2009-10 and 2010-11 kept under 'suspense' head in the Public Account to 'Grants-in-aid from GOI' head during 2010-11. The Public Account disbursements increased by ₹ 158 crore (26 per cent). Net disbursements under the Public Account increased by ₹ 285 crore during

the year which led to a significant decrease of ₹ 382 crore in the cash balance at the end of the year over the previous year.

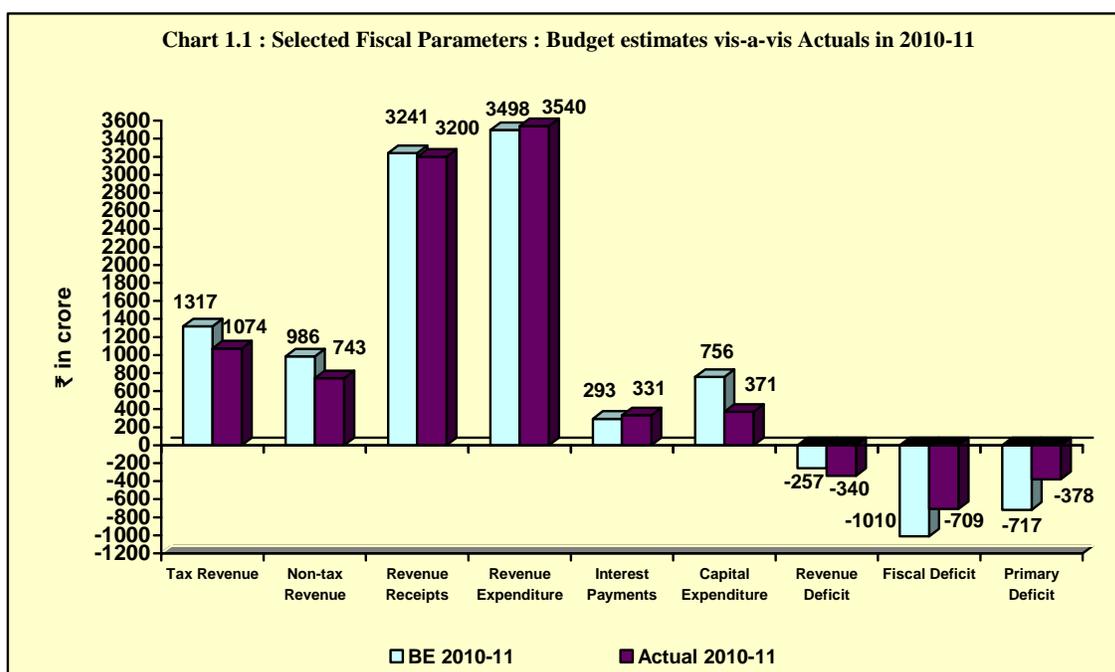
### Review of the fiscal situation

The fiscal deficit of the Government during the year (₹ 709 crore) increased by ₹ 134 crore (23 per cent) over the previous year (₹ 575 crore). The fiscal deficit to GSDP was at five per cent in 2010-11 as it was in 2009-10. The outstanding fiscal liabilities increased from ₹ 3,887 crore in 2009-10 to ₹ 4,588 crore (18 per cent) in 2010-11. As the Twelfth Finance Commission recommendations were not applicable to the UT of Puducherry, the FRBM Act was not enacted. However, a road map has been prepared based on the principles of FRBM Act, which is pending for approval by the Government of India.

### Budget Analysis

Budget papers presented by a State/Union Territory Government provide a description of the projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the budget estimates are indicative of non-attainment and non-optimization of the desired fiscal objectives, due to a variety of causes, some within the control of the Government and some outside.

Chart 1.1 presents the budget estimates and actuals for some important fiscal parameters.



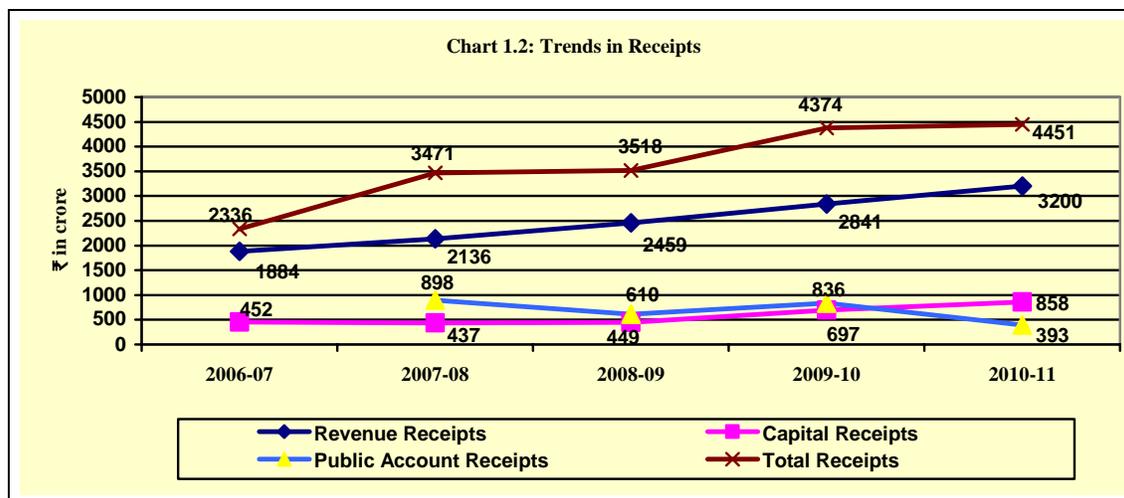
Though tax revenue and non-tax revenue were less each by ₹ 243 crore than budget estimates, the actual revenue receipts during 2010-11 were almost in line with the budget estimates due to receipt of more grants-in-aid from GOI than the budget estimates.

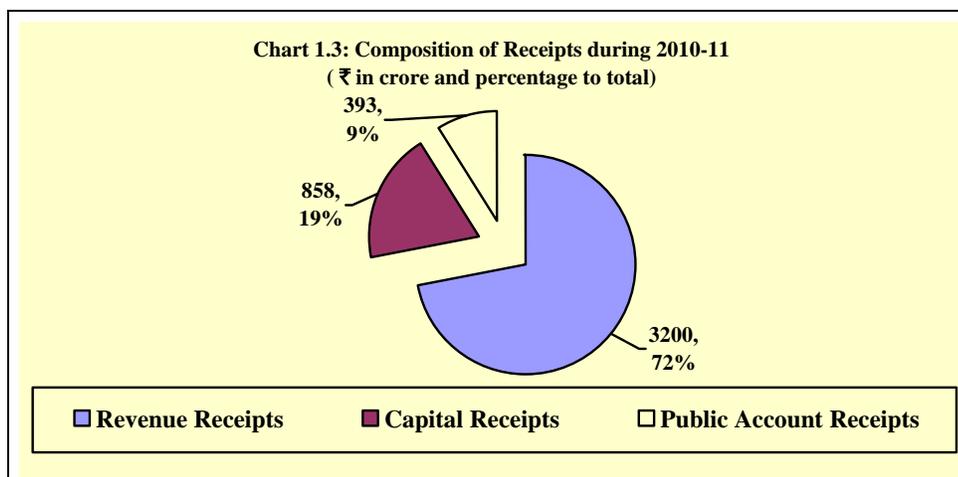
While revenue expenditure was almost in line with the budget estimates, capital expenditure was less by ₹ 385 crore mainly due to less expenditure incurred on education, sports, art and culture and water supply, sanitation, housing and urban development under Social Sector and energy and transport under Economic Sector than the budget estimates. This led to less fiscal deficit of ₹ 301 crore than the budget estimate.

## 1.2 Resources of the Union Territory

### 1.2.1 Resources of the Union Territory as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the Government. Revenue receipts consist of tax revenues, non-tax revenues and grants-in-aid from GOI. Capital receipts comprise miscellaneous capital receipts such as recoveries of loans and advances, debt receipts from internal sources (market loans), loans and advances from GOI as well as accruals from the Public Account. **Table-1.1** presents the receipts and disbursements of the UT during the current year as recorded in its Annual Finance Accounts, while **Chart 1.2** depicts the trends in various components of the receipts during 2006-11. **Chart 1.3** depicts the composition of resources during the current year.





The total receipts of the UT increased by ₹ 77 crore (1.76 per cent) over the previous year, due to increase of ₹ 359 crore (13 per cent) in revenue receipts and ₹ 161 crore (23 per cent) in capital receipts which was offset by a decrease of ₹ 443 crore in Public Account receipts.

The UT's tax revenue increased from ₹ 868 crore in 2009-10 to ₹ 1,074 crore in 2010-11 (increase of 24 per cent).

### 1.2.2 Funds transferred to UT Implementing Agencies outside the UT Budget

The Central Government has been transferring a sizeable quantum of funds directly to UT implementing agencies<sup>1</sup> for the implementation of various schemes/programmes in social and economic sectors recognised as critical. As these funds are not routed through the UT Budget/UT Treasury System, the Annual Finance Accounts do not capture the flow of these funds and to that extent, the UT's receipts and expenditure as well as other fiscal variables/parameters derived from them are underestimated. The funds directly transferred during 2010-11 to UT implementing agencies under the control of five departments viz., Education, Health, Information and Technology, Local Administration and Rural Development in respect of six major programmes assisted by GOI are presented in **Table 1.2**.

<sup>1</sup> State implementing agencies include any organisation/institution including non-Governmental organisations which are authorised by the UT Government to receive funds from the Government of India for implementing specific programmes in the Union Territory.

**Table-1.2: Funds transferred directly to UT Implementing Agencies**

(₹ in crore)

| Programme/ Scheme                                     | Implementing Agency in the UT               | Funds transferred directly by GOI during 2010-11 |
|---|---|--|
| State Services Delivery Gateway and State Portal      | Puducherry e-Governance Society, Puducherry | 5.69   |
| Member of Parliament-Local Area Development Programme | District Rural Development Agency           | 4.00   |
| National Rural Employment Guarantee Act Scheme        |   | 30.82  |
| Swarnajayanthi Gram Swarojgar Yojana                  |   | 2.68   |
| Sarva Shiksha Abhiyan                                 | State Project Office                        | 4.85   |
| Swarna Jayanthi Shahari Rozgar Yojana                 | Puducherry Urban Development Agency         | 0.50   |
| National Rural Health Mission (NRHM)                  | State Rural Health Mission                  | 11.92  |
| <b>Total</b>  |   | <b>60.46</b>                                     |

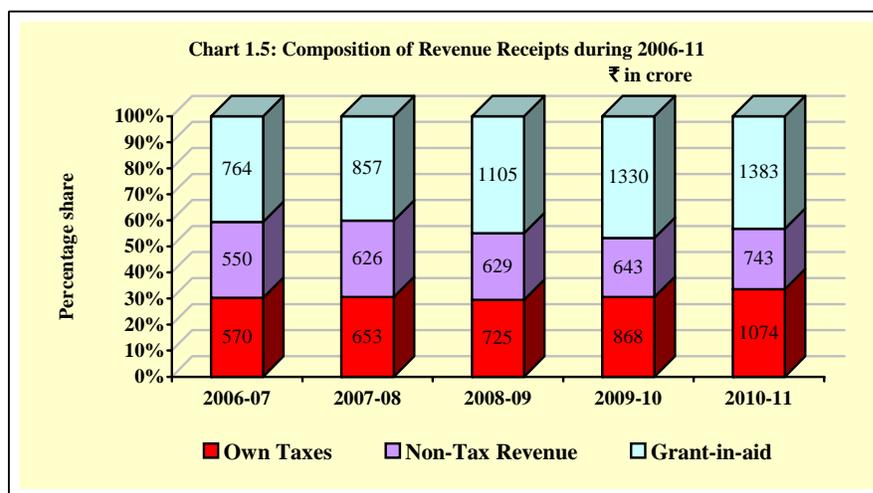
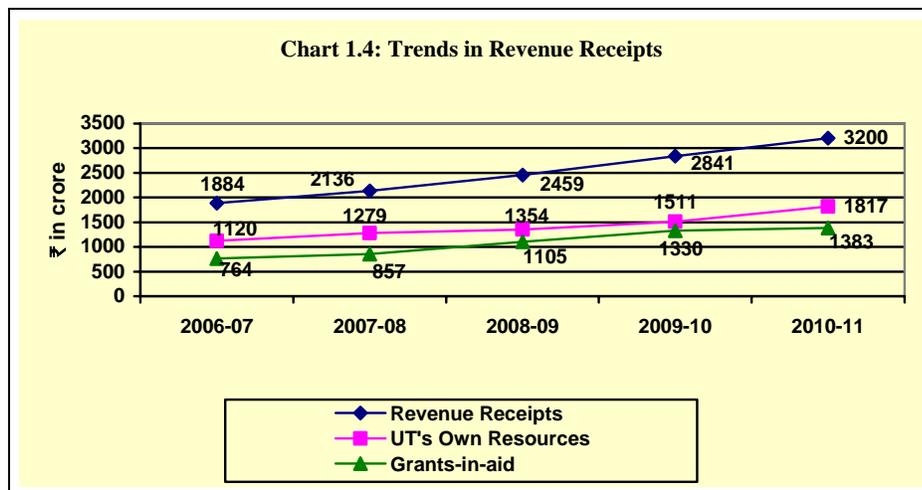
(Source : Figures furnished by the five departments are given in the table and this may not reflect the entire fund transfers to State implementing agencies in the Union Territory.)

Out of ₹ 60.46 crore transferred to UT implementing agencies, a major amount of ₹ 37.50 crore (62 per cent) was transferred to the District Rural Development Agency.

Direct transfers of funds from the Union to UT implementing agencies without routing them through the UT budget can be risky unless uniform accounting practices are diligently followed by all these agencies. Further, without proper documentation and timely reporting of expenditure, it would be difficult to monitor the end use of these direct transfers.

### 1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the UT's own taxes and non-tax revenues and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2006-11 are presented in **Appendix 1.3** and depicted in **Charts 1.4** and **1.5** respectively.



The revenue receipts showed an increase of ₹ 359 crore over the previous year (13 per cent). The increase, however, could not keep pace with the increase of ₹ 457 crore in revenue expenditure (15 per cent).

Non-tax revenue increased by ₹ 100 crore (15 per cent) over the previous year mainly due to increased revenue under sale of power. Grants-in-aid from GOI increased marginally by ₹ 53 crore (3.98 per cent) over the previous year.

The trends of revenue receipts relative to GSDP are presented in **Table 1.3** below:

**Table 1.3: Trends in Revenue Receipts relative to GSDP**

|   | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|
| <b>Revenue Receipts (RR)</b><br>(₹ in crore)            | 1,884   | 2,136   | 2,459   | 2841    | 3,200   |
| Rate of growth of RR (per cent)                         | 4.55    | 13.38   | 15.12   | 15.53   | 12.64   |
| UT's own taxes (₹ in crore)                             | 570     | 653     | 725     | 868     | 1,074   |
| Rate of growth of own taxes<br>(per cent)               | 18.99   | 14.60   | 11.02   | 19.72   | 23.73   |
| GSDP growth (per cent)                                  | 4.49    | 10.98   | 8.64    | 12.88   | 13.97   |
| <b>Buoyancy Ratios</b>                                  |         |         |         |         |         |
| RR/GSDP <sup>2</sup> (per cent)                         | 22.60   | 23.09   | 24.47   | 25.04   | 24.75   |
| Revenue buoyancy with reference<br>to GSDP (ratio)      | 1.01    | 1.22    | 1.75    | 1.21    | 0.90    |
| UT's own tax buoyancy with<br>reference to GSDP (ratio) | 4.23    | 1.33    | 1.28    | 1.53    | 1.70    |

(Source: Finance Accounts)

The GSDP, at the current prices, was estimated to increase from ₹ 11,344 crore in 2009-10 to ₹ 12,929 crore in 2010-11, representing an increase of 13.97 per cent.

The buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. As against the GSDP growth rate of 13.97 per cent during 2010-11, the growth rate of UT's revenue receipts was 12.64 per cent only. The revenue buoyancy with reference to GSDP, which was 1.21 in 2009-10, came down during the year to 0.90, indicating that the growth of revenue receipts was slower than the GSDP growth rate. However, the UT's own tax buoyancy ratio was at 1.70, indicating that the rate of growth of own taxes was faster than the growth rate of GSDP.

Revenue receipts, as a percentage of GSDP, decreased marginally from 25.04 in 2009-10 to 24.75 in 2010-11 and it remained more or less stagnant during the last three years.

### 1.3.1 Union Territory's Own Resources

The UT's performance in mobilisation of resources was assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The gross collection in respect of major taxes and duties as well as the components of non-tax receipts are given in **Table 1.4**.

<sup>2</sup> Provisional and Quick estimates of GSDP of ₹ 11,344 crore and ₹12,929 crore have been adopted for 2009-10 and 2010-11.

Table 1.4: Components of UT's Own Resources

| (₹ in crore)                     |            |            |            |            |              |
|----------------------------------|------------|------------|------------|------------|--------------|
| Revenue Head                     | 2006-07    | 2007-08    | 2008-09    | 2009-10    | 2010-11      |
| <b>Tax Revenue</b>               |            |            |            |            |              |
| Taxes on Sales, Trades etc.      | 365        | 355        | 382        | 453        | 595          |
| State excise                     | 144        | 224        | 280        | 329        | 379          |
| Taxes on vehicles                | 29         | 32         | 32         | 35         | 48           |
| Stamp duty and Registration fees | 31         | 41         | 31         | 50         | 51           |
| Land revenue                     | 1          | 1          | --         | 1          | 1            |
| <b>Total</b>                     | <b>570</b> | <b>653</b> | <b>725</b> | <b>868</b> | <b>1,074</b> |
| <b>Non-Tax Revenue</b>           |            |            |            |            |              |
| Interest receipts                | 6          | 18         | 44         | 51         | 37           |
| Dividends and Profits            | 1          | 4          | 4          | 6          | 5            |
| Other non-tax receipts           | 543        | 604        | 581        | 586        | 701          |
| <b>Total</b>                     | <b>550</b> | <b>626</b> | <b>629</b> | <b>643</b> | <b>743</b>   |

(Source: Finance Accounts)

The Union Territory's tax revenue increased by ₹ 206 crore (24 per cent) over the previous year. The increase was mainly contributed by sales tax (₹ 142 crore) due to increase in number of registered dealers and better compliance of payment and collection of tax arrears; state excise (₹ 50 crore) by higher production of Indian Made Foreign Liquor (IMFL) and beer, and taxes on vehicles (₹ 13 crore) on account of more number of registration of vehicles.

Non-tax revenue receipts of ₹ 743 crore, which constituted 23.22 per cent of the revenue receipts, were realised mainly from sale of power (₹ 663 crore), interest receipts (₹ 37 crore), receipts from motor garages (₹ 10 crore) and receipts from Employees State Insurance Scheme (₹ 9 crore). Non-tax revenue increased by ₹ 100 crore during the year over the previous year.

The UT's own resources of ₹ 1,817 crore (₹ 1,074 crore – Tax revenue and ₹ 743 crore – Non-tax revenue) as well as recovery of loans and advances of ₹ four crore was not sufficient to meet the Non-Plan revenue expenditure of ₹ 2,319 crore.

### 1.3.2 Loss of revenue due to evasion of taxes

Tax evasion leads to non-realisation of legally available revenue to the Government. Test check of the records of sales tax, state excise, stamp duty and registration fees and taxes on vehicles conducted during the year 2010-11 by the Principal Accountant General (Commercial and Receipt Audit) revealed under-assessment/ short levy/ loss of revenue amounting to ₹ 13.65 crore in 70 cases.

### 1.3.3 Arrears of revenue

Arrears of revenue pending for collection increased from ₹ 342.06 crore in 2009-10 to ₹ 425.03 crore in 2010-11 (24.26 per cent), which constituted

23.39 per cent of the UT's tax and non-tax revenue and more than the revenue deficit by ₹ 84.93 crore. These arrears were due for collection mainly by the Commercial Taxes (₹ 201.14 crore), Electricity (₹ 198.31 crore), State Excise (₹ 12.95 crore) and Public Works (₹ 8.75 crore) departments. Of the arrears pending for collection by the Commercial Taxes Department, ₹ 142.08 crore and ₹ 1.54 crore were covered by court cases and the Revenue Recovery proceedings respectively.

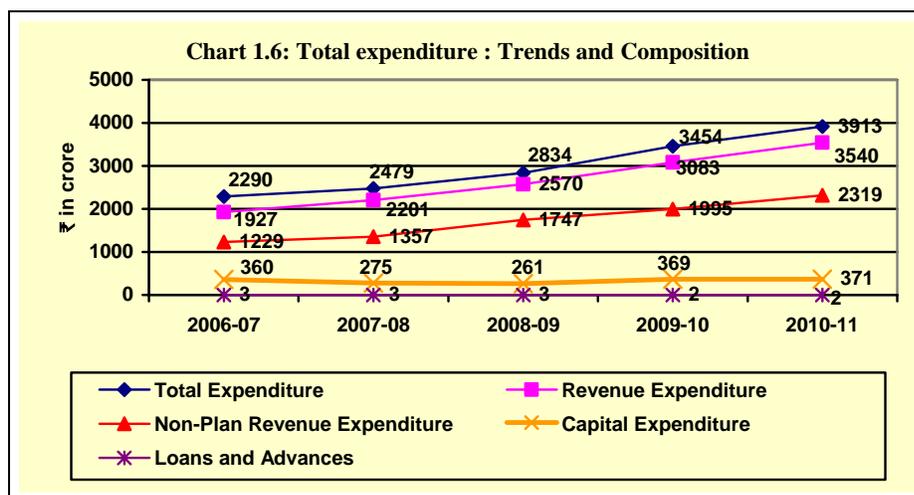
Considering the huge sums involved, the Government needs to take expeditious steps to recover the revenue arrears.

## 1.4 Application of Resources

Analysis of the allocation of expenditure at the UT Government level assumes significance since major expenditure responsibilities are entrusted with them. In view of budgetary constraints in raising public expenditure financed by deficit or borrowings, it is important to ensure that the ongoing fiscal correction and consolidation process is not at the cost of expenditure especially directed towards the development of social sectors.

### 1.4.1 Growth and Composition of Expenditure

**Chart 1.6** presents the trends of total expenditure over a period of five years (2006-11). Its composition in terms of 'economic classification' and 'expenditure by activities' is depicted in **Charts 1.7 and 1.8** respectively.

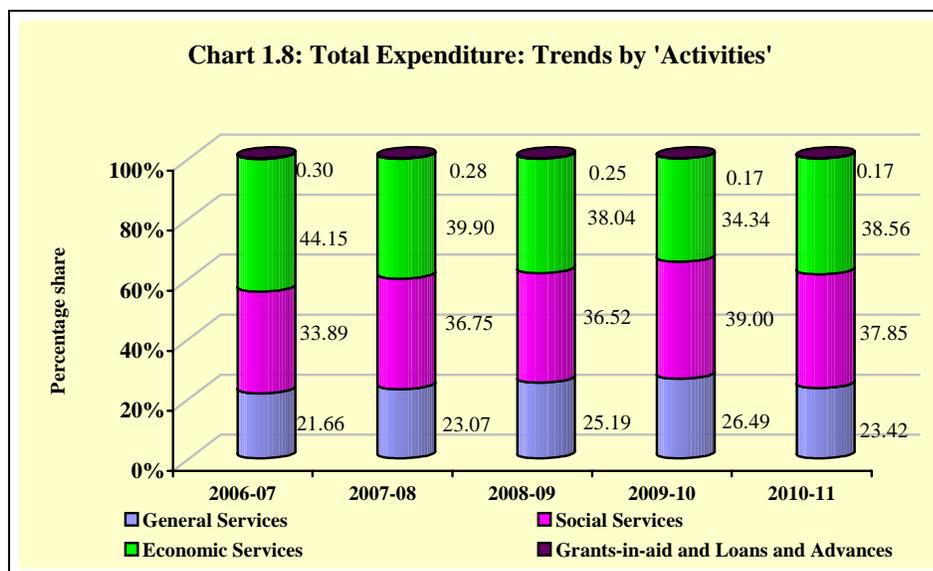
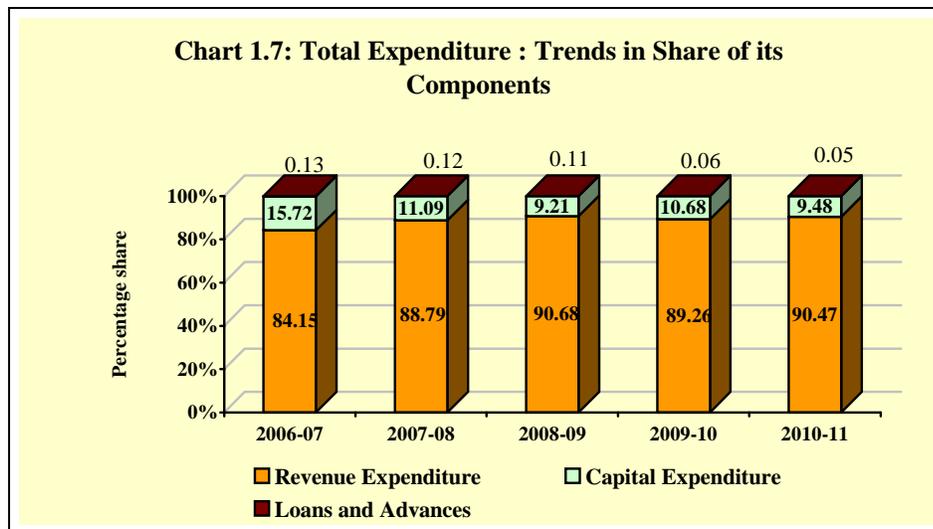


The total expenditure<sup>3</sup> of the UT increased by 70.87 per cent from ₹ 2,290 crore in 2006-07 to ₹ 3,913 crore in 2010-11. The total expenditure during the

<sup>3</sup> Total expenditure includes revenue expenditure, capital expenditure and disbursement of loans and advances

current year increased by ₹ 459 crore (13.29 per cent) over the previous year. The revenue expenditure increased by ₹ 457 crore (14.82 per cent) and the capital expenditure marginally increased by ₹ two crore (0.54 per cent) during 2010-11. The revenue expenditure was 90.47 per cent of the total expenditure, of which 65.51 per cent was the Non-Plan component.

Revenue receipts of the UT met 81.77 per cent of the total expenditure during 2010-11.



While the expenditure on General Services and Social Services increased marginally by 0.13 per cent and 0.10 per cent, the expenditure on Economic Services during 2010-11 grew by 27 per cent. The development expenditure, i.e., expenditure on Social and Economic Services grew by 18.06 per cent over the previous year.

The increase in the expenditure on Economic Services (₹ 323 crore) was mainly due to increased revenue expenditure of ₹ 176.17 crore due to purchase of power and increased capital expenditure on transport of ₹ 32.70 crore.

### 1.4.2 Committed Expenditure

The committed expenditure of the UT Government on the revenue account mainly consists of interest payments, expenditure on salaries and pensions and subsidies. **Table 1.5** presents the trends of expenditure on these components during 2006-11 and **Chart 1.9** presents the share of committed expenditure in Non-Plan revenue expenditure on salaries, interest payments and pension during 2008-11.

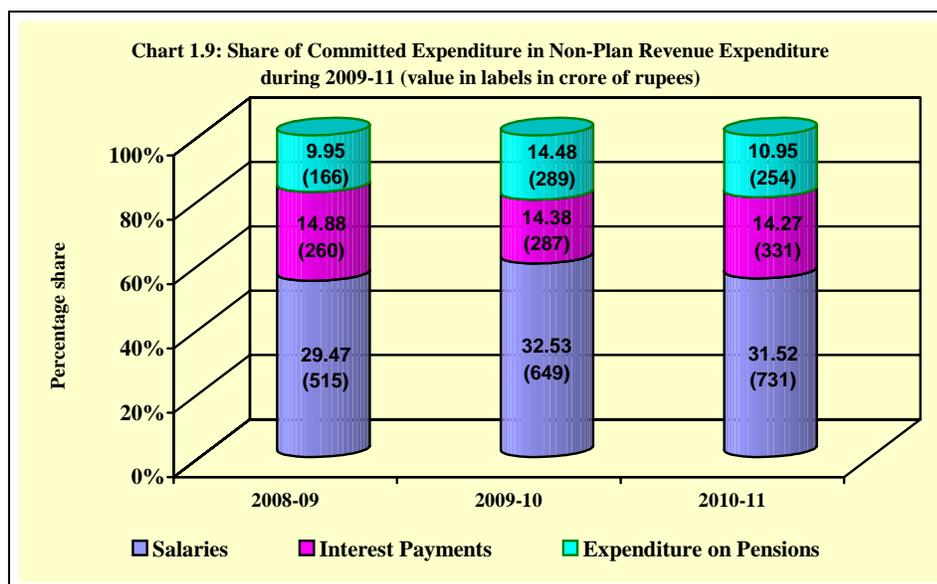
**Table-1.5: Components of Committed Expenditure**

| (₹ in crore)                        |                           |                           |                            |                            |                            |
|-------------------------------------|---------------------------|---------------------------|----------------------------|----------------------------|----------------------------|
| Components of Committed Expenditure | 2006-07                   | 2007-08                   | 2008-09                    | 2009-10                    | 2010-11                    |
| Salaries , of which                 | 429<br>(23)               | 445<br>(21)               | 688<br>(28)                | 868<br>(31)                | 987<br>(31)                |
| Non-Plan Head                       | 326                       | 336                       | 515                        | 649                        | 731                        |
| Plan Head**                         | 103                       | 109                       | 173                        | 219                        | 256                        |
| Interest Payments                   | 187<br>(10)               | 217<br>(10)               | 260<br>(11)                | 287<br>(10)                | 331<br>(10)                |
| Expenditure on Pension              | 104<br>(6)                | 120<br>(6)                | 166<br>(7)                 | 289<br>(10)                | 254<br>(8)                 |
| Subsidies                           | 17<br>(1)                 | 31<br>(1)                 | 31<br>(1)                  | 46<br>(1)                  | 82<br>(3)                  |
| <b>Total</b>                        | <b>737</b><br><b>(39)</b> | <b>813</b><br><b>(38)</b> | <b>1145</b><br><b>(47)</b> | <b>1490</b><br><b>(52)</b> | <b>1654</b><br><b>(52)</b> |

(Source: Finance Accounts)

Figures in parentheses indicate percentage of revenue receipts

\*\* Plan head also includes the salaries paid under Centrally Sponsored Schemes.



The Committed expenditure increased continuously from 2008-09 to 2010-11 and in 2010-11 it constituted 52 and 46.72 *per cent* of revenue receipts and revenue expenditure respectively.

**Expenditure on salaries** under Non-Plan and Plan during the current year was ₹ 731 crore and ₹ 256 crore respectively. It increased by 13.71 *per cent* over the previous year, mainly due to payment of the third instalment of arrears (30 *per cent*) consequent on implementation of the Sixth Central Pay Commission's recommendations. The share of salaries relative to revenue receipts was 31 *per cent* during 2010-11.

**Pension payments** decreased by 12 *per cent* from ₹ 289 crore in 2009-10 to ₹ 254 crore in 2010-11, due to payments on account of revision of pension for the period from 1.1.2006 to 31.8.2008 settled during 2009-10.

**Interest payments** increased by ₹ 44 crore (15 *per cent*) over the previous year, mainly due to payment of interest for market loans (₹ 41 crore) during 2010-11. The interest payments were at 10.34 *per cent* of the total revenue receipts.

**Subsidies** (three *per cent* of revenue receipts in 2010-11) represent the expenditure booked under the object head 'Subsidies' under rural housing, welfare of Schedule Castes, animal husbandry, fisheries, food subsidy, rural development, village and small industries and civil supplies. Major subsidies on free supply of electricity to small farmers and poor people and cash incentives and subsidies paid to agriculturists were, however, classified in the budget as well as in the accounts under 'Other Charges' or 'Grants-in-aid' to agencies implementing the schemes. Since the UT budget has a distinct head only for explicit subsidies, the implicit subsidies given on account of these facilities listed above are not accounted for, and to that extent, the subsidy given by the UT Government was understated.

#### ***1.4.3 Financial Assistance by UT Government to Local Bodies and other Institutions***

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.6**.

**Table 1.6: Financial Assistance to Local Bodies etc**

(₹ in crore)

| Financial Assistance to Institutions   | 2006-07       | 2007-08       | 2008-09       | 2009-10       | 2010-11       |
|--|---------------|---------------|---------------|---------------|---------------|
| Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.) | 10.93         | 12.09         | 13.16         | 29.92         | 32.55         |
| Municipalities   | 40.67         | 19.20         | 18.86         | 27.78         | 58.95         |
| Panchayati Raj Institutions  | 19.78         | 10.15         | 28.97         | 18.66         | 14.54         |
| Development agencies and autonomous bodies                                   | 151.50        | 213.93        | 232.75        | 346.41        | 421.94        |
| Co-operatives  | 27.78         | 22.26         | 27.59         | 24.38         | 25.86         |
| Other Institutions*  | 9.57          | 3.80          | 5.42          | 6.09          | 5.28          |
| <b>Total</b>   | <b>260.23</b> | <b>281.43</b> | <b>326.75</b> | <b>453.24</b> | <b>559.12</b> |
| Assistance as percentage of revenue expenditure                              | 14            | 13            | 13            | 15            | 16            |

(Source: Director of Accounts and Treasuries, Puducherry)

\* Welfare societies and religious institutions

Financial assistance extended to local bodies and other institutions increased from ₹ 453.24 crore in 2009-10 to ₹ 559.12 crore in 2010-11. The increase was mainly due to increased financial assistance to municipalities and development agencies and autonomous bodies. The financial assistance as a percentage of revenue expenditure was 15.79 in 2010-11.

## 1.5 Quality of Expenditure

The availability of better social and physical infrastructure in the UT generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e., adequate provisions for providing public services); efficiency of expenditure use and the effectiveness (assessment of outlay-outcome relationships for select services).

### 1.5.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure are largely assigned to State/UT Governments. Enhancing human development levels requires the States/UTs to step up their expenditure on key Social Services like education, health etc. **Table 1.7** analyses the fiscal priority (ratio of expenditure category to aggregate expenditure) of the UT Government with regard to development expenditure, social sector expenditure and capital expenditure during the current year and compares the fiscal priority given to different categories of expenditure of the Union Territory of Puducherry in 2007-08 and 2010-11.

**Table-1.7: Fiscal Priority of the UT in 2007-08 and 2010-11**

| Fiscal Priority of the UT  |         | AE/GSDP | DE/AE | SSE/AE | CE/AE | ESE/AE | Expenditure on Education, Sports, Art and Culture/AE | Expenditure on Health and Family Welfare/AE |
|--|---------|---------|-------|--------|-------|--------|--|---|
| Puducherry Ratio   | 2007-08 | 0.27    | 0.77  | 0.37   | 0.11  | 0.40   | 0.10   | 0.08  |
|  | 2010-11 | 0.30    | 0.76  | 0.38   | 0.09  | 0.39   | 0.14   | 0.07  |
| AE: Aggregate Expenditure; DE: Development Expenditure; SSE: Social Sector Expenditure; CE: Capital Expenditure; ESE: Economic Sector Expenditure<br>Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.<br>(Source: (1) Directorate of Economics and Statistics, Puducherry and (2) Finance Accounts for expenditure figures) |         |         |       |        |       |        |  |   |

Public expenditure of the UT of Puducherry increased as a proportion of GSDP in 2010-11 compared to 2007-08.

The ratio of Social Sector Expenditure to Aggregate expenditure remained more or less at the same level of 0.37 in 2007-08 and 0.38 in 2010-11. The Development Expenditure to Aggregate Expenditure also remained stagnant at 0.77 in 2007-08 and 0.76 in 2010-11.

The ratio of Capital Expenditure to Aggregate Expenditure declined from 0.11 in 2007-08 to 0.09 in 2010-11 indicating less priority given by Government for asset creation.

### **1.5.2 Efficiency of Expenditure Use**

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the UT Government to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods<sup>4</sup>. Apart from improving the allocation towards development expenditure<sup>5</sup>, particularly in view of the fiscal space being created on account of decline in

<sup>4</sup> Core public goods are goods which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of rights; pollution free air and other environmental goods and road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than the ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

<sup>5</sup> The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure.

debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure being incurred on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.8** depicts the trends in development expenditure relative to the aggregate expenditure of the UT during 2006-11, **Table 1.9** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of selected social and economic services during 2009-10 and 2010-11.

**Table-1.8: Development Expenditure**

(₹ in crore)

| Components of Development Expenditure   | 2006-07          | 2007-08          | 2008-09          | 2009-10          | 2010-11         |
|---|------------------|------------------|------------------|------------------|-----------------|
| <b>Development Expenditure (a to c)</b> | 1,788.07<br>(78) | 1,910.12<br>(77) | 2,113.43<br>(75) | 2,532.68<br>(73) | 2990.21<br>(76) |
| a. Development Revenue Expenditure      | 1460<br>(64)     | 1659<br>(67)     | 1885<br>(66)     | 2207.78<br>(64)  | 2670.63<br>(68) |
| b. Development Capital Expenditure      | 327<br>(14)      | 251<br>(10)      | 228<br>(8)       | 324.89<br>(9)    | 319.58<br>(8)   |
| c. Development Loans and Advances       | 1.07<br>(0.05)   | 0.12<br>(0.01)   | 0.43<br>(0.02)   | 0.01<br>(Nil)    | --<br>(Nil)     |

(Source: Finance Accounts)

Figures in parentheses indicate percentage of aggregate expenditure

**Table 1.9 –Efficiency of Use in Selected Social and Economic Services**

(Percentage)

| Social/Economic Infrastructure   | 2009-10           |                         | 2010-11           |                         |
|--|-------------------|-------------------------|-------------------|-------------------------|
|  | Share of CE to TE | In RE, the share of S&W | Share of CE to TE | In RE, the share of S&W |
| <b>Social Services (SS)</b>  |                   |                         |                   |                         |
| General Education  | 2.67              | 76.56                   | 3.68              | 75.30                   |
| Health and Family Welfare  | 1.50              | 55.71                   | 3.29              | 63.11                   |
| Water Supply, Sanitation and Housing and Urban Development   | 23.04             | 6.75                    | 30.06             | 8.51                    |
| <b>Total (SS)</b>  | <b>6.08</b>       | <b>40.72</b>            | <b>6.94</b>       | <b>41.72</b>            |
| <b>Economic Services (ES)</b>  |                   |                         |                   |                         |
| Agriculture and Allied Activities  | 9.49              | 32.19                   | 4.35              | 25.28                   |
| Irrigation and Flood Control   | 65.46             | 52.74                   | 52.56             | 54.52                   |
| Power and Energy   | 7.39              | 7.22                    | 5.04              | 6.60                    |
| Transport  | 65.68             | 28.58                   | 67.37             | 22.63                   |
| <b>Total (ES)</b>  | <b>20.49</b>      | <b>13.84</b>            | <b>14.37</b>      | <b>11.83</b>            |
| <b>Total (SS+ES)</b>   | <b>12.83</b>      | <b>29.24</b>            | <b>10.69</b>      | <b>27.25</b>            |
| TE: Total Expenditure on the sector/services concerned; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages. |                   |                         |                   |                         |

(Source: Finance Accounts and figures furnished by the Director of Accounts and Treasuries for wages)

Development expenditure, in real terms, was increasing continuously during 2006-11. However, as a percentage of aggregate expenditure, it came down

from 78 in 2006-07 to 73 in 2009-10 and increased to 76 in 2010-11. The development capital expenditure, as a percentage of aggregate expenditure, decreased from nine in 2009-10 to eight in 2010-11.

### **Expenditure on Social Services**

While the capital expenditure on Social Services as a percentage of total expenditure marginally increased from 6.08 *per cent* in 2009-10 to 6.94 *per cent* in 2010-11, the capital expenditure on Economic Services as a percentage of total expenditure, decreased from 20.49 to 14.37 which led to overall decrease in the capital expenditure on Social and Economic service as a percentage of total expenditure.

The share of capital expenditure in the total expenditure under General Education, Health and Family Welfare and Water Supply and Sanitation, Housing and Urban Development increased in 2010-11 over the previous year.

The share of salaries and wages in the revenue expenditure on Social Services increased from 40.72 *per cent* in 2009-10 to 41.72 *per cent* in 2010-11, mainly due to payment of the third instalment of the Sixth Central Pay Commission's arrears.

### **Expenditure on Economic Services**

The capital expenditure on Economic Services, as a percentage of total expenditure on Economic Services, decreased from 20.49 *per cent* in 2009-10 to 14.37 *per cent* in 2010-11.

Under Agriculture and Allied Activities, Irrigation and Flood Control, and Power and Energy, the share of capital expenditure to total expenditure decreased steeply during 2010-11, whereas there was a marginal increase under Transport.

## **1.6 Financial Analysis of Government Expenditure and Investments**

The UT is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market based resources, the UT Government needs to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds, rather than bearing the same on its budget in the form of implicit subsidies and take requisite steps to infuse transparency in financial operations. This section presents information on incomplete projects and a broad financial analysis of investments by the Government during the current year *vis-à-vis* the previous years.

### 1.6.1 Incomplete projects

The information pertaining to incomplete projects in the Public Works Department as on 31 March 2011 is given in **Table 1.10**.

**Table 1.10: Department-wise profile of incomplete projects**

(₹ in crore)

| Department              | No. of Incomplete Projects* | Initial Cost | Revised Total Cost of Projects | Cost Over-runs | Cumulative expenditure as on 31.3.2011 |
|-------------------------|-----------------------------|--------------|--------------------------------|----------------|--|
| Public Works Department | 10                          | 41.25        | 103.25                         | 62.00          | 30.50                                  |

(Source: Finance Accounts)

\* Only those projects which were scheduled to be completed before 31 March 2011 are included

Failure to complete the projects on time leads to escalation of project costs and delays the accrual of the projects' benefits to the society at large. Further, delays also result in postponement of revenue realization from projects.

The projects/works were delayed mainly due to paucity of funds on account of non-availing of negotiated loan.

### 1.6.2 Investment and returns

As of 31 March 2011, the Government had invested ₹ 910.91 crore, mainly in Government companies and Co-operatives (**Table 1.11**). The return on these investments was 0.53 per cent while the Government paid interest at an average rate of 7.81 per cent on its borrowings during 2010-11.

**Table-1.11: Return on Investment**

| Investment/Return/Cost of Borrowings                         | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|
| Investment at the end of the year (₹ in crore)               | 712.36  | 760.91  | 817.03  | 867.50  | 910.91  |
| Return (₹ in crore)  | 1.03    | 3.68    | 4.15    | 6.39    | 4.84    |
| Return (per cent)  | 0.1     | 0.5     | 0.5     | 0.7     | 0.5     |
| Average rate of interest on Government borrowings (per cent) | 9.4     | 8.5     | 8.3     | 8.0     | 7.8     |
| Difference between interest rate and return (per cent)       | 9.3     | 8.0     | 7.8     | 7.3     | 7.3     |

(Source: Finance Accounts)

As of March 2011, the Government had invested ₹ 693.58 crore in 14 Government companies and one statutory corporation and ₹ 217.33 crore in 369 co-operative institutions. Though heavy losses were incurred by the Pondicherry Textiles Corporation Limited (₹ 46.39 crore), Bharathi Swadeshi Textiles Mills Limited (₹ 8.99 crore) and Pondicherry Tourism Development Corporation (₹ 3.74 crore), the Government invested ₹ 13.09 crore, ₹ 2.00 crore and ₹ 2.25 crore respectively in them during the year.

### 1.6.3 Loans and advances by UT Government

During 2010-11, Government had not provided any loans and advances to any institution/organisation. **Table 1.12** presents the outstanding loans and advances as on 31 March 2011 and interest receipts *vis-à-vis* interest payments during the last three years.

**Table-1.12: Outstanding loans and interest received on loans and advances by the UT Government**

| Quantum of Loans/Interest Receipts/ Cost of Borrowings                                  | ₹ in crore)  |              |               |
|---|--------------|--------------|---------------|
|   | 2008-09      | 2009-10      | 2010-11       |
| <b>Opening Balance</b>  | <b>27.82</b> | <b>25.70</b> | <b>20.01*</b> |
| Amount advanced during the year   | 2.87         | 2.17         | 2.03          |
| Amount repaid during the year   | 5.00         | 4.76         | 4.21          |
| <b>Closing Balance</b>  | <b>25.69</b> | <b>23.11</b> | <b>17.83</b>  |
| Net increase (+)/ decrease (-)  | (-) 2.13     | (-) 2.59     | (-) 2.18      |
| Interest Receipts   | 1.98         | 2.53         | 2.57          |
| Interest receipts as percentage of outstanding Loans and advances                       | 7.4          | 10.4         | 13.58         |
| Interest payments as percentage of outstanding fiscal liabilities of the UT Government. | 7.8          | 7.3          | 7.21          |
| Difference between interest payments and interest receipts ( <i>per cent</i> )          | (-) 0.4      | 3.1          | 6.37          |

(Source: Finance Accounts)

\* Differs due to proforma dropping on account of conversion of loan into share capital assistance.

The quantum of loan advanced decreased from ₹ 2.17 crore in 2009-10 to ₹ 2.03 crore in 2010-11 and repayments also decreased from ₹ 4.76 crore in 2009-10 to ₹ 4.21 crore in 2010-11. The total amount of ₹ 2.03 crore advanced during the year included only loans and advances given to Government servants.

## 1.7 Assets and Liabilities

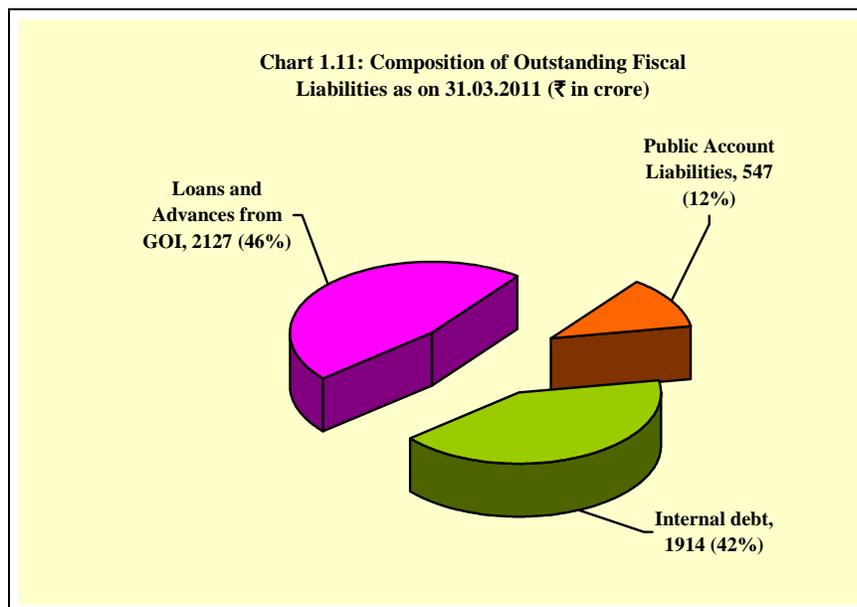
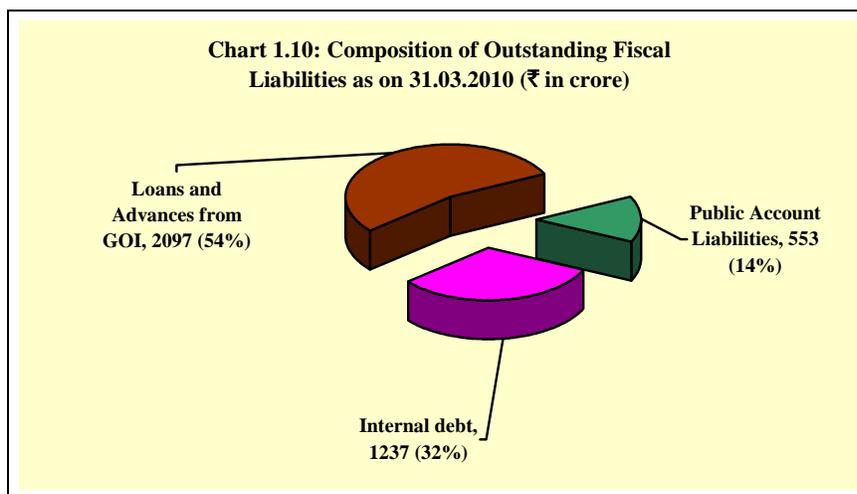
### 1.7.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4 – Part B** gives an abstract of such liabilities and the assets as on 31 March 2011, compared with the corresponding position on 31 March 2010. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the UT Government and cash balances. The ratio of

cumulative assets to liabilities as on 31 March 2011 was 0.91 indicating assets are not sufficient to meet the liabilities.

### 1.7.2 Fiscal Liabilities

Fiscal liabilities are internal debt, loans and advances from GOI and the Public Account liabilities comprising small savings and provident fund, reserve funds and deposits. The trends in outstanding fiscal liabilities of the UT are presented in **Appendix 1.3**. The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.10** and **1.11**.



The outstanding fiscal liabilities have shown a steady increase from ₹ 2,168 crore in 2006-07 to ₹ 4,588 crore in 2010-11. The fiscal liabilities at the end of 2010-11 represented 143 *per cent* of revenue receipts (₹ 3200 crore) during the year as against 115 *per cent* in 2006-07.

While internal debts which constituted 32 *per cent* of the fiscal liabilities in 2009-10 increased to 42 *per cent* in 2010-11, loans and advances from GOI decreased from 54 *per cent* to 46 *per cent* of the fiscal liabilities during the same period. The Public Account liabilities decreased marginally from ₹ 553 crore in 2009-10 to ₹ 547 crore in 2010-11.

### 1.7.3 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the UT Government in cases of defaults by borrowers for whom the guarantees have been extended.

Guarantees for the purpose of administration of Union Territories, prior to the amendment of the Union Territories Act on 6 September 2001, were given by GOI under Article 292 of the Constitution of India. In the event of the guarantees being invoked, the payment would initially be charged to the Consolidated Fund of India and the amount subsequently recovered from the Government of the Union Territory. Consequent to amendment of the UT Act on 6 September 2001 and issue of its notification by the Government of India on 10 May 2006, the Government of Union Territory of Puducherry was empowered to give guarantees. No guarantee was given during the year by the UT Government. Besides, no law to control the guarantees to be given was enacted by the UT Government. As per Statement-9 of the Finance Accounts, the maximum amount for which guarantees were given by GOI on behalf of the UT and outstanding guarantees for the last three years are given in **Table 1.13**.

**Table-1.13: Guarantees given by the Government of India on behalf of the Union Territory of Puducherry**

| Guarantees  | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|
| Maximum amount guaranteed (₹ in crore)                            | 20.98   | 20.98   | 20.98   |
| Outstanding amount of guarantees (₹ in crore)                     | 6.23    | 11.97   | 7.90    |
| Percentage of maximum amount guaranteed to total Revenue receipts | 0.85    | 0.74    | 0.66    |

(Source: Finance Accounts)

As a percentage of revenue receipts, the amount of guarantee came down from 0.85 in 2008-09 to 0.66 in 2010-11. No guarantee was invoked during any of the three years.

## 1.8 Debt Sustainability

Apart from the magnitude of debt of the UT Government, it is important to analyse various indicators that determine the debt sustainability of the UT. This section assesses the sustainability of debt of the UT Government in terms of debt stabilisation, sufficiency of non-debt receipts, net availability of borrowed funds<sup>6</sup>, burden of interest payments (measured by interest payments to revenue receipts ratio) and the maturity profile of the UT Government's debts.

**Table 1.14** analyses the debt sustainability of the UT for a period of three years beginning from 2008-09.

**Table 1.14: Debt Sustainability: Indicators and Trends**

(₹ in crore)

| Indicators of Debt Sustainability                          | 2008-09     | 2009-10      | 2010-11      |
|--|-------------|--------------|--------------|
| Debt Stabilisation<br>(Quantum Spread + Primary Deficit)   | (-) 102     | (-) 124      | (-) 139      |
| Sufficiency of Non-debt Receipts<br>(Resource Gap)         | (-) 39      | (-) 205      | (-) 134      |
| Net Availability of Borrowed Funds                         | 142         | 275          | 385          |
| Burden of Interest Payments (IP/RR<br>Ratio)               | 0.1         | 0.1          | 0.1          |
| Maturity Profile of Internal Debt and GOI Loans (in years) |             |              |              |
| 0 – 1  | 131 (4.7)   | 148 (4.44)   | 156(3.86)    |
| 1 – 3  | 304(10.8)   | 513(15.39)   | 554(13.71)   |
| 3 – 5  | 334(11.9)   | 314 (9.42)   | 340(8.41)    |
| 5 – 7  | 276 (9.8)   | 592(17.76)   | 950(23.51)   |
| 7 and above  | 1,761(62.8) | 1,767(52.99) | 2,041(50.51) |

(Source : Finance Accounts)

Figures in parentheses represents percentage of total outstanding internal debts and GOI loans.

Debt stabilization means that, if the primary deficit together with the quantum spread turns out to be negative, the debt – GSDP ratio would be rising. There has been a warning signal in the debt stabilization indicator since the value increased from (-) ₹ 102 crore in 2008-09 to (-) ₹ 139 crore in 2010-11. Unless corrective measures are taken to convert the primary deficit to surplus, debt could become unsustainable in the medium term.

The resource gap (the difference between incremental total expenditure and incremental non-debt receipts) though decreased from ₹ 205 crore in 2009-10

<sup>6</sup> Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption, indicating the net availability of borrowed funds.

to ₹ 134 crore in 2010-11, it remains in negative which shows that unless concerted efforts are made to narrow this gap, by increasing the non-debt receipts in the coming years, or containing the primary expenditure, debt sustainability could become a problem in future.

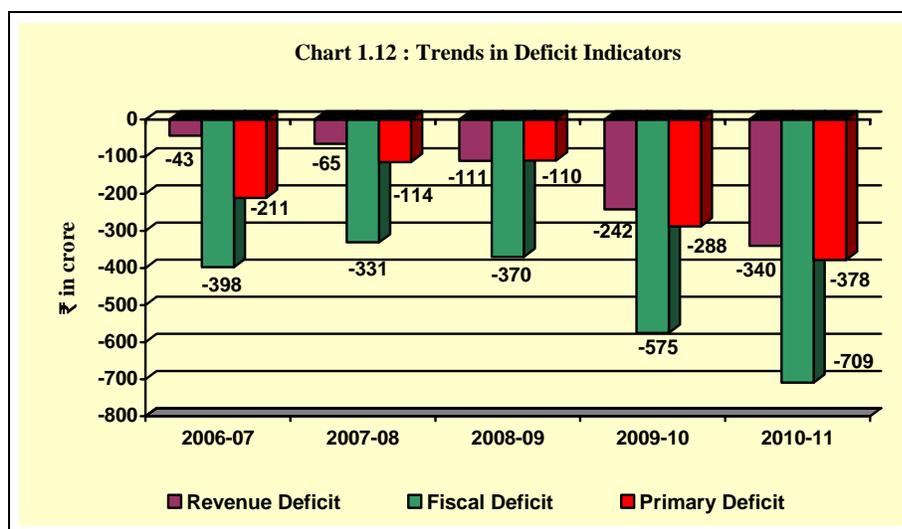
The maturity profile of the UT Government’s Public Debt indicates that nearly 25.98 per cent of the total Public Debt is repayable within next five years while 74.02 per cent of loans are required to be repaid after five years. Ideally, further borrowings in future should be made in such a way that there is no bunching of repayments in any particular year as it would cause undue stress on the budget.

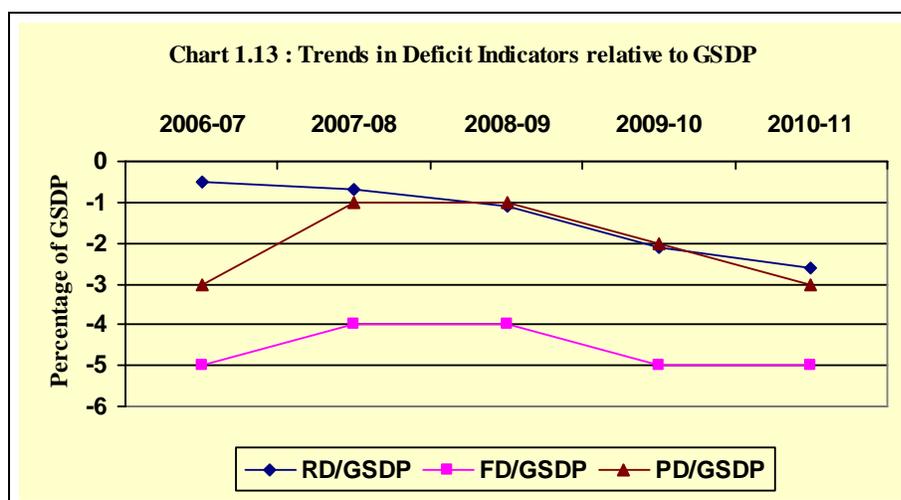
## 1.9 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the UT Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied, are important pointers to its fiscal health. This section presents the trends, nature, magnitude and manner of financing these deficits.

### 1.9.1 Trends in Deficits

Charts 1.12 and 1.13 present the trends in deficit indicators over the period 2006-11.





The revenue deficit indicates the excess of revenue expenditure over revenue receipts. As exhibited in **Chart 1.12**, revenue deficit increased continuously from 2006-07 to 2010-11. The increase of revenue deficit by ₹ 98 crore during 2010-11 was due to the increase in revenue expenditure by ₹ 457 crore against an increase in revenue receipts by ₹ 359 crore.

The fiscal deficit has increased from ₹ 398 crore in 2006-07 to ₹ 709 crore in 2010-11.

While fiscal deficit to GSDP and primary deficit to GSDP were more or less stagnant during the last five years, revenue deficit as a percentage of GSDP increased five times i.e. from 0.5 per cent in 2006-07 to 2.6 per cent in 2010-11.

### 1.9.2 Composition of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in **Table 1.15**.

**Table 1.15: Components of Fiscal Deficit and its Financing Pattern**

(₹ in crore)

| Sl. No.                                     | Particulars             | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|-------------------------|---------|---------|---------|---------|---------|
| (1)   | (2)                     | (3)     | (4)     | (5)     | (6)     | (7)     |
| <b>Decomposition of Fiscal Deficit</b>      |                         | (-) 398 | (-) 331 | (-) 370 | (-) 575 | (-) 709 |
| 1   | Revenue Deficit         | (-) 43  | (-) 65  | (-) 111 | (-) 242 | (-) 340 |
| 2   | Net Capital Expenditure | (-) 360 | (-) 275 | (-) 261 | (-) 336 | (-) 371 |
| 3   | Net Loans and Advances  | (+) 5   | (+) 9   | (+) 2   | (+) 3   | (+) 2   |
| <b>Financing Pattern of Fiscal Deficit*</b> |                         |         |         |         |         |         |
| 1   | Market Borrowings       | --      | 337     | 350     | 549     | 677     |
| 2   | Loans from GOI          | 347     | (-)21   | (-)29   | (-) 21  | 30      |

| (1) | (2)  | (3)   | (4) | (5) | (6)    | (7)     |
|-----|--|-------|-----|-----|--------|---------|
| 3   | Special Securities issued to National Small Savings Fund | --    | --  | --  | --     | --      |
| 4   | Loans from Financial Institutions                        | --    | --  | --  | --     | --      |
| 5   | Small Savings, PF etc                                    | --    | 252 | 41  | 48     | 42      |
| 6   | Deposits and Advances                                    | --    | 187 | 27  | (-) 15 | (-) 41  |
| 7   | Suspense and miscellaneous                               | --    | 239 | 98  | 147    | (-) 365 |
| 8   | Remittances  | --    | 6   | 32  | 41     | (-) 24  |
| 9   | Reserve Funds  | --    | --  | 12  | 1      | 8       |
| 10  | Overall Surplus/Deficit (cash balance)                   | (-)51 | 669 | 161 | 175    | 382     |

\*All these figures are net of disbursements/outflows during the year

(Source: Finance Accounts)

The fiscal deficit increased by ₹ 134 crore during 2010-11, mainly due to increase in revenue deficit by ₹ 98 crore. The increase in fiscal deficit, along with increase in interest payments by ₹ 44 crore, led to an increase of ₹ 90 crore in the primary deficit during the year. The UT is increasingly relying on market borrowings for financing its fiscal deficit.

### 1.9.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the UT's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. The bifurcation of the primary deficit (**Table 1.16**) would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which may have been desirable to improve the productive capacity of the UT's economy.

**Table 1.16: Primary Deficit/Surplus – Bifurcation of Factors**

(₹ in crore)

| Year    | Revenue Receipts | Recovery of Loans and Advances | Non-debt receipts | Primary Revenue Expenditure | Capital Expenditure | Loans and Advances disbursed | Primary Expenditure | Primary Revenue Deficit (-) / Surplus (+) | Primary Deficit (-) / Surplus (+) |
|---------|------------------|--------------------------------|-------------------|-----------------------------|---------------------|------------------------------|---------------------|---|-----------------------------------|
| 1       | 2                | 3                              | 4 (2+3)           | 5                           | 6                   | 7                            | 8 (5+6+7)           | 9 (2-5)                                   | 10 (4-8)                          |
| 2006-07 | 1,884            | 8                              | 1,892             | 1,740                       | 360                 | 3                            | 2,103               | 144                                       | (-) 211                           |
| 2007-08 | 2,136            | 12                             | 2,148             | 1,984                       | 275                 | 3                            | 2,262               | 152                                       | (-) 114                           |
| 2008-09 | 2,459            | 5                              | 2,464             | 2,310                       | 261                 | 3                            | 2,574               | 149                                       | (-) 110                           |
| 2009-10 | 2,841            | 38*                            | 2,879             | 2,796                       | 369                 | 2                            | 3,167               | 45  | (-) 288                           |
| 2010-11 | 3,200            | 4                              | 3,204             | 3,209                       | 371                 | 2                            | 3,582               | (-) 9                                     | (-) 378                           |

(Source: Finance Accounts)

\* Includes miscellaneous capital receipt of ₹ 33 crore

Though non-debt receipts in the past four years were enough to cover the primary revenue expenditure (PRE), the non-debt receipts for the year 2010-11 were not sufficient to cover PRE. As the receipts were not enough to cover primary revenue expenditure, there was primary deficit in all the years. The primary deficit, which was ₹ 211 crore in 2006-07 rose to ₹ 378 crore in 2010-11 mainly due to increase in primary revenue expenditure during that year. The primary revenue surplus gradually declined from 2006-07 and turned into deficit during 2010-11, indicating that revenue receipts of 2010-11 were not enough to meet the primary revenue expenditure.

## **1.10 Conclusion and Recommendations**

**Inadequate mobilization of revenue receipts:** During the year 2010-11, revenue receipts grew by 13 *per cent* whereas revenue expenditure grew by 15 *per cent*. This indicates that revenue receipts are not enough to meet revenue expenditure. *Government need to make concerted efforts to increase the revenue receipts.*

**Funds transferred directly to implementing agencies:** During 2010-11, GOI directly transferred ₹ 60.46 crore to Union Territory implementing agencies for implementation of various schemes/programmes. As these funds were not routed through the UT budget, the Annual Finance Accounts had not captured the flow of these funds and to that extent, the receipts and expenditure of the UT as well as other fiscal variables/parameters derived from them were underestimated. *Government need to ensure proper documentation and timely reporting of expenditure by the implementing agencies.*

**Arrears of revenue :** Arrears of revenue pending for collection increased from ₹ 342.06 crore in 2009-10 to 425.03 crore in 2010-11 (24.26 *per cent*) which constituted 23.39 *per cent* of the UT's own revenue and was more than the revenue deficit for the year by ₹ 84.93 crore. *The Government need to make concerted efforts to ensure that the respective departments recover the arrears of revenue.*

**High share of revenue expenditure in total expenditure:** The revenue expenditure during 2010-11 constituted 90.47 *per cent* of total expenditure and the committed expenditure constituted 46.72 *per cent* of revenue expenditure. *As such expenditure may not create useful assets, measures are to be taken to compress the revenue expenditure.*

**Inadequate priority to Development expenditure:** The Capital expenditure remained at ₹ 369 crore in 2009-10 and ₹ 371 crore in 2010-11 and the development capital expenditure as a percentage of aggregate expenditure decreased from nine in 2009-10 to eight in 2010-11. *Government should take appropriate actions to improve the capital expenditure.*

**Low return on investments:** As of 31 March 2011, the Government had invested ₹ 910.91 crore in Government companies and co-operative institutions. The return on these investments was 0.53 *per cent*, while the Government paid interest at an average rate of 7.81 *per cent* on its borrowings during 2010-11. *Government should ensure better value for its investments.*

**High ratio of fiscal liabilities to GSDP:** The outstanding fiscal liabilities increased from ₹ 3,887 crore in 2009-10 to ₹ 4,588 crore (18 *per cent*) in 2010-11 which constituted 35 *per cent* of GSDP. *Government need to set in place a strategy to limit the quantum of fiscal liabilities.*

**Increasing deficits:** The fiscal deficit increased by ₹ 134 crore during 2010-11, mainly due to increase in revenue deficit by ₹ 98 crore. The increase in fiscal deficit, along with increase in interest payments by ₹ 44 crore, led to an increase of ₹ 90 crore in the primary deficit during the year. *Government should make concerted efforts to contain the deficits.*

# **CHAPTER II**

## **FINANCIAL MANAGEMENT AND BUDGETARY CONTROL**

## CHAPTER II

### FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

#### 2.1 Introduction

**2.1.1** Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year, compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. The Appropriation Accounts thus facilitate the management of finances and monitoring of budgetary provisions and are therefore, complementary to the Finance Accounts.

**2.1.2** Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Acts and whether the expenditure required to be charged under the provisions of the Government of Union Territories Act, 1963 is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules and regulations and instructions.

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2010-11 against 41 grants/appropriations is as given in **Table 2.1**.

**Table 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/Supplementary provisions**

(₹ in crore)

|                      | Nature of expenditure    | Original grant/<br>appropriation | Supplementary grant/<br>appropriation | Total          | Actual<br>expenditure <sup>1</sup> | Saving (-)/<br>Excess (+) |
|----------------------|--------------------------|----------------------------------|---------------------------------------|----------------|------------------------------------|---------------------------|
| <b>Voted</b>         | I Revenue                | 3198.03                          | 509.48                                | 3707.51        | 3208.42                            | -499.09                   |
|                      | II Capital               | 781.15                           | 0                                     | 781.15         | 389.28                             | -391.87                   |
|                      | III Loans and Advances   | 3.05                             | 0                                     | 3.05           | 2.03                               | -1.02                     |
| <b>Total Voted</b>   |                          | <b>3982.23</b>                   | <b>509.48</b>                         | <b>4491.71</b> | <b>3599.73</b>                     | <b>-891.98</b>            |
| <b>Charged</b>       | IV Revenue               | 300.07                           | 43.49                                 | 343.56         | 343.47                             | -0.09                     |
|                      | V Capital                | 0                                | 0                                     | 0              | 0                                  | 0                         |
|                      | VI Public Debt-Repayment | 147.70                           | 0                                     | 147.70         | 147.70                             | 0                         |
| <b>Total Charged</b> |                          | <b>447.77</b>                    | <b>43.49</b>                          | <b>491.26</b>  | <b>491.17</b>                      | <b>-0.09</b>              |
| <b>Grand Total</b>   |                          | <b>4430.00</b>                   | <b>552.97</b>                         | <b>4982.97</b> | <b>4090.90</b>                     | <b>-892.07</b>            |

(Source: Appropriation Accounts and Budget documents)

The overall savings of ₹ 892.07 crore was the result of savings of ₹ 499.18 crore in 30 grants and six appropriations under the Revenue Section and ₹ 391.87 crore in 10 grants under the Capital Section and ₹ 1.02 crore in one grant and one appropriation under the Loan Section.

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Appropriations vis-à-vis Allocative Priorities

The outcome of appropriation audit revealed that savings of more than ₹ 10 crore in each case, amounting to ₹ 848.82 crore (95.15 per cent of total savings of ₹ 892.07 crore) occurred in 10 grants and the percentage of savings ranged between 10 and 63 as indicated in **Table 2.2**.

**Table 2.2: List of Grants with Savings of ₹ 10 crore and above**

(₹ in crore)

| Sl. No.              | Name of the Grant              | Original       | Supple-<br>mentary | Total          | Actual<br>Expenditure | Savings       | Percentage |
|----------------------|--------------------------------|----------------|--------------------|----------------|-----------------------|---------------|------------|
| <b>Revenue-Voted</b> |                                |                |                    |                |                       |               |            |
| 1.                   | 6 - Revenue and Food           | 136.82         | 0.00               | 136.82         | 123.76                | 13.06         | 9.54       |
| 2.                   | 9 - Secretariat                | 67.40          | 0.00               | 67.40          | 26.25                 | 41.15         | 61.05      |
| 3.                   | 10 - District Administration   | 397.43         | 0.00               | 397.43         | 185.12                | 212.31        | 53.42      |
| 4.                   | 19 - Information and Publicity | 124.07         | 0.00               | 124.07         | 77.25                 | 46.82         | 37.74      |
| 5.                   | 21 - Social Welfare            | 456.69         | 0.00               | 456.69         | 326.11                | 130.58        | 28.59      |
| 6.                   | 28 - Industries                | 94.02          | 0.00               | 94.02          | 72.64                 | 21.38         | 22.74      |
| <b>Total</b>         |                                | <b>1276.43</b> | <b>0.00</b>        | <b>1276.43</b> | <b>811.13</b>         | <b>465.30</b> |            |

<sup>1</sup> Excludes recoveries shown as reduction of expenditure

| Sl. No.              | Name of the Grant        | Original       | Supple-<br>mentary | Total          | Actual<br>Expenditure | Savings       | Percentage |
|----------------------|--------------------------|----------------|--------------------|----------------|-----------------------|---------------|------------|
| <b>Capital-Voted</b> |                          |                |                    |                |                       |               |            |
| 7.                   | 16 - Public Works        | 398.67         | 0.00               | 398.67         | 229.46                | 169.21        | 42.44      |
| 8.                   | 22 - Co-operation        | 56.83          | 0.00               | 56.83          | 23.04                 | 33.79         | 59.46      |
| 9.                   | 29 - Electricity         | 144.79         | 0.00               | 144.79         | 54.16                 | 90.63         | 62.59      |
| 10.                  | 32 - Building Programmes | 150.38         | 0.00               | 150.38         | 60.49                 | 89.89         | 59.78      |
|                      | <b>Total</b>             | <b>750.67</b>  | <b>0.00</b>        | <b>750.67</b>  | <b>367.15</b>         | <b>383.52</b> |            |
|                      | <b>Grand Total</b>       | <b>2027.10</b> | <b>0.00</b>        | <b>2027.10</b> | <b>1178.28</b>        | <b>848.82</b> |            |

(Source: Appropriation Accounts)

It was noticed that in 141 cases, savings exceeded ₹ 50 lakh in each case and by more than 20 per cent of the total provision (**Appendix 2.1**). Further in respect of 81 out of the 141 cases no expenditure was incurred against the provision of ₹ 806.99 crore. Shortfall in availing of negotiated loans for funding the Plan schemes resulted in savings.

### 2.3.2 Persistent savings

In 11 grants, during the last five years, there were persistent savings of more than ₹ 10 lakh as indicated in **Table 2.3**.

**Table 2.3: List of Grants having Persistent Savings during 2006-11**

(₹ in crore)

| Sl. No. | Grant number and name of the Grant |                           | Amount of Savings |               |               |               |               |
|---------|------------------------------------|---------------------------|-------------------|---------------|---------------|---------------|---------------|
|         |                                    |                           | 2006-07           | 2007-08       | 2008-09       | 2009-10       | 2010-11       |
|         |                                    | <b>Revenue – Voted</b>    |                   |               |               |               |               |
| 1.      | 6                                  | Revenue and Food          | 55.53             | 95.04         | 42.28         | 53.07         | 13.05         |
| 2.      | 9                                  | Secretariat               | 11.89             | 9.00          | 0.13          | 15.72         | 41.15         |
| 3.      | 10                                 | District Administration   | 104.32            | 2.34          | 31.75         | 125.48        | 212.31        |
| 4.      | 16                                 | Public Works              | 0.42              | 0.62          | 0.35          | 6.22          | 1.13          |
| 5.      | 17                                 | Education                 | 2.16              | 2.54          | 5.00          | 6.67          | 1.88          |
| 6.      | 18                                 | Medical                   | 0.86              | 0.67          | 0.20          | 0.44          | 0.68          |
| 7.      | 19                                 | Information and Publicity | 0.74              | 0.48          | 0.51          | 58.45         | 46.82         |
| 8.      | 21                                 | Social Welfare            | 1.34              | 1.94          | 131.53        | 146.23        | 130.57        |
| 9.      | 24                                 | Agriculture               | 0.20              | 0.42          | 0.20          | 7.86          | 0.39          |
| 10.     | 26                                 | Fisheries                 | 0.13              | 0.43          | 0.17          | 3.04          | 1.52          |
| 11.     | 32                                 | Building Programmes       | 2.61              | 2.15          | 3.34          | 3.70          | 2.12          |
|         |                                    | <b>Total</b>              | <b>180.20</b>     | <b>115.63</b> | <b>215.46</b> | <b>426.88</b> | <b>451.62</b> |
|         |                                    | <b>Capital – Voted</b>    |                   |               |               |               |               |
| 12.     | 16                                 | Public Works              | 243.24            | 279.97        | 88.36         | 190.82        | 169.20        |
| 13.     | 32                                 | Building Programmes       | 14.81             | 3.40          | 61.09         | 99.51         | 89.89         |
|         |                                    | <b>Total</b>              | <b>258.05</b>     | <b>283.37</b> | <b>149.45</b> | <b>290.33</b> | <b>259.09</b> |

(Source: Appropriation Accounts)

The pattern of Plan funding for the approved Plan size of ₹ 2500 crore for the Annual Plan 2010-11 comprised negotiated loan of ₹ 400 crore. However, during 2010-11, the UT Government could avail loans for ₹ 76.65 crore only from HUDCO and NABARD. GOI had notified in May 2006 that for availing loans, the consolidated debt of UT Government should be below 20 per cent of GSDP. As the consolidated debt of UT Government was more than 20 per cent (39.30 per cent) of the GSDP<sup>2</sup>, approval of GOI had to be obtained before availing any such loans. However, during the past three years 2008-11, provisions were made in the budget for various schemes anticipating availing of the proposed negotiated loans in full without getting approval of GOI in time and as a result loans could not be availed as proposed and the plan outlay was downsized as listed in the **Table 2.4**.

**Table 2.4 : Details of Negotiated loan availed during 2008-11**

(₹ in crore)

| Year         | Budget estimate | Revised Estimate | Loan availed  |
|--------------|-----------------|------------------|---------------|
| 2008-09      | 693.79          | 663.29           | --            |
| 2009-10      | 321.50          | 206.28           | 49.43         |
| 2010-11      | 400.00          | 285.00           | 76.65         |
| <b>Total</b> | <b>1415.29</b>  | <b>1154.57</b>   | <b>126.08</b> |

(Source: Draft Annual Plan 2011-12 and Budget documents)

Due to short availing of the negotiated loans, huge savings occurred in the budget provisions originally made and consequently various Plan schemes proposed could not be implemented.

During 2010-11, Plan schemes under the sectors - Urban Development, Panchayati Raj Development, Water Supply and Sanitation, Roads and Bridges etc. (Grant 10), Creation of infrastructure (Grant 16), Various information/tourism promotional activities (Grant 19), Construction of houses for Scheduled Caste people (Grant 21), Creation of infrastructural facilities for Co-operatives and for Animal Husbandry (Grant 22 and 25), Financial assistance for working capital for various textile mills and Voluntary Retirement Scheme (Grant 28), setting up of power sub-stations and erection of transmission lines (Grant 29) and Construction of buildings (Grant 32) could not be implemented due to shortfalls in availing of the negotiated loans.

### 2.3.3 Excess expenditure

In 122 sub-heads, expenditure aggregating ₹ 771.98 crore exceeded the approved provisions by ₹ 50 lakh or more in each case and by more than 20 per cent of the total provision resulting in excess expenditure of ₹ 402.68 crore (**Appendix 2.2**).

<sup>2</sup> GSDP of 2009-10 (₹ 11,255 crore)

#### **2.3.4 Excessive supplementary provision**

Supplementary provisions aggregating ₹ 51.25 crore obtained in four cases, proved excessive as the savings in each case exceeded ₹ 50 lakh as detailed in **Appendix 2.3**.

#### **2.3.5 Excessive/unnecessary re-appropriation of funds**

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. It was noticed that during 2010-11 reappropriation order was issued on 31 March 2011 for ₹ 180.75 crore. Issue of reappropriation order on the last day of the financial year dilutes the process of budget making and expenditure control. Further it also indicates that reappropriation order was issued ex post facto to cover the expenses already incurred during the year without necessary provisions in the respective heads. As a result, in 32 cases where there was no provision, expenditure of ₹ 10.07 crore was incurred towards payment of the Sixth Pay Commission arrears and on major works under CSS like establishment of fishing harbour, riverside beach development and construction of SC girls hostel without obtaining the Legislature approval. Further the re-appropriations made were proved unnecessary or excessive in 34 sub-heads, which resulted in savings of over ₹ 20.59 crore as detailed in **Appendix 2.4**. Out of this, in respect of 10 cases, no expenditure was incurred resulting in a saving of ₹ 18.30 crore.

#### **2.3.6 Substantial surrenders**

Substantial surrenders (cases where more than 50 *per cent* of the total provision was surrendered) were made in 44 sub-heads on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to ₹ 693.45 crore in these 44 sub-heads, ₹ 548.29 crore (79.05 *per cent*) were surrendered, which included *per cent per cent* surrender under 21 sub-heads (₹ 144.78 crore) as given in **Appendix 2.5**, mainly due to shortfall in obtaining negotiated loans for funding the Plan schemes.

#### **2.3.7 Anticipated savings not surrendered**

As per Rule 56 (2) of the General Financial Rules, spending departments are required to surrender the grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. During 2010-11 no part of the savings occurred in ten grants (₹ 13.92 crore) had been surrendered by the departments concerned. The details are given in **Appendix 2.6**. Similarly, out of the total savings of ₹ 746.09 crore under seven grants/appropriations (savings of ₹ one crore and above), ₹ 221.18 crore (29.65 *per cent* of total savings) were not surrendered, details of which are given in **Appendix 2.7**. This indicated inadequate financial control and non-utilisation of funds for other development purposes since the surrenders were made on the last day of the financial year.

### **2.3.8 Rush of expenditure**

According to Rule 56 (3) of the General Financial Rules, rush of expenditure, particularly in the closing months of the financial year, should be avoided. Contrary to this, in respect of 11 sub-heads listed in **Appendix 2.8**, expenditure exceeding ₹ 10 lakh and by more than 50 *per cent* of the total expenditure for the year was incurred in March 2011. Uniform flow of expenditure, which is a primary requirement of budgetary control mechanism and sound financial management, was not maintained.

Appropriate action needs to be taken to regulate and systematise the procedure to avoid heavy expenditure in the closing month of the financial year.

### **2.3.9 Expenditure on Centrally sponsored schemes**

Though the UT Government had an unspent balance of ₹ 42.28 crore under Centrally Sponsored Schemes (CSS) at the beginning of the year and ₹ 52.24 crore was received from GOI during the year, only ₹ 29 crore was provided in the budget for CSS during 2010-11. Taking into account the amount of ₹ 28 crore provided by Re-appropriation in March 2011, the total provision stood at ₹ 57 crore for 101 CSS schemes. Out of this, in respect of 73 CSS schemes which had a provision of ₹ 52.66 crore, ₹ 44.55 crore (84.60 *per cent*) was spent. It was, however, noticed that the expenditure was less than 50 *per cent* of the provisions in respect of eleven schemes and no expenditure was incurred in respect of balance 28 schemes, which had provisions amounting to ₹ 4.34 crore. Provision of funds through re-appropriation at the fag end of the financial year, despite availability of funds at the budget/supplementary stages, had led to non-implementation of schemes resulting in savings.

### **2.3.10 Short allocation for amortization of loan**

The Union Territory Government, under the guidance of the Reserve Bank of India, set up 'The Puducherry Consolidated Sinking Fund Scheme, 2009' during November 2009 for redemption of the outstanding liabilities. As per the scheme guidelines a yearly provision of not less than 0.5 *per cent* of the total liabilities at the end of the previous year was to be made towards the fund. However during 2010-11, an allocation of ₹ 8.28 crore only was made against the actual requirement of ₹ 18.37 crore. Such short allocation of fund towards amortization would pose a great strain on finances of the Union Territory Government during repayment of loans on their maturity.

## **2.4 Advance drawal of funds**

As per Rule 100(2) of the Receipts and Payments Rules 1983, no money should be drawn from the Government account unless it is required for immediate disbursement. Further, it is not permissible to draw money from the

Government account in anticipation of demands or to prevent the lapse of budget grants. Moreover, as per Rule 56(2) of GFRs, the savings as well as provision which could not be utilised should be surrendered to the Government immediately.

Test check of records of the Co-operation department (Grant No.22) revealed advance drawal of funds on 31 March 2011 and parking them outside the Government account as discussed below:

(a) An amount of ₹ 1.38 crore was provided in the Budget 2010-11 under Scheduled Caste Sub Plan for setting up of an Industrial Training Institute (ITI) by Pondicherry State Co-operative Union (PSCU). The amount was released to PSCU only on 30 March 2011 and as of December 2011 it was not utilized and kept in fixed deposits. Scrutiny of records revealed that ₹ 1.38 crore had already been released to PSCU for the same purpose on 31 March 2010. As the land identified for setting up of ITI was Government Poramboke land marked for educational institution, PSCU was awaiting for 'No objection certificate' (NOC) from the Education Department. In view of the delay in getting NOC, PSCU kept the amount of ₹ 1.38 crore released on 31 March 2010 in fixed deposits and the fact of non-utilisation has been intimated to the Department through Utilisation certificate dated 24 March 2011. However, the Department released further amount of ₹ 1.38 crore on 30 March 2011 without taking cognizance of non-utilisation of the amount released earlier. This indicates that the amount was drawn in advance to avoid lapse of grant and kept outside the Government account in violation of the provisions of GFR.

(b) A provision of ₹ 40 crore was made in the budget 2010-11 towards creation of infrastructure facilities for Co-operatives by availing Negotiated loans. Scrutiny of the records revealed that no proposal was made by the Department while forwarding the budget proposal for the year 2010-11. However, the Planning and Research Department had made the provision which was later downsized to 13.58 crore. As none of the cooperative societies came forward with necessary proposals for utilizing the provision and in view of non-materialisation of the negotiated loan as discussed in the paragraph 2.3.2, no expenditure could be incurred resulting in savings/surrender of the entire provision. Thus, provision of funds even when there were no approved proposals led to surrender/savings.

## 2.5 Conclusion and Recommendations

During 2010-11, expenditure of ₹ 4,090.90 crore was incurred against total grants and appropriations of ₹ 4,982.97 crore, resulting in a savings of ₹ 892.07 crore. There were persistent savings of more than ₹ 10 lakh in 11 grants during 2006-11. Savings of ₹ 13.92 crore effected in ten grants were not surrendered and out of the total savings of ₹ 746.09 crore in seven grants, only ₹ 524.91 crore was surrendered. In 122 cases, the expenditure exceeded the

approved provisions, resulting in excess of ₹ 402.68 crore. Even though there was no immediate requirement, ₹ 1.38 crore was drawn by the Registrar of Co-operative Societies on 30 March 2011 and kept outside the Government account in violation of the financial rules.

*Budgetary controls need to be strengthened to avoid such deficiencies in financial management, especially where savings have been observed for the last five years regularly. Drawal of money from the Government account without immediate requirement and keeping it outside the Government account should be avoided.*

# **CHAPTER III**

## **FINANCIAL REPORTING**

## CHAPTER III

### FINANCIAL REPORTING

A sound internal financial reporting system and the availability of relevant and reliable information significantly contribute to efficient and effective governance. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance are some of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist State or Union Territory Governments in meeting their basic stewardship responsibilities, including strategic planning and decision making. This chapter provides an overview and status of the Union Territory Government's compliance with various financial rules, procedures and directives during the current year.

#### 3.1 Delays in furnishing Utilisation Certificates

Rule 212 of the General Financial Rules stipulates that for grants released during a year for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees within 12 months of the closure of the financial year. However, in respect of the grants paid up to March 2010, 1504 UCs for an aggregate amount of ₹ 401.41 crore were not furnished by the grantees as of September 2011. The department-wise break-up of outstanding UCs is given in **Appendix 3.1**. The age-wise pendency in submission of UCs is summarised in **Table 3.1**.

**Table 3.1: Age-wise arrears of Utilisation Certificates**

| Sl. No. | Range of delay in number of years | Utilisation Certificates Outstanding |                     |
|---------|-----------------------------------|--------------------------------------|---------------------|
|         |                                   | Number                               | Amount (₹ in crore) |
| 1       | 0 – 1                             | 544                                  | 207.23              |
| 2       | 1 – 3                             | 496                                  | 95.60               |
| 3       | 3 – 5                             | 244                                  | 58.35               |
| 4       | 5 – 7                             | 107                                  | 17.00               |
| 5       | 7 – 9                             | 55                                   | 19.30               |
| 6       | 9 and above                       | 58                                   | 3.93                |
|         | <b>Total</b>                      | <b>1504</b>                          | <b>401.41</b>       |

(Source: Compiled from the information furnished by the heads of department)

Out of 1,504 UCs worth ₹ 401.41 crore pending as of September 2011, 1,284 UCs (85 *per cent*) involving ₹ 361.18 crore were pending for periods ranging from one to five years, while 220 UCs involving ₹ 40.23 crore were pending for more than five years. Pendency of 834 UCs for an aggregate amount of ₹ 142.21 crore and 189 UCs for an aggregate amount of ₹ 94.98 crore

pertained mainly to the Director of Local Administration and the Chief Town Planner respectively.

Non-receipt of UCs for huge amounts indicated that the departmental officers failed to ensure adherence to the terms and conditions governing release of grants by the grantee institutions. Further, in the absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which they were given.

### **3.2 Non-submission of Accounts**

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/heads of the department are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purposes for which the assistance was required and the total expenditure of these institutions.

The annual accounts of 30 autonomous bodies/authorities due up to 2009-10 had not been submitted to the Principal Accountant General (Civil Audit) as of September 2011. The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**. In addition, the list of bodies/authorities, from whom the accounts were not at all received since their inception, are given in **Appendix 3.3**.

**Table 3.2: Age-wise arrears of Annual Accounts due from Autonomous Bodies/Authorities**

| Serial Number | Pendency in number of years | Number of the Bodies/Authorities |
|---------------|-----------------------------|----------------------------------|
| 1             | 1 – 3                       | 19                               |
| 2             | 3 – 5                       | 11                               |
| 3             | 5 – 7                       | Nil                              |
| <b>Total</b>  |                             | <b>30</b>                        |

(Source: Compiled from the information furnished by the heads of department)

Due to non-receipt of annual accounts from a substantial number of autonomous bodies/authorities which received Government assistances, the Government/heads of departments could not ensure that the bodies/authorities carried out the functions for which they were established and that they utilised the Government grants for the intended purposes.

### 3.3 Non-adjustment of Temporary Advances

Drawing and Disbursing Officers (DDOs) draw temporary advances and disburse them to Government servants for the purpose of meeting contingent and miscellaneous expenditure either on the authority of standing orders or specific sanctions of the UT Government. According to Rule 292 (2) of the General Financial Rules (GFRs), adjustment bills along with balances, if any, should be submitted by the DDOs within 15 days of the drawal of advances, failing which the advances/balances would be recovered from the next salary of the Government servants.

As of 31 March 2011, advances aggregating ₹ 278.81 crore were pending for adjustment by the DDOs as per the records of the Director of Accounts and Treasuries, Puducherry. Age-wise analysis of pending advances is given in **Table 3.3**.

**Table 3.3 : Age-wise Analysis of Pending Advances**

| Sl. No       | Pendency                                    | Number of advances | Amount (₹ in crore) |
|--------------|---|--------------------|---------------------|
| 1.           | More than 10 years                          | 37                 | 1.16                |
| 2.           | More than five years but less than 10 years | 275                | 15.60               |
| 3.           | More than one year but less than five years | 688                | 158.11              |
| 4.           | Less than one year                          | 592                | 103.94              |
| <b>Total</b> |   | <b>1,592</b>       | <b>278.81</b>       |

(Source: Data furnished by the Director of Accounts and Treasuries)

The pendency indicated laxity on the part of the departmental officers in enforcing the codal provisions regarding adjustment of the advances involving substantial amounts.

### 3.4 Misappropriation, loss, defalcation, etc.

General Financial Rules 33 and 34 stipulate that heads of offices should report any loss or shortage of public moneys, property, etc., due to defalcation, misappropriation and theft to the next higher authority as well as to the Statutory Audit Officer.

The Union Territory Government departments reported 293 cases of misappropriation, loss, defalcation, etc., involving Government money amounting to ₹ 766.31 lakh up to March 2011, on which final action was pending. The department-wise break-up of the pending cases and the nature of these cases are given in **Appendix 3.4**. The age-profile of the pending

cases and the number of cases pending in each category – theft and misappropriation/loss etc., are summarised in **Table 3.4**.

**Table 3.4 : Profile of misappropriation, loss, defalcation, etc.**

| Age-Profile of the Pending Cases |                 |                             | Nature of the Pending Cases |                 |                             |
|----------------------------------|-----------------|-----------------------------|-----------------------------|-----------------|-----------------------------|
| Range in years                   | Number of cases | Amount involved (₹ in lakh) | Nature of the cases         | Number of cases | Amount involved (₹ in lakh) |
| 0 - 5                            | 24              | 392.38                      | Theft/Loss of material      | 287             | 633.05                      |
| 5 - 10                           | 78              | 358.42                      |                             |                 |                             |
| 10 - 15                          | 110             | 9.05                        | Misappropriation            | 6               | 133.26                      |
| More than 15                     | 81              | 6.46                        |                             |                 |                             |
| <b>Total</b>                     | <b>2933</b>     | <b>766.31</b>               | <b>Total</b>                | <b>2933</b>     | <b>766.31</b>               |

(Source: Compiled from the information furnished by the heads of department)

The reasons for the outstanding are given in **Table 3.5**.

**Table 3.5: Reasons for outstanding cases of misappropriation, loss, defalcation, etc.**

| Reasons for the pendency |  | Number of cases | Amount (₹ in lakh) |
|--------------------------|--|-----------------|--------------------|
| i)                       | Awaiting departmental and criminal investigation | 252             | 62.67              |
| ii)                      | Departmental actions initiated but not finalised | 13              | 3.04               |
| iii)                     | Awaiting orders for recovery or write off        | 10              | 3.31               |
| iv)                      | Pending in Courts of law                         | 18              | 697.29             |
|                          | <b>Total</b>                                     | <b>2933</b>     | <b>766.31</b>      |

(Source: Compiled from the information furnished by the heads of department)

### **3.5 Conclusion and Recommendations**

There was large scale pendency in furnishing of Utilisation Certificates by various grantee institutions for grants-in-aid of ₹ 401.41 crore. The pendency ranged from one to more than nine years. Thirty autonomous bodies/authorities had not submitted to Audit their annual accounts due for the period upto 2009-10 as of September 2011. The Union Territory Government departments reported 293 cases of misappropriation, loss, defalcation, etc., involving Government money of ₹ 7.66 crore up to March 2011. Final action

on these cases was pending for periods ranging from one to more than 15 years.

*Heads of Department should ensure prompt submission of Utilisation Certificates and annual accounts by the autonomous bodies/authorities. Government/Heads of Department should expedite orders regarding recovery, write off, etc., of the outstanding cases of misappropriation, theft, loss, etc., and initiate action for speedy enquiries into the pending cases.*

Chennai  
The

**(S. MURUGIAH)**  
Principal Accountant General (Civil Audit)  
Tamil Nadu and Puducherry

Countersigned

New Delhi  
The

**(VINOD RAI)**  
Comptroller and Auditor General of India

# **APPENDICES**

**Appendix 1.1**  
**(Reference: Page 1)**

**Part A: Profile of Union Territory of Puducherry**

**A. General Data**

| Sl.No. | Particulars  |                           | Figures                    |
|--------|--|---------------------------|----------------------------|
| 1      | Area   |                           | 480 sq.km                  |
| 2      | Population   |                           |                            |
|        | a.   | As per 2001 Census        | 9.74 lakh                  |
|        | b.   | 2011 Census (Provisional) | 12.44 lakh                 |
| 3(a)   | Density of Population ( as per 2001 census)<br>(All India Density = 325 persons per Sq.Km )              |                           | 2,034 persons<br>per Sq.km |
| (b)    | Density of Population (as per 2011 census – provisional)<br>(All India Density = 382 persons per Sq.Km ) |                           | 2,598 persons<br>per Sq.km |
| 4      | Population below poverty line<br>(All India Average = 27.5 per cent)                                     |                           | 22.4 per cent              |
| 5(a)   | Literacy (as per 2001 census)<br>(All India Average = 64.8 per cent )                                    |                           | 81.24 per cent             |
| (b)    | Literacy (as per 2011 census – provisional)<br>(All India Average = 74.0 per cent )                      |                           | 86.55 per cent             |
| 6      | Infant mortality (per 1000 live births)<br>(All India Average = 50 per 1000 live births )                |                           | 22 per 1000<br>live births |
| 7      | Life Expectancy at birth<br>(All India Average = 63.5 years)   |                           | 68.35 years                |
| 8      | Gross State Domestic Product (GSDP) 2010-2011 at current prices  |                           | ₹ 12,929 crore             |
| 9      | GSDP CAGR (2001-02 to 2010-2011)   |                           | 13.13 per cent             |
| 10     | Per capita GSDP CAGR ( 2001- 02 to 2010-11 )   |                           | 9.04 per cent              |
| 11     | GSDP CAGR (2001-02 to 2009-10)   |                           | 13.03 per cent             |
| 12     | Population growth (2000-01 to 2010-11)   |                           | 27.72 per cent             |

| <b>B. Financial data</b>             |                                     |                              |                           |
|--------------------------------------|-------------------------------------|------------------------------|---------------------------|
| <b>Particulars</b>                   |                                     | <b>Figures (in per cent)</b> |                           |
| <b>CAGR*</b>                         |                                     | <b>2001-02 to 2009-10</b>    | <b>2001-02 to 2010-11</b> |
| <b>Union Territory of Puducherry</b> |                                     |                              |                           |
| a.                                   | of Revenue Receipts                 | 12.94                        | 12.90                     |
| b.                                   | of Tax Revenue                      | 15.77                        | 16.61                     |
| c.                                   | of Non-Tax Revenue                  | 9.91                         | 10.51                     |
| d.                                   | of Total Expenditure                | 13.83                        | 13.76                     |
| e.                                   | of Capital Expenditure              | 15.20                        | 13.46                     |
| f.                                   | of Revenue Expenditure on Education | 16.18                        | 15.84                     |
| g.                                   | of Revenue Expenditure on Health    | 16.58                        | 14.96                     |
| h.                                   | of Salary                           | 16.38                        | 16.06                     |
| i.                                   | of Pension                          | 25.60                        | 20.69                     |

\*Compound Annual Growth Rate

Source: Financial data is based on information furnished by the Director of Accounts and Treasuries, Puducherry. BPL (Planning Commission & NSSO data, 61st Round), Life Expectancy at birth ( Office of the Registrar General of India; Ministry of Home Affairs; Economic Survey 2009-10); Infant mortality rate (SRS Bulletin January 2011), Density of population (Office of the Registrar General and Census Commissioner of India; Ministry of Home Affairs and Literacy (Office of the Registrar General of India; Ministry of Home Affairs).

**Appendix 1.1**  
**(Reference: Page 1)**

**Part B: Structure and Form of Government Accounts**

**Structure of Government Accounts:** The accounts of the Union Territory (UT) Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

**Part I: Consolidated Fund:** Receipts from revenues, loans and recoveries of loan and expenditure incurred with the authorisation from the Legislature shall form one consolidated fund entitled 'the Consolidated Fund of UT'.

**Part II: Contingency Fund:** Contingency Fund of the UT established under section 48(1) of the Government of the Union Territories Act, 1963 is in the nature of an imprest placed at the disposal of the Lieutenant Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

**Part III: Public Account:** Receipts and disbursements in respect of certain transactions relating to 'Debt' (other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' are recorded in the Public Account and are not subject to vote by the UT legislature.

**Appendix 1.1**  
**(Reference: Page 1)**

**Part C: Layout of Finance Accounts**

| <b>Statement<br/>(1)</b> | <b>Title<br/>(2)</b>                                    | <b>Layout<br/>(3)</b>  |
|--------------------------|---|--|
| Statement No.1           | Statement of Financial Position                         | Cumulative figures of assets and liabilities of the Government, as they stand at the end of the year, are depicted in the Statement. The assets are valued at historical cost. The assets comprise Financial Assets and Physical Assets. The latter are shown against “(i) Capital Expenditure and (ii) Other Capital Expenditure” in this Statement.  |
| Statement No.2           | Statement of Receipts and Disbursements                 | This is a summarised Statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government account is kept, namely, consolidated fund, contingency fund and public account. Further within the consolidated fund, receipts and expenditure on revenue and capital account are depicted distinctly.   |
| Statement No.3           | Statement of Receipts (Consolidated Fund)               | This statement comprises revenue and capital receipts and receipts from borrowings of the Government consisting of loans from the Government of India, other institutions, market loans raised by the Government and recoveries on account of loans and advances made by the Government.   |
| Statement No.4           | Statement of Expenditure (Consolidated Fund)            | This Statement not only gives expenditure by function (activity) but also summarises expenditure by nature of activity (objects of expenditure).   |
| Statement No. 5          | Statement of Progressive Capital expenditure            | This Statement details progressive capital expenditure by functions, the aggregate of which is depicted in statement 1.  |
| Statement No.6           | Statement of Borrowings and other Liabilities           | Borrowings of the Government comprise market loans raised by it (internal debt) and Loans and Advances received from the Government of India. Both these together form the public debt of the Union Territory Government. In addition, this summary statement depicts ‘other liabilities’ which are the balances under various sectors in the Public Account. In respect of the latter, the Government as a trustee or custodian of the funds, hence these constitute liabilities of the Government. The Statement also contains an Explanatory Note, i.e., a note on the quantum of net interest charges met from Revenue Receipts. |
| Statement No.7           | Statement of Loans and Advances given by the Government | The loans and advances given by the Union Territory Government are depicted in Statement 1 and recoveries, disbursements feature in Statements 2, 3 and 4. Here, loans and advances are summarised sector and loanee group wise. This is followed by a note on the recoveries in arrear in respect of loans, details of which are maintained by the Union Territory departments.   |
| Statement No.8           | Statement of Grants-in-aid given by the Government      | Presents grantee institutions group-wise. It includes a note on grants given in kind also.   |

| (1)             | (2)  | (3)  |
|-----------------|--|--|
| Statement No.9  | Statement of Guarantees given by the Government  | Guarantees given by the Union Territory Government for repayment of loans, etc., raised by Statutory Corporations, Government Companies, Local Bodies and other institutions during the year and sums guaranteed outstanding as at the end of the year are presented in this Statement.    |
| Statement No.10 | Statement of Voted and Charged Expenditure   | This Statement presents details of voted and charged expenditure of the Government.  |
| Statement No.11 | Detailed Statement of Revenue and Capital Receipts by minor heads                                    | This Statement presents the revenue and capital receipts of the Government in detail.  |
| Statement No.12 | Detailed Statement of Revenue Expenditure by minor heads   | This statement presents the details of revenue expenditure of the Government in detail. Non-Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available.   |
| Statement No.13 | Detailed Statement of Capital Expenditure  | This Statement presents the details of capital expenditure of the Government in detail. Non-Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available. Cumulative capital expenditure upto the end of the year is also depicted. |
| Statement No.14 | Detailed Statement of Investments of the Government  | The position of Government Investment in the share capital of different concerns is depicted in this statement for the current and previous year. Details include type of shares held, face value, dividend received etc.  |
| Statement No.15 | Detailed Statement on Borrowings and other Liabilities   | Details of borrowings (market loans raised by the Government and Loans etc., from GOI) by minor heads, the maturity and repayment profile of all loans is provided in this Statement. This is the detailed statement corresponding to statement 6.   |
| Statement No.16 | Detailed Statement on Loans and Advances made by Government  | The details of loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc., is presented in this Statement. It also presents plan loans separately. This is the detailed Statement corresponding to Statement 7.          |
| Statement No.17 | Detailed Statement on Sources and Application of funds for expenditure other than on Revenue Account | The capital and other expenditure (other than on revenue account) and the sources of fund for the expenditure are depicted in this Statement.  |
| Statement No.18 | Detailed Statement on Contingency Fund and Public Account transactions                               | The Statement shows changes in Contingency Fund during the year, the appropriations to the Fund, expenditure, amount recouped etc. It also depicts the transactions in Public Account in detail.   |
| Statement No.19 | Detailed Statement on Investments of Earmarked Funds   | This Statement shows the details of investment out of Reserve Funds in Public Account.   |

**Appendix 1.2  
(Reference: Page 1)**

**Methodology adopted for the Assessment of Fiscal Position**

Assuming that GSDP is the good indicator of the performance of the Union Territory's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy co-efficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The trends in GSDP for the last five years are indicated below:

**Trends in Gross State Domestic Product (GSDP)**

|  | 2006-07 | 2007-08 | 2008-09 | 2009-10<br>(P) | 2010-11<br>(QE) |
|--|---------|---------|---------|----------------|-----------------|
| Gross State Domestic Product (₹ in crore)  | 8335    | 9251    | 10,050  | 11,344         | 12,929          |
| Growth rate of GSDP  | 4.49    | 10.98   | 8.64    | 12.88          | 13.97           |
| <i>Source:</i> Directorate of Economics and Statistics, Government of Puducherry                                 |         |         |         |                |                 |
| P: Provisional; QE: Quick Estimate   |         |         |         |                |                 |
| * GSDP for 2005-06 was ₹ 7,977 crore and it increased to ₹ 8,335 crore in 2006-07 (an increase of 4.49 per cent) |         |         |         |                |                 |

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

| <b>Terms</b>  | <b>Basis of calculation</b>  |
|---|--|
| Buoyancy of a parameter   | Rate of Growth of the parameter/<br>GSDP Growth  |
| Buoyancy of a parameter (X) with respect to another parameter (Y) | Rate of Growth of parameter (X)/<br>Rate of Growth of parameter (Y)  |
| Rate of Growth (ROG)  | [(Current year Amount /Previous year Amount)-1]* 100   |
| Development Expenditure   | Social Services + Economic Services  |
| Interest spread   | GSDP growth –Average Interest Rate   |
| Interest received as <i>per cent</i> to Loans Outstanding         | Interest Received/ [(Opening balance + Closing balance of Loans and Advances) / 2]*100   |
| Revenue Deficit   | Revenue Receipt – Revenue Expenditure  |
| Fiscal Deficit  | Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts   |
| Primary Deficit   | Fiscal Deficit – Interest payments   |
| Weighted Interest Rate (Average interest paid by the UT)          | Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities) / 2]*100  |
| GSDP  | GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production                                       |
| Balance from Current Revenue (BCR)                                | Revenue Receipts minus all Plan grants (under Major Head 1601 – 02, 03, 04) and Non-Plan revenue expenditure excluding debit under 2048 – Appropriation for Reduction or Avoidance of Debt |

**Appendix 1.3**  
(Reference: Paragraphs 1.3 and 1.7.2; Pages 1, 6 and 20)

**Time series data on the Union Territory Government finances**

(₹ in crore)

|   | 2006-2007        | 2007-2008         | 2008-2009         | 2009-10          | 2010-11          |
|---|------------------|-------------------|-------------------|------------------|------------------|
| (1)   | (2)              | (3)               | (4)               | (5)              | (6)              |
| <i>Part A. Receipts</i>                                       |                  |                   |                   |                  |                  |
| <b>1. Revenue Receipts</b>                                    | <b>1,884(81)</b> | <b>2,136 (62)</b> | <b>2,459 (70)</b> | <b>2,841(65)</b> | <b>3,200(72)</b> |
| <b>(i) Tax Revenue</b>  | <b>570(30)</b>   | <b>653 (31)</b>   | <b>725 (29)</b>   | <b>868(31)</b>   | <b>1,074(34)</b> |
| Taxes on Agricultural Income                                  | --               | --                | --                | --               | --               |
| Taxes on Sales, Trade, etc                                    | 365              | 355               | 382               | 453              | 595              |
| State Excise  | 144              | 224               | 280               | 329              | 379              |
| Taxes on Vehicles   | 29               | 32                | 32                | 35               | 48               |
| Stamps and Registration fees                                  | 31               | 41                | 31                | 50               | 51               |
| Land Revenue  | 1                | 1                 | --                | 1                | 1                |
| Taxes on Goods and Passengers                                 | --               | --                | --                | -                | ----             |
| Other Taxes   | --               | --                | --                | -                |                  |
| <b>(ii) Non-Tax Revenue</b>                                   | <b>550(29)</b>   | <b>626 (29)</b>   | <b>629 (26)</b>   | <b>643(23)</b>   | <b>743 (23)</b>  |
| <b>(iii) State's share of Union taxes and duties</b>          | <b>--</b>        | <b>--</b>         | <b>--</b>         | <b>--</b>        | <b>--</b>        |
| <b>(iv) Grants-in-aid from Government of India</b>            | <b>764(41)</b>   | <b>857 (40)</b>   | <b>1,105 (45)</b> | <b>1,330(46)</b> | <b>1,383(43)</b> |
| <b>2. Miscellaneous Capital Receipts</b>                      | <b>--</b>        | <b>--</b>         | <b>--</b>         | <b>33(1)</b>     | <b>--</b>        |
| <b>3. Recoveries of Loans and Advances</b>                    | <b>8</b>         | <b>12</b>         | <b>5</b>          | <b>5</b>         | <b>4</b>         |
| <b>4. Total Revenue and Non-debt capital receipts (1+2+3)</b> | <b>1,892</b>     | <b>2,148</b>      | <b>2,464</b>      | <b>2,879</b>     | <b>3,204</b>     |
| <b>5. Public Debt Receipts</b>                                | <b>444(19)</b>   | <b>425 (12)</b>   | <b>444 (13)</b>   | <b>659(15)</b>   | <b>854(19)</b>   |
| Internal Debt and market loan                                 | --               | 337               | 350               | 549              | 677              |
| Net transactions under Ways and Means Advances and Overdrafts | --               | --                | --                | --               | --               |
| Loans and Advances from Government of India                   | 444              | 88                | 94                | 110              | 177              |
| <b>6. Total Receipts in the Consolidated Fund (4+5)</b>       | <b>2,336</b>     | <b>2,573</b>      | <b>2,908</b>      | <b>3,538</b>     | <b>4,058</b>     |
| <b>7. Contingency Fund Receipts</b>                           | <b>--</b>        | <b>--</b>         | <b>--</b>         | <b>--</b>        | <b>--</b>        |
| <b>8. Public Account Receipts</b>                             | <b>--</b>        | <b>898 (26)</b>   | <b>610 (17)</b>   | <b>836(19)</b>   | <b>393 (9)</b>   |
| <b>9. Total Receipts of the UT (6+7+8)</b>                    | <b>2,336</b>     | <b>3,471</b>      | <b>3,518</b>      | <b>4,374</b>     | <b>4,451</b>     |
| <i>Part B. Expenditure/Disbursement</i>                       |                  |                   |                   |                  |                  |
| <b>10. Revenue Expenditure</b>                                | <b>1,927(81)</b> | <b>2,201 (79)</b> | <b>2,570 (77)</b> | <b>3,083(70)</b> | <b>3,540(73)</b> |
| (i) Plan  | 698(36)          | 844 (38)          | 823 (32)          | 1,088 (35)       | 1221(34)         |
| (ii) Non-Plan   | 1,229(64)        | 1,357 (62)        | 1,747 (68)        | 1,995 (65)       | 2319(66)         |

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| (1)   | (2)            | (3)             | (4)             | (5)                | (6)            |
|---|----------------|-----------------|-----------------|--------------------|----------------|
| (iii) General Services (including interest payments)              | 463            | 538             | 681             | 871                | 865            |
| (iv) Social Services  | 701            | 851             | 959             | 1,265              | 1,379          |
| (v) Economic Services   | 759            | 808             | 926             | 943                | 1,292          |
| (vi) Grants-in-aid and contributions                              | 4              | 4               | 4               | 4                  | 4              |
| <b>11. Capital Expenditure</b>                                    | <b>360(15)</b> | <b>275 (10)</b> | <b>261 (8)</b>  | <b>369(8)</b>      | <b>371(8)</b>  |
| (i) Plan  | 356            | 268 (97)        | 254 (97)        | 373                | 369(99)        |
| (ii) Non-Plan   | 4              | 7 (3)           | 7(3)            | (-) <sup>4</sup> & | 2(1)           |
| (iii) General Services  | 33             | 34              | 33              | 44                 | 51             |
| (iv) Social Services  | 75             | 60              | 76              | 82                 | 103            |
| (v) Economic Services   | 252            | 181             | 152             | 243                | 217            |
| <b>12. Disbursement of Loans and Advances</b>                     | <b>3(0)</b>    | <b>3</b>        | <b>3</b>        | <b>2</b>           | <b>2</b>       |
| <b>13. Total (10+11+12)</b>                                       | <b>2,290</b>   | <b>2,479</b>    | <b>2,834</b>    | <b>3,454</b>       | <b>3,913</b>   |
| <b>14. Repayments of Public Debt</b>                              | <b>97(4)</b>   | <b>109 (4)</b>  | <b>123 (3)</b>  | <b>131(3)</b>      | <b>148(3)</b>  |
| Internal Debt (excluding Ways and Means Advances and Overdrafts)  | --             | --              | --              | --                 | --             |
| Net transactions under Ways and Means Advances and Overdraft      | --             | --              | --              | --                 | --             |
| Loans and Advances from Government of India                       | 97             | 109             | 123             | 131                | 148            |
| <b>15. Appropriation to Contingency Fund</b>                      | <b>--</b>      | <b>--</b>       | <b>--</b>       | <b>--</b>          | <b>--</b>      |
| <b>16. Total disbursement out of Consolidated Fund (13+14+15)</b> | <b>2,387</b>   | <b>2,588</b>    | <b>2,957</b>    | <b>3,585</b>       | <b>4,061</b>   |
| <b>17. Contingency Fund disbursements</b>                         | <b>--</b>      | <b>--</b>       | <b>--</b>       | <b>--</b>          | <b>--</b>      |
| <b>18. Public Account disbursements</b>                           | <b>--</b>      | <b>214 (7)</b>  | <b>400 (12)</b> | <b>613 (19)</b>    | <b>772(16)</b> |
| <b>19. Total disbursement by the UT (16+17+18)</b>                | <b>2,387</b>   | <b>2,802</b>    | <b>3,357</b>    | <b>4,198</b>       | <b>4,833</b>   |
| <i>Part C. Deficits</i>   |                |                 |                 |                    |                |
| <b>20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)</b>          | <b>(-) 43</b>  | <b>(-) 65</b>   | <b>(-) 111</b>  | <b>(-)242</b>      | <b>(-)340</b>  |
| <b>21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)</b>           | <b>(-) 398</b> | <b>(-) 331</b>  | <b>(-) 370</b>  | <b>(-)575</b>      | <b>(-)709</b>  |
| <b>22. Primary Deficit (21+23)</b>                                | <b>(-) 211</b> | <b>(-) 114</b>  | <b>(-) 110</b>  | <b>(-)288</b>      | <b>(-)378</b>  |
| <i>Part D. Other data</i>   |                |                 |                 |                    |                |
| <b>23. Interest Payments (included in revenue expenditure)</b>    | <b>187</b>     | <b>217</b>      | <b>260</b>      | <b>287</b>         | <b>331</b>     |
| <b>24. Financial Assistance to local bodies etc.,</b>             | <b>260</b>     | <b>281</b>      | <b>327</b>      | <b>453</b>         | <b>559</b>     |

& Minus expenditure is due to value of issue of stock was more than the value of purchase

| (1)  | (2)              | (3)              | (4)              | (5)              | (6)               |
|--|------------------|------------------|------------------|------------------|-------------------|
| <b>25. Ways and Means Advances/Overdraft availed (days)</b>            | --               | --               | --               | --               | --                |
| Ways and Means Advances availed (days)                                 | --               | --               | --               | --               | --                |
| Overdraft availed (days)   | --               | --               | --               | --               | --                |
| <b>26. Interest on Ways and Means Advances/Overdraft</b>               |                  |                  |                  |                  |                   |
| <b>27. Gross State Domestic Product (GSDP)<sup>@</sup></b>             | <b>8,335</b>     | <b>9,251</b>     | <b>10,050</b>    | <b>11,344</b>    | <b>12,929</b>     |
| <b>28. Outstanding Fiscal liabilities (year end)</b>                   | 2,168*           | 2,923            | 3,325            | 3,887            | 4,588             |
| <b>29. Outstanding guarantees (year end) (including interest)</b>      | <b>4</b>         | <b>7</b>         | <b>6</b>         | <b>12</b>        | <b>8</b>          |
| <b>30. Maximum amount guaranteed (year end)</b>                        | <b>34</b>        | <b>21</b>        | <b>21</b>        | <b>21</b>        | <b>21</b>         |
| <b>31. Number of incomplete projects</b>                               | <b>65</b>        | <b>85</b>        | <b>107</b>       | <b>97</b>        | <b>110</b>        |
| <b>32. Capital blocked in incomplete projects</b>                      | <b>93</b>        | <b>129</b>       | <b>138</b>       | <b>153</b>       | <b>109</b>        |
| <b>Part E: Fiscal Health Indicators</b>                                |                  |                  |                  |                  |                   |
| <b>I Resource Mobilization</b>   |                  |                  |                  |                  |                   |
| Own Tax revenue/GSDP   | 0.07             | 0.07             | 0.07             | 0.08             | 0.08              |
| Own Non-Tax Revenue/GSDP   | 0.07             | 0.07             | 0.06             | 0.06             | 0.06              |
| Central Transfers/GSDP   | --               | --               | --               | --               | --                |
| <b>II Expenditure Management</b>                                       |                  |                  |                  |                  |                   |
| Total Expenditure/GSDP   | <b>0.27</b>      | <b>0.27</b>      | <b>0.28</b>      | <b>0.30</b>      | <b>0.30</b>       |
| Total Expenditure/Revenue Receipts                                     | <b>1.22</b>      | <b>1.16</b>      | <b>1.15</b>      | <b>1.21</b>      | <b>1.22</b>       |
| Revenue Expenditure/Total Expenditure                                  | <b>0.84</b>      | <b>0.88</b>      | <b>0.91</b>      | <b>0.89</b>      | <b>0.90</b>       |
| Expenditure on Social Services/Total Expenditure                       | <b>0.33</b>      | <b>0.37</b>      | <b>0.37</b>      | <b>0.39</b>      | <b>0.38</b>       |
| Expenditure on Economic Services/Total Expenditure                     | <b>0.44</b>      | <b>0.40</b>      | <b>0.38</b>      | <b>0.34</b>      | <b>0.38</b>       |
| Capital Expenditure/Total Expenditure                                  | <b>0.16</b>      | <b>0.11</b>      | <b>0.09</b>      | <b>0.10</b>      | <b>0.09</b>       |
| Capital Expenditure on Social and Economic Services/Total Expenditure. | <b>0.14</b>      | <b>0.10</b>      | <b>0.08</b>      | <b>0.09</b>      | <b>0.08</b>       |
| <b>III Management of Fiscal Imbalances</b>                             |                  |                  |                  |                  |                   |
| Revenue deficit (surplus)/GSDP   | <b>(-) 0.005</b> | <b>(-) 0.007</b> | <b>(-) 0.011</b> | <b>(-) 0.021</b> | <b>(-) 0.026</b>  |
| Fiscal deficit/GSDP  | <b>(-) 0.05</b>  | <b>(-) 0.04</b>  | <b>(-) 0.04</b>  | <b>(-) 0.05</b>  | <b>(-) 0.05</b>   |
| Primary Deficit (surplus) /GSDP  | <b>(-) 0.03</b>  | <b>(-) 0.01</b>  | <b>(-) 0.01</b>  | <b>(-) 0.02</b>  | <b>(-) 0.03</b>   |
| Revenue Deficit/Fiscal Deficit   | <b>0.11</b>      | <b>0.20</b>      | <b>0.30</b>      | <b>0.42</b>      | <b>0.48</b>       |
| Primary Revenue Balance/GSDP   | <b>0.02</b>      | <b>0.02</b>      | <b>0.01</b>      | <b>0.004</b>     | <b>(-) 0.0006</b> |

@ GSDP figures communicated by the Government adopted.

\* Does not include Public Account liabilities as Public Accounts of Puducherry Government was opened only during 2007-08 and previously it was a part of GOI Accounts.

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| (1)   | (2)         | (3)             | (4)              | (5)             | (6)             |
|---|-------------|-----------------|------------------|-----------------|-----------------|
| <b>IV Management of Fiscal Liabilities</b>                    |             |                 |                  |                 |                 |
| Fiscal Liabilities/GSDP                                       | <b>0.26</b> | <b>0.32</b>     | <b>0.33</b>      | <b>0.34</b>     | <b>0.35</b>     |
| Fiscal Liabilities/RR   | <b>1.15</b> | <b>1.37</b>     | <b>1.35</b>      | <b>1.37</b>     | <b>1.43</b>     |
| Primary deficit <i>vis-à-vis</i> quantum spread               | <b>2.37</b> | <b>(-) 2.15</b> | <b>(-) 13.75</b> | <b>(-) 1.76</b> | <b>(-) 1.58</b> |
| Debt Redemption (Principal +Interest)/<br>Total Debt Receipts | <b>0.64</b> | <b>0.76</b>     | <b>0.82</b>      | <b>0.60</b>     | <b>0.52</b>     |
| <b>V Other Fiscal Health Indicators</b>                       |             |                 |                  |                 |                 |
| Return on Investment (₹ in crore)                             | <b>1.03</b> | <b>3.68</b>     | <b>4.15</b>      | <b>6.39</b>     | <b>4.84</b>     |
| Balance from Current Revenue<br>(₹ in crore)                  | <b>383</b>  | <b>454</b>      | <b>628</b>       | <b>601</b>      | <b>629</b>      |
| Financial Assets/Liabilities                                  | <b>1.15</b> | <b>1.08</b>     | <b>1.04</b>      | <b>0.97</b>     | <b>0.91</b>     |

Figures in brackets represent percentages (rounded) to total of each sub-heading

**Appendix 1.4**  
**(Reference: Paragraph 1.1; Page 1)**

**Part A: Abstract of Receipts and Disbursements for the year 2010-11**

(₹ in crore)

| 2009-10         |           | Receipts   |                 | 2010-11         | 2009-10         |           | Disbursements   | Non-Plan        | Plan            | Total           | 2010-11         |
|-----------------|-----------|--|-----------------|-----------------|-----------------|-----------|---|-----------------|-----------------|-----------------|-----------------|
|                 |           | <b>Section-A:<br/>Revenue</b>                            |                 |                 |                 |           |   |                 |                 |                 |                 |
| <b>2,841.32</b> | <b>I</b>  | <b>Revenue receipts</b>                                  |                 | <b>3200.04</b>  | <b>3,083.45</b> | <b>I</b>  | <b>Revenue expenditure-</b>   | <b>2,319.24</b> | <b>1,220.90</b> | <b>3,540.14</b> | <b>3,540.14</b> |
| 867.74          |           | -Tax revenue   | 1,074.47        |                 | 871.20          |           | <b>General services</b>   | <b>832.52</b>   | <b>32.52</b>    | <b>865.04</b>   | <b>865.04</b>   |
|                 |           |  |                 |                 | 1,264.68        |           | <b>Social Services-</b>   | <b>578.00</b>   | <b>800.45</b>   | <b>1,378.45</b> | <b>1,378.45</b> |
| 642.92          |           | -Non-tax revenue   | 742.78          |                 |                 |           | -Education, Sports, Art and Culture                                       | 305.75          | 210.26          | 516.01          |                 |
|                 |           |  |                 |                 |                 |           | -Health and Family Welfare  | 133.88          | 146.88          | 280.76          |                 |
|                 |           | -State's share of Union Taxes                            |                 |                 |                 |           | -Water Supply, Sanitation, Housing and Urban Development                  | 31.64           | 130.33          | 161.97          |                 |
| 1,330.66        |           | Grants-in-aid from GOI                                   | <b>1,382.79</b> |                 |                 |           | -Information and Broadcasting   | 2.00            | 1.67            | 3.67            |                 |
| 1,072.26        |           | -Non-Plan grants   | 1,123.11        |                 |                 |           | -Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes | 15.29           | 134.11          | 149.40          |                 |
| 218.73          |           | -Grants for UT Plan Schemes                              | 207.44          |                 |                 |           | -Labour and labour Welfare  | 11.74           | 8.21            | 19.95           |                 |
|                 |           |  |                 |                 |                 |           | -Social Welfare and Nutrition   | 75.31           | 166.50          | 241.81          |                 |
| 39.67           |           | -Grants for Central and Centrally sponsored Plan Schemes | 52.24           |                 |                 |           | -Others   | 2.39            | 2.49            | 4.88            |                 |
|                 |           |  |                 |                 | 943.10          |           | <b>Economic Services-</b>   | <b>904.25</b>   | <b>387.93</b>   | <b>1,292.18</b> | <b>1,292.18</b> |
|                 |           |  |                 |                 |                 |           | -Agriculture and Allied Activities  | 81.63           | 118.19          | 199.82          |                 |
|                 |           |  |                 |                 |                 |           | -Rural Development  | 9.10            | 21.53           | 30.63           |                 |
|                 |           |  |                 |                 |                 |           | -Special Areas Programmes   | --              | 29.20           | 29.20           |                 |
|                 |           |  |                 |                 |                 |           | -Irrigation and Flood control   | 10.38           | 11.65           | 22.03           |                 |
|                 |           |  |                 |                 |                 |           | -Energy   | 775.60          | 7.48            | 783.08          |                 |
|                 |           |  |                 |                 |                 |           | -Industry and Minerals  | 2.89            | 79.41           | 82.30           |                 |
|                 |           |  |                 |                 |                 |           | -Transport  | 12.10           | 32.71           | 44.81           |                 |
|                 |           |  |                 |                 |                 |           | -Science, Technology and Environment                                      | 0.23            | 2.43            | 2.66            |                 |
|                 |           |  |                 |                 |                 |           | -General Economic Services  | 12.32           | 85.33           | 97.65           |                 |
|                 |           |  |                 |                 | 4.47            |           | <b>Grants-in-aid and Contributions-</b>                                   | <b>4.47</b>     |                 | <b>4.47</b>     | <b>4.47</b>     |
| <b>242.13</b>   | <b>II</b> | Revenue deficit carried over to Section B                |                 | <b>340.10</b>   |                 | <b>II</b> | Revenue Surplus carried over to Section B                                 |                 |                 |                 |                 |
| <b>3,083.45</b> |           | <b>Total</b>   |                 | <b>3,540.14</b> | <b>3,083.45</b> |           | <b>Total</b>  |                 |                 |                 | <b>3,540.14</b> |

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|          |     | Receipts  |      |          |        | Disbursements |   |             |               |               |        |
|----------|-----|---|------|----------|--------|---------------|---|-------------|---------------|---------------|--------|
|          |     | Section-B : Others  |      |          |        |               |   |             |               |               |        |
| 1,022.86 | III | Opening Cash balance including Permanent Advances and Cash Balance Investment |      | 1210.33* | ..     | III           | Opening Overdraft from Reserve Bank of India                              |             |               |               |        |
| 33.26    | IV  | Miscellaneous Capital receipts  |      |          | 369.04 | IV            | Capital Outlay-   |             |               | 371.09        | 371.09 |
|          |     |   |      |          | 44.15  |               | <b>General Services-</b>  | --          | 51.51         | <b>51.51</b>  |        |
|          |     |   |      |          | 81.83  |               | <b>Social Services-</b>   | --          | 102.81        | <b>102.81</b> |        |
|          |     |   |      |          |        |               | -Education, Sports, Art and Culture                                       |             | 21.63         | 21.63         |        |
|          |     |   |      |          |        |               | -Health and Family Welfare  |             | 9.53          | 9.53          |        |
|          |     |   |      |          |        |               | -Water Supply, Sanitation, Housing and Urban Development                  |             | 69.62         | 69.62         |        |
|          |     |   |      |          |        |               | -Information and Broadcasting   |             | --            | --            |        |
|          |     |   |      |          |        |               | -Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes |             | 1.21          | 1.21          |        |
|          |     |   |      |          |        |               | -Social Welfare and Nutrition   |             | 0.43          | 0.43          |        |
|          |     |   |      |          |        |               | -Others   |             | 0.39          | 0.39          |        |
|          |     |   |      |          | 243.06 |               | <b>Economic Services-</b>   | 1.73        | 215.04        | <b>216.77</b> |        |
|          |     |   |      |          |        |               | -Agriculture and Allied Activities  | --          | 9.08          | 9.08          |        |
|          |     |   |      |          |        |               | -Rural Development  | --          | --            | --            |        |
|          |     |   |      |          |        |               | -Special Areas Programmes   | --          | --            | --            |        |
|          |     |   |      |          |        |               | -Irrigation and Flood Control   | --          | 24.41         | 24.41         |        |
|          |     |   |      |          |        |               | -Energy   | 1.73        | 39.87         | 41.60         |        |
|          |     |   |      |          |        |               | -Industry and Minerals  | --          | 30.01         | 30.01         |        |
|          |     |   |      |          |        |               | -Transport  | --          | 92.51         | 92.51         |        |
|          |     |   |      |          |        |               | -General Economic Services  | --          | 19.16         | 19.16         |        |
|          |     |   |      |          |        |               | <b>Total</b>  | <b>1.73</b> | <b>369.36</b> | <b>371.09</b> |        |
| 4.76     | V   | Recoveries of Loans and Advances-   |      | 4.21     | 2.17   | V             | Loans and Advances disbursed-   |             |               |               | 2.03   |
|          |     | -From Power Projects  |      |          |        |               | -For Power Projects   |             |               |               |        |
|          |     | -From Government Servants   | 4.03 |          |        |               | -To Government Servants   | 2.03        |               | 2.03          |        |
|          |     | -From Others  | 0.18 |          |        |               | -To Others  |             |               |               |        |
|          | VI  | Revenue Surplus brought down  |      |          | 242.13 | VI            | Revenue Deficit brought down  |             |               |               | 340.10 |

\* Opening cash balance for 2010-11 differs from closing cash balance of previous year (₹ 1,198.04 crore) as the permanent imprest balance of ₹ 0.32 crore was omitted to be included and investment of earmarked funds of ₹ 11.97 crore was shown separately.

|          |      | Receipts   |         |          | Disbursements |      |  |  |          |
|----------|------|--|---------|----------|---------------|------|--|--|----------|
| 659.45   | VII  | Public debt receipts-                            |         | 854.03   | 131.14        | VII  | Repayment of Public debt-  |  | 147.70   |
|          |      | -External debt                                   |         |          |               |      | -External debt   |  |          |
|          |      | -Internal debt                                   | 676.65  |          |               |      | -Internal debt   |  |          |
|          |      | - Net transactions under Ways and Means Advances | 177.38  | ..       | ..            |      | - Net transactions under Ways and Means Advances                 |  |          |
|          |      | - Net transactions under overdraft               |         | ..       |               |      | -Repayment of Loans and Advances to Central Government           |  | 147.70   |
|          |      | -Loans and Advances from Central Government      |         | ..       |               |      |  |  |          |
|          | VIII | Appropriation to Contingency Fund                |         | ..       |               | VIII | Appropriation to Contingency Fund                                |  |          |
|          | IX   | Amount transferred to Contingency Fund           |         | ..       |               | IX   | Expenditure from Contingency Fund                                |  |          |
| 835.54   | X    | Public Account receipts-                         |         | 392.85   | 613.35        | X    | Public Account disbursements-                                    |  | 771.99   |
| 215.33   |      | -Small Savings and Provident Funds               | 233.27  |          |               |      | -Small Savings and Provident Funds                               |  | 191.68   |
| 12.96    |      | -Reserve Funds                                   | 8.28    |          |               |      | -Reserve Funds   |  | --       |
| 145.39   |      | -Suspense and Miscellaneous                      | -365.13 |          |               |      | -Suspense and Miscellaneous                                      |  | -1.02    |
| 343.41   |      | -Remittance                                      | 426.50  |          |               |      | -Remittances   |  | 450.71   |
| 118.45   |      | -Deposits and Advances                           | 89.93   |          |               |      | -Deposits and Advances   |  | 130.62   |
|          | XI   | Closing Overdraft from Reserve Bank of India     |         |          | 1,198.04      | XI   | Cash Balance at end-   |  | 828.51   |
|          |      |  |         |          |               |      | -Cash in Treasuries and Local Remittances                        |  | 3.07     |
|          |      |  |         |          |               |      | -Deposits with Reserve Bank                                      |  | 0.15     |
|          |      |  |         |          |               |      | -Departmental Cash Balance including permanent Advances          |  | 0.77     |
|          |      |  |         |          |               |      | -Cash Balance Investment including investment of earmarked funds |  | 824.52   |
| 2,555.87 |      | <b>Total</b>                                     |         | 2,461.42 | 2,555.87      |      | <b>Total</b>   |  | 2,461.42 |

**Appendix 1.4**  
**(Reference: Paragraph 1.7.1 ; Page 19)**

**Part B: Summarised financial position of the Government  
of Union Territory of Puducherry as on 31 March 2011**

(₹ in crore)

| As on 31 March 2010 | Liabilities  | As on 31 March 2011 |                  |
|---------------------|--|---------------------|------------------|
| (1)                 | (2)  | (3)                 |                  |
| <b>1,236.86</b>     | <b>Internal Debt -</b>                                 |                     | <b>1,913.48</b>  |
| 1,187.43            | Market Loans bearing interest                          | 1,787.43            |                  |
| --                  | Market Loans not bearing interest                      |                     |                  |
| --                  | Loans from Life Insurance Corporation of India         |                     |                  |
| 49.43               | Loans from other Institutions                          | 126.05              |                  |
| --                  | Ways and Means Advances                                |                     |                  |
| --                  | Overdrafts from Reserve Bank of India                  |                     |                  |
| <b>2,097.38</b>     | <b>Loans and Advances from Central Government -</b>    |                     | <b>2,127.06</b>  |
| --                  | Pre 1984-85 Loans                                      |                     |                  |
| 1,696.81            | Non-Plan Loans   | 1,781.26            |                  |
| 399.60              | Loans for State Plan Schemes                           | 344.92              |                  |
| --                  | Loans for Central Plan Schemes                         | --                  |                  |
| 0.97                | Loans for Centrally Sponsored Plan Schemes             | 0.88                |                  |
| <b>0.50</b>         | <b>Contingency Fund</b>                                |                     | <b>0.50</b>      |
| <b>340.72</b>       | <b>Small Savings, Provident Funds, etc.</b>            |                     | <b>382.31</b>    |
| <b>198.47</b>       | <b>Deposits</b>  |                     | <b>157.77</b>    |
| <b>24.96</b>        | <b>Reserve Funds</b>                                   |                     | <b>33.24</b>     |
| <b>79.61</b>        | <b>Remittance Balances</b>                             |                     | <b>55.40</b>     |
| <b>**484.66</b>     | <b>Suspense and Miscellaneous Balances</b>             |                     | <b>120.87</b>    |
| <b>4,463.16</b>     |  |                     | <b>4,790.63</b>  |
|                     | <b>Assets</b>  |                     |                  |
| <b>3,128.41</b>     | <b>Gross Capital Outlay on Fixed Assets -</b>          |                     | <b>3,502.59*</b> |
| 867.50              | Investments in shares of Companies, Corporations, etc. | 910.91              |                  |
| 2,260.91            | Other Capital Outlay                                   | 2,591.68            |                  |
| <b>23.11</b>        | <b>Loans and Advances -</b>                            |                     | <b>17.83</b>     |
|                     | Loans for Power Projects                               |                     |                  |

\* This amount was reduced by capital receipts of ₹ 33.26 crore realized through brought back of shares of Pondicherry Power Corporation during 2009-10

\*\* shown as minus figure under 'Assets' in 2009-10 Report has now been shown under 'Liabilities'.

| (1)              | (2)  | (3)             |
|------------------|--|-----------------|
| 12.41            | Other Development Loans                                | 9.14            |
| 10.70            | Loans to Government servants and Miscellaneous loans   | 8.69            |
| <b>11.97</b>     | <b>Reserve Fund Investments</b>                        | <b>26.41</b>    |
|                  | <b>Advances</b>  |                 |
| <b>1198.04</b>   | <b>Cash -</b>  | <b>802.10</b>   |
|                  | Cash in Treasuries                                     | 3.07            |
|                  | Deposits with Reserve Bank                             | 0.15            |
|                  | Departmental Cash Balance including Permanent Advances | 0.77            |
|                  | Cash Balance Investments                               | 798.11          |
| <b>***101.63</b> | <b>Deficit on Government Account -</b>                 | <b>441.70</b>   |
|                  | (i) Revenue deficit of the current year                | 340.10          |
|                  | (ii) Miscellaneous Deficit                             |                 |
|                  | Accumulated deficit at the beginning of the year       | 101.63          |
|                  | Less: Proforma dropping                                | (-) 0.03        |
| <b>4,463.16</b>  |  | <b>4,790.63</b> |

\*\*\* Shown as minus figure under 'Liabilities' in 2009-10 Report has now been correctly shown under 'Assets'.

#### **Explanatory Notes for Appendices 1.3 and 1.4**

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in **Appendix 1.4**, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the UT and other pending settlements, etc.

**Appendix 2.1**

**(Reference: Paragraph 2.3.1; Page 31)**

**Cases where expenditure fell short by more than ₹ 50 lakh and by more than 20 per cent of total provision**

(₹ in lakh)

| Sl.No. | Grant | Head of Account   | Total Provision<br>(Original +<br>Supplemental) | Expenditure | Savings |
|--------|-------|-------------------|---|-------------|---------|
| (1)    | (2)   | (3)               | (4)   | (5)         | (6)     |
| 1.     | 06    | 2029 00 800 04 01 | 226.93  | 0.17        | 226.76  |
| 2.     | 06    | 2245 80 800 01 01 | 5000.00   | 0.00        | 5000.00 |
| 3.     | 06    | 3456 00 001 05 01 | 697.71  | 384.44      | 313.27  |
| 4.     | 06    | 3456 00 789 03 01 | 99.99   | 30.28       | 69.71   |
| 5.     | 08    | 3055 00 190 02 01 | 2000.00   | 0.00        | 2000.00 |
| 6.     | 08    | 5055 00 190 01 01 | 400.00  | 150.00      | 250.00  |
| 7.     | 08    | 5055 00 190 04 02 | 200.00  | 0.00        | 200.00  |
| 8.     | 09    | 3451 00 090 08 01 | 5000.00   | 0.00        | 5000.00 |
| 9.     | 10    | 2215 01 191 03 01 | 4528.20   | 0.00        | 4528.20 |
| 10.    | 10    | 2215 01 191 03 02 | 1051.80   | 0.00        | 1051.80 |
| 11.    | 10    | 2215 01 191 03 03 | 226.80  | 0.00        | 226.80  |
| 12.    | 10    | 2215 01 191 03 04 | 193.20  | 0.00        | 193.20  |
| 13.    | 10    | 2216 80 103 01 01 | 275.00  | 75.00       | 200.00  |
| 14.    | 10    | 2216 80 789 08 01 | 1272.25   | 0.00        | 1272.25 |
| 15.    | 10    | 2216 80 800 01 01 | 200.00  | 0.00        | 200.00  |
| 16.    | 10    | 2216 80 800 04 01 | 5109.40   | 1976.14     | 3133.26 |
| 17.    | 10    | 2216 80 800 04 02 | 920.00  | 390.00      | 530.00  |
| 18.    | 10    | 2216 80 800 10 01 | 1583.75   | 0.00        | 1583.75 |
| 19.    | 10    | 2216 80 800 11 01 | 374.87  | 77.90       | 296.97  |
| 20.    | 10    | 2217 80 191 11 01 | 1132.05   | 0.00        | 1132.05 |
| 21.    | 10    | 2217 80 191 11 02 | 262.95  | 0.00        | 262.95  |
| 22.    | 10    | 2217 80 191 11 03 | 56.71   | 0.00        | 56.71   |
| 23.    | 10    | 2217 80 800 04 01 | 2844.00   | 0.00        | 2844.00 |
| 24.    | 10    | 2217 80 800 05 01 | 1050.13   | 744.90      | 305.23  |
| 25.    | 10    | 2515 00 101 07 01 | 122.40  | 0.00        | 122.40  |
| 26.    | 10    | 2515 00 101 10 01 | 157.94  | 0.00        | 157.94  |
| 27.    | 10    | 2515 00 101 21 01 | 1132.05   | 0.00        | 1132.05 |
| 28.    | 10    | 2515 00 101 21 02 | 262.95  | 0.00        | 262.95  |
| 29.    | 10    | 2515 00 101 21 03 | 56.71   | 0.00        | 56.71   |
| 30.    | 10    | 2515 00 789 07 01 | 157.94  | 102.68      | 55.26   |
| 31.    | 10    | 3054 04 337 03 01 | 4543.28   | 0.00        | 4543.28 |
| 32.    | 10    | 3054 04 337 03 02 | 986.13  | 0.00        | 986.13  |
| 33.    | 10    | 3054 04 337 03 03 | 220.06  | 0.00        | 220.06  |

| (1) | (2) | (3)               | (4)     | (5)     | (6)     |
|-----|-----|-------------------|---------|---------|---------|
| 34. | 10  | 3054 04 337 03 04 | 250.53  | 0.00    | 250.53  |
| 35. | 11  | 2054 00 095 02 01 | 150.09  | 68.70   | 81.39   |
| 36. | 12  | 2055 00 115 03 01 | 697.48  | 229.34  | 468.14  |
| 37. | 13  | 2056 00 101 02 01 | 282.25  | 91.19   | 191.06  |
| 38. | 16  | 3054 04 789 02 01 | 339.50  | 194.56  | 144.94  |
| 39. | 16  | 4059 01 051 03 01 | 538.00  | 8.88    | 529.12  |
| 40. | 16  | 4059 01 051 10 01 | 472.52  | 0.00    | 472.52  |
| 41. | 16  | 4215 01 800 03 01 | 5400.00 | 2120.00 | 3280.00 |
| 42. | 16  | 4215 01 800 03 02 | 720.00  | 28.80   | 691.20  |
| 43. | 16  | 4215 01 800 03 03 | 160.00  | 0.00    | 160.00  |
| 44. | 16  | 4215 01 800 03 04 | 120.00  | 0.00    | 120.00  |
| 45. | 16  | 4216 01 106 01 01 | 206.98  | 116.98  | 90.00   |
| 46. | 16  | 4217 60 051 05 01 | 5000.00 | 0.00    | 5000.00 |
| 47. | 16  | 4702 00 800 02 01 | 2375.00 | 0.00    | 2375.00 |
| 48. | 16  | 4702 00 800 02 02 | 450.00  | 99.33   | 350.67  |
| 49. | 16  | 4702 00 800 02 03 | 100.00  | 0.00    | 100.00  |
| 50. | 16  | 4702 00 800 02 04 | 75.00   | 0.00    | 75.00   |
| 51. | 16  | 4711 01 103 01 03 | 60.00   | 1.00    | 59.00   |
| 52. | 16  | 4711 03 800 02 01 | 200.00  | 100.00  | 100.00  |
| 53. | 16  | 4711 03 800 04 01 | 1125.00 | 0.00    | 1125.00 |
| 54. | 16  | 4711 03 800 04 02 | 270.00  | 59.79   | 210.21  |
| 55. | 16  | 4711 03 800 04 03 | 60.00   | 0.00    | 60.00   |
| 56. | 16  | 5054 04 800 05 01 | 600.00  | 4.00    | 596.00  |
| 57. | 16  | 5054 04 800 05 02 | 260.00  | 157.00  | 103.00  |
| 58. | 16  | 5054 04 800 09 01 | 7000.00 | 3257.84 | 3742.16 |
| 59. | 16  | 5054 04 800 09 02 | 2120.00 | 75.89   | 2044.11 |
| 60. | 16  | 5054 04 800 09 03 | 610.00  | 0.00    | 610.00  |
| 61. | 16  | 5054 04 800 09 04 | 270.00  | 0.00    | 270.00  |
| 62. | 17  | 2202 02 101 05 01 | 85.00   | 0.00    | 85.00   |
| 63. | 17  | 2202 03 103 23 01 | 600.00  | 0.00    | 600.00  |
| 64. | 17  | 2202 03 103 23 02 | 2200.00 | 0.00    | 2200.00 |
| 65. | 17  | 2202 03 103 23 04 | 1200.00 | 0.00    | 1200.00 |
| 66. | 17  | 2202 04 200 02 01 | 127.00  | 15.37   | 111.63  |
| 67. | 17  | 2202 80 003 01 01 | 232.00  | 0.00    | 232.00  |
| 68. | 17  | 2236 02 102 03 02 | 350.00  | 211.68  | 138.32  |
| 69. | 18  | 2210 01 001 02 01 | 565.85  | 76.40   | 489.45  |
| 70. | 18  | 2210 01 110 22 01 | 513.10  | 26.52   | 486.58  |
| 71. | 18  | 2210 01 110 23 01 | 987.00  | 0.00    | 987.00  |
| 72. | 18  | 2210 05 105 06 01 | 400.00  | 0.00    | 400.00  |
| 73. | 18  | 2210 05 105 08 01 | 800.00  | 0.00    | 800.00  |
| 74. | 18  | 2210 05 105 10 01 | 3000.00 | 0.00    | 3000.00 |

*Audit Report (Union Territory Finances) for the year ended 31 March 2011*

| (1)  | (2) | (3)  |    |     |    |    | (4)      | (5)     | (6)      |
|------|-----|------|----|-----|----|----|----------|---------|----------|
| 75.  | 18  | 2210 | 80 | 800 | 02 | 02 | 215.00   | 163.56  | 51.44    |
| 76.  | 18  | 2210 | 80 | 800 | 02 | 03 | 60.00    | 0.00    | 60.00    |
| 77.  | 18  | 2210 | 80 | 800 | 02 | 04 | 225.00   | 0.00    | 225.00   |
| 78.  | 19  | 2220 | 60 | 800 | 03 | 01 | 4440.00  | 36.42   | 4403.58  |
| 79.  | 19  | 2220 | 60 | 800 | 03 | 02 | 960.00   | 0.00    | 960.00   |
| 80.  | 19  | 2220 | 60 | 800 | 03 | 03 | 300.00   | 0.00    | 300.00   |
| 81.  | 19  | 2220 | 60 | 800 | 03 | 04 | 300.00   | 0.00    | 300.00   |
| 82.  | 19  | 3452 | 80 | 104 | 04 | 01 | 380.00   | 173.73  | 206.28   |
| 83.  | 19  | 3452 | 80 | 104 | 07 | 01 | 600.00   | 324.30  | 275.70   |
| 84.  | 19  | 3452 | 80 | 104 | 09 | 01 | 100.00   | 0.00    | 100.00   |
| 85.  | 19  | 3452 | 80 | 800 | 10 | 01 | 600.00   | 0.00    | 600.00   |
| 86.  | 19  | 3452 | 80 | 800 | 14 | 01 | 300.00   | 0.00    | 300.00   |
| 87.  | 19  | 3452 | 80 | 800 | 16 | 01 | 200.00   | 0.00    | 200.00   |
| 88.  | 19  | 3452 | 80 | 800 | 18 | 01 | 1000.00  | 0.00    | 1000.00  |
| 89.  | 19  | 3452 | 80 | 800 | 19 | 04 | 600.00   | 0.00    | 600.00   |
| 90.  | 19  | 3452 | 80 | 800 | 20 | 01 | 300.00   | 0.00    | 300.00   |
| 91.  | 20  | 2230 | 03 | 101 | 07 | 01 | 60.00    | 0.00    | 60.00    |
| 92.  | 21  | 2225 | 01 | 283 | 01 | 01 | 700.00   | 490.48  | 209.52   |
| 93.  | 21  | 2225 | 01 | 789 | 03 | 01 | 800.00   | 300.00  | 500.00   |
| 94.  | 21  | 2225 | 01 | 789 | 06 | 01 | 260.00   | 199.98  | 60.02    |
| 95.  | 21  | 2225 | 01 | 789 | 07 | 01 | 2152.00  | 1150.71 | 1001.29  |
| 96.  | 21  | 2225 | 01 | 789 | 08 | 01 | 2172.00  | 1676.47 | 495.53   |
| 97.  | 21  | 2225 | 01 | 789 | 15 | 01 | 75.00    | 2.60    | 72.40    |
| 98.  | 21  | 2225 | 01 | 789 | 16 | 01 | 1100.00  | 0.00    | 1100.00  |
| 99.  | 21  | 2225 | 01 | 789 | 19 | 01 | 14765.80 | 3000.00 | 11765.80 |
| 100. | 21  | 2225 | 01 | 789 | 19 | 02 | 1047.20  | 200.00  | 847.20   |
| 101. | 21  | 2225 | 01 | 789 | 20 | 01 | 200.00   | 0.00    | 200.00   |
| 102. | 21  | 2225 | 03 | 277 | 02 | 01 | 317.44   | 25.96   | 291.49   |
| 103. | 21  | 2225 | 03 | 789 | 02 | 01 | 79.12    | 0.00    | 79.12    |
| 104. | 21  | 2235 | 02 | 104 | 06 | 01 | 450.00   | 0.00    | 450.00   |
| 105. | 21  | 2235 | 02 | 104 | 07 | 01 | 150.00   | 0.00    | 150.00   |
| 106. | 21  | 4225 | 01 | 190 | 01 | 01 | 400.00   | 100.00  | 300.00   |
| 107. | 22  | 2404 | 00 | 789 | 01 | 01 | 1000.00  | 200.00  | 800.00   |
| 108. | 22  | 4860 | 04 | 800 | 01 | 01 | 4000.00  | 0.00    | 4000.00  |
| 109. | 24  | 2401 | 00 | 800 | 10 | 01 | 854.00   | 0.00    | 854.00   |
| 110. | 24  | 2401 | 00 | 800 | 10 | 02 | 110.50   | 0.00    | 110.50   |
| 111. | 25  | 2403 | 00 | 789 | 03 | 01 | 58.00    | 0.00    | 58.00    |
| 112. | 25  | 2403 | 00 | 800 | 03 | 01 | 1000.00  | 0.00    | 1000.00  |
| 113. | 26  | 2405 | 00 | 800 | 04 | 01 | 1479.91  | 1169.66 | 310.25   |
| 114. | 26  | 4405 | 00 | 195 | 01 | 01 | 100.50   | 0.50    | 100.00   |
| 115. | 28  | 2851 | 00 | 104 | 01 | 01 | 112.65   | 58.56   | 54.09    |
| 116. | 28  | 2851 | 00 | 800 | 12 | 01 | 3000.00  | 0.00    | 3000.00  |

| (1)          | (2) | (3)               | (4)              | (5)             | (6)              |
|--------------|-----|-------------------|------------------|-----------------|------------------|
| 117.         | 28  | 2851 00 800 14 01 | 1000.00          | 0.00            | 1000.00          |
| 118.         | 29  | 2801 80 800 01 01 | 336.03           | 136.27          | 199.76           |
| 119.         | 29  | 4801 05 799 01 01 | 2491.90          | 1430.00         | 1061.90          |
| 120.         | 29  | 4801 05 800 02 01 | 301.87           | 207.56          | 94.31            |
| 121.         | 29  | 4801 05 800 32 01 | 3100.00          | 0.00            | 3100.00          |
| 122.         | 29  | 4801 05 800 34 01 | 1150.00          | 0.00            | 1150.00          |
| 123.         | 29  | 4801 05 800 36 01 | 750.00           | 0.00            | 750.00           |
| 124.         | 29  | 4801 05 800 38 01 | 1900.00          | 0.00            | 1900.00          |
| 125.         | 29  | 4801 05 800 40 01 | 200.00           | 0.00            | 200.00           |
| 126.         | 29  | 4801 05 800 42 02 | 600.00           | 0.00            | 600.00           |
| 127.         | 29  | 4801 05 800 44 02 | 400.00           | 0.00            | 400.00           |
| 128.         | 32  | 2405 00 800 03 02 | 1000.00          | 568.82          | 431.18           |
| 129.         | 32  | 4202 01 201 01 01 | 425.00           | 98.00           | 327.00           |
| 130.         | 32  | 4202 01 201 01 03 | 105.00           | 33.00           | 72.00            |
| 131.         | 32  | 4202 01 202 01 01 | 300.00           | 156.00          | 144.00           |
| 132.         | 32  | 4202 01 202 02 01 | 348.00           | 100.00          | 248.00           |
| 133.         | 32  | 4202 01 203 02 01 | 150.00           | 75.00           | 75.00            |
| 134.         | 32  | 4202 01 800 02 01 | 7500.00          | 100.00          | 7400.00          |
| 135.         | 32  | 4202 01 800 02 02 | 1800.00          | 0.00            | 1800.00          |
| 136.         | 32  | 4202 01 800 02 03 | 300.00           | 0.00            | 300.00           |
| 137.         | 32  | 4202 01 800 02 04 | 400.00           | 203.27          | 196.73           |
| 138.         | 32  | 4235 02 789 01 01 | 200.00           | 0.00            | 200.00           |
| 139.         | 32  | 4235 02 800 01 01 | 71.20            | 0.00            | 71.20            |
| 140.         | 32  | 5452 01 800 12 04 | 389.60           | 20.07           | 369.53           |
| 141.         | 33  | 2049 02 213 01 07 | 66.00            | 0.00            | 66.00            |
| <b>Total</b> |     |                   | <b>155626.22</b> | <b>23275.70</b> | <b>132350.52</b> |

**Appendix 2.2**  
**(Reference: Paragraph 2.3.3; Page 32)**

**Cases where expenditure exceeded approved provision by more than  
₹ 50 lakh and by more than 20 per cent of the total provision**

**(₹ in lakh)**

| Sl.no | Grant No | Head of Account   | Total Provision | Expenditure | Excess  |
|-------|----------|-------------------|-----------------|-------------|---------|
| (1)   | (2)      | (3)               | (4)             | (5)         | (6)     |
| 1.    | 03       | 2013 00 800 02 01 | 73.60           | 131.92      | 58.32   |
| 2.    | 06       | 2029 00 101 03 01 | 250.20          | 387.29      | 137.09  |
| 3.    | 06       | 2029 00 101 05 01 | 243.75          | 355.37      | 111.62  |
| 4.    | 06       | 2029 00 102 01 01 | 207.60          | 270.36      | 62.76   |
| 5.    | 06       | 2245 02 101 01 01 | 94.48           | 2521.71     | 2427.23 |
| 6.    | 06       | 2245 02 101 01 02 | 49.96           | 535.95      | 485.99  |
| 7.    | 06       | 2245 02 101 01 04 | 10.00           | 364.88      | 354.88  |
| 8.    | 06       | 2408 01 102 02 01 | 127.00          | 225.85      | 98.85   |
| 9.    | 06       | 2408 01 102 04 01 | 0.01            | 703.04      | 703.03  |
| 10.   | 06       | 3456 00 190 02 01 | 0.01            | 66.00       | 65.99   |
| 11.   | 08       | 2070 00 114 01 01 | 1080.47         | 1372.62     | 292.15  |
| 12.   | 08       | 3055 00 190 01 01 | 0.01            | 782.27      | 782.26  |
| 13.   | 09       | 2052 00 090 01 01 | 837.75          | 1179.31     | 341.56  |
| 14.   | 09       | 2052 00 090 02 01 | 59.30           | 109.82      | 50.52   |
| 15.   | 09       | 2202 03 103 01 01 | 125.75          | 212.55      | 86.80   |
| 16.   | 09       | 3451 00 090 09 01 | 0.01            | 143.00      | 142.99  |
| 17.   | 09       | 3451 00 091 02 01 | 198.00          | 384.16      | 186.16  |
| 18.   | 10       | 2217 01 191 01 01 | 200.00          | 2381.60     | 2181.60 |
| 19.   | 10       | 2217 05 800 01 04 | 6.00            | 106.00      | 100.00  |
| 20.   | 10       | 2217 05 800 02 01 | 603.76          | 993.24      | 389.48  |
| 21.   | 10       | 2217 80 001 03 01 | 0.01            | 728.71      | 728.70  |
| 22.   | 10       | 2217 80 001 03 02 | 0.00            | 125.88      | 125.88  |
| 23.   | 10       | 2217 80 191 01 01 | 286.68          | 382.28      | 95.60   |
| 24.   | 10       | 2217 80 191 14 01 | 0.01            | 624.82      | 624.81  |
| 25.   | 10       | 2217 80 191 14 02 | 0.00            | 72.67       | 72.67   |
| 26.   | 10       | 2515 00 101 04 01 | 83.94           | 165.75      | 81.81   |
| 27.   | 10       | 2515 00 101 16 01 | 0.01            | 80.00       | 79.99   |
| 28.   | 10       | 2575 60 101 01 04 | 100.00          | 179.79      | 79.79   |
| 29.   | 12       | 2070 00 108 03 01 | 151.13          | 208.58      | 57.45   |
| 30.   | 15       | 2071 01 111 01 07 | 143.00          | 247.08      | 104.08  |
| 31.   | 16       | 2215 01 101 01 04 | 89.10           | 143.59      | 54.49   |
| 32.   | 16       | 2215 01 102 05 01 | 200.00          | 255.85      | 55.85   |
| 33.   | 16       | 3054 04 800 01 02 | 100.00          | 160.00      | 60.00   |
| 34.   | 16       | 4059 01 001 01 01 | 2803.40         | 3400.85     | 597.45  |

| (1) | (2) | (3)  |    |     |    |    | (4)     | (5)     | (6)     |
|-----|-----|------|----|-----|----|----|---------|---------|---------|
| 35. | 16  | 4059 | 01 | 001 | 01 | 02 | 318.91  | 409.27  | 90.36   |
| 36. | 16  | 4059 | 01 | 051 | 01 | 01 | 337.13  | 586.11  | 248.98  |
| 37. | 16  | 4215 | 01 | 102 | 01 | 01 | 250.00  | 352.00  | 102.00  |
| 38. | 16  | 4215 | 02 | 001 | 01 | 01 | 1896.55 | 2521.65 | 625.10  |
| 39. | 16  | 4215 | 02 | 001 | 01 | 02 | 157.27  | 209.24  | 51.97   |
| 40. | 16  | 4711 | 01 | 103 | 01 | 04 | 100.00  | 905.29  | 805.29  |
| 41. | 16  | 4711 | 03 | 103 | 01 | 01 | 157.00  | 257.00  | 100.00  |
| 42. | 16  | 5054 | 03 | 337 | 01 | 01 | 1055.00 | 1317.00 | 262.00  |
| 43. | 16  | 5054 | 04 | 800 | 01 | 01 | 427.00  | 913.00  | 486.00  |
| 44. | 16  | 5054 | 04 | 800 | 01 | 02 | 270.00  | 1932.00 | 1662.00 |
| 45. | 16  | 5054 | 04 | 800 | 01 | 03 | 75.00   | 202.00  | 127.00  |
| 46. | 16  | 5054 | 04 | 800 | 01 | 04 | 60.00   | 155.00  | 95.00   |
| 47. | 17  | 2202 | 01 | 800 | 01 | 03 | 161.14  | 314.67  | 153.53  |
| 48. | 17  | 2202 | 01 | 800 | 04 | 01 | 0.01    | 553.04  | 553.03  |
| 49. | 17  | 2202 | 03 | 103 | 01 | 01 | 550.87  | 756.00  | 205.13  |
| 50. | 17  | 2202 | 03 | 103 | 03 | 01 | 993.25  | 1195.28 | 202.03  |
| 51. | 17  | 2202 | 03 | 103 | 04 | 02 | 338.51  | 486.87  | 148.36  |
| 52. | 17  | 2202 | 03 | 103 | 08 | 02 | 264.95  | 357.08  | 92.13   |
| 53. | 17  | 2202 | 03 | 103 | 09 | 04 | 277.50  | 384.80  | 107.30  |
| 54. | 17  | 2202 | 03 | 103 | 20 | 01 | 450.00  | 560.00  | 110.00  |
| 55. | 17  | 2203 | 00 | 105 | 06 | 02 | 0.01    | 1140.82 | 1140.81 |
| 56. | 17  | 2204 | 00 | 104 | 01 | 01 | 451.60  | 745.59  | 293.99  |
| 57. | 17  | 2205 | 00 | 105 | 02 | 01 | 166.34  | 248.97  | 82.63   |
| 58. | 18  | 2210 | 01 | 001 | 01 | 01 | 166.55  | 222.62  | 56.07   |
| 59. | 18  | 2210 | 01 | 110 | 02 | 01 | 1020.31 | 1431.64 | 411.33  |
| 60. | 18  | 2210 | 01 | 110 | 05 | 02 | 969.95  | 1269.05 | 299.10  |
| 61. | 18  | 2210 | 01 | 110 | 05 | 04 | 157.45  | 211.20  | 53.75   |
| 62. | 18  | 2210 | 01 | 110 | 13 | 01 | 2246.21 | 2891.70 | 645.49  |
| 63. | 18  | 2210 | 01 | 110 | 16 | 01 | 304.00  | 455.12  | 151.12  |
| 64. | 18  | 2210 | 03 | 104 | 01 | 01 | 114.00  | 168.20  | 54.20   |
| 65. | 18  | 2210 | 03 | 110 | 01 | 01 | 704.10  | 1056.37 | 352.27  |
| 66. | 18  | 2210 | 05 | 105 | 01 | 01 | 3000.00 | 4000.00 | 1000.00 |
| 67. | 18  | 2210 | 05 | 105 | 04 | 01 | 200.00  | 1350.00 | 1150.00 |
| 68. | 18  | 2210 | 05 | 105 | 05 | 01 | 150.00  | 650.00  | 500.00  |
| 69. | 18  | 2210 | 06 | 101 | 01 | 01 | 164.45  | 246.77  | 82.32   |
| 70. | 18  | 2210 | 06 | 101 | 04 | 01 | 113.89  | 177.56  | 63.67   |
| 71. | 18  | 2211 | 00 | 101 | 02 | 01 | 43.99   | 203.59  | 159.60  |
| 72. | 19  | 2070 | 00 | 115 | 01 | 06 | 95.45   | 145.70  | 50.25   |
| 73. | 19  | 3452 | 80 | 104 | 06 | 01 | 1220.00 | 3342.89 | 2122.89 |
| 74. | 19  | 3452 | 80 | 800 | 21 | 02 | 0.01    | 2600.00 | 2599.99 |
| 75. | 21  | 2225 | 01 | 277 | 13 | 01 | 350.00  | 499.99  | 149.99  |
| 76. | 21  | 2225 | 01 | 789 | 08 | 04 | 30.00   | 213.50  | 183.50  |

*Audit Report (Union Territory Finances) for the year ended 31 March 2011*

| (1)  | (2) | (3)  |    |     |    |    | (4)     | (5)     | (6)     |
|------|-----|------|----|-----|----|----|---------|---------|---------|
| 77.  | 21  | 2225 | 01 | 789 | 22 | 01 | 0.00    | 100.00  | 100.00  |
| 78.  | 21  | 2225 | 01 | 789 | 24 | 01 | 0.01    | 652.00  | 651.99  |
| 79.  | 21  | 2225 | 03 | 190 | 01 | 01 | 46.00   | 123.00  | 77.00   |
| 80.  | 21  | 2225 | 03 | 283 | 01 | 01 | 929.00  | 1577.50 | 648.50  |
| 81.  | 21  | 2225 | 03 | 283 | 01 | 02 | 60.00   | 250.00  | 190.00  |
| 82.  | 21  | 2225 | 03 | 283 | 01 | 04 | 11.00   | 212.25  | 201.25  |
| 83.  | 21  | 2235 | 02 | 101 | 16 | 01 | 166.96  | 255.71  | 88.75   |
| 84.  | 21  | 2235 | 02 | 102 | 01 | 01 | 0.01    | 288.92  | 288.91  |
| 85.  | 21  | 2235 | 02 | 102 | 01 | 02 | 0.00    | 57.99   | 57.99   |
| 86.  | 21  | 2235 | 02 | 102 | 10 | 01 | 0.01    | 312.77  | 312.76  |
| 87.  | 21  | 2235 | 02 | 102 | 10 | 02 | 0.00    | 56.80   | 56.80   |
| 88.  | 22  | 2425 | 00 | 001 | 01 | 01 | 290.60  | 377.93  | 87.33   |
| 89.  | 22  | 2852 | 08 | 789 | 01 | 01 | 0.01    | 184.50  | 184.49  |
| 90.  | 22  | 4851 | 00 | 195 | 01 | 01 | 385.00  | 802.00  | 417.00  |
| 91.  | 22  | 4860 | 04 | 195 | 01 | 01 | 510.00  | 714.00  | 204.00  |
| 92.  | 24  | 2401 | 00 | 109 | 07 | 01 | 50.00   | 300.00  | 250.00  |
| 93.  | 24  | 2401 | 00 | 109 | 07 | 02 | 26.00   | 164.00  | 138.00  |
| 94.  | 24  | 2401 | 00 | 789 | 01 | 04 | 10.00   | 69.00   | 59.00   |
| 95.  | 24  | 2415 | 01 | 277 | 01 | 01 | 400.00  | 645.00  | 245.00  |
| 96.  | 24  | 2415 | 01 | 277 | 02 | 02 | 801.00  | 1114.80 | 313.80  |
| 97.  | 24  | 2435 | 01 | 101 | 02 | 01 | 250.00  | 330.00  | 80.00   |
| 98.  | 24  | 2702 | 02 | 001 | 01 | 01 | 140.00  | 284.19  | 144.19  |
| 99.  | 25  | 2403 | 00 | 101 | 01 | 01 | 156.22  | 209.26  | 53.04   |
| 100. | 25  | 2403 | 00 | 102 | 01 | 01 | 154.95  | 265.21  | 110.26  |
| 101. | 25  | 2403 | 00 | 102 | 03 | 01 | 234.36  | 360.23  | 125.87  |
| 102. | 25  | 2403 | 00 | 789 | 02 | 01 | 0.00    | 57.94   | 57.94   |
| 103. | 26  | 2405 | 00 | 800 | 12 | 04 | 69.11   | 250.00  | 180.89  |
| 104. | 28  | 2851 | 00 | 106 | 01 | 01 | 45.85   | 160.34  | 114.49  |
| 105. | 28  | 2852 | 08 | 202 | 02 | 01 | 2600.00 | 4325.00 | 1725.00 |
| 106. | 29  | 4801 | 05 | 800 | 09 | 01 | 514.52  | 826.89  | 312.37  |
| 107. | 32  | 2225 | 80 | 789 | 01 | 01 | 20.00   | 107.00  | 87.00   |
| 108. | 32  | 3452 | 01 | 800 | 01 | 01 | 50.00   | 173.42  | 123.42  |
| 109. | 32  | 3452 | 01 | 800 | 01 | 03 | 15.00   | 80.00   | 65.00   |
| 110. | 32  | 4202 | 01 | 789 | 01 | 01 | 4.00    | 144.50  | 140.50  |
| 111. | 32  | 4202 | 01 | 789 | 01 | 02 | 10.00   | 64.98   | 54.98   |
| 112. | 32  | 4202 | 03 | 800 | 01 | 03 | 50.00   | 205.00  | 155.00  |
| 113. | 32  | 4210 | 01 | 110 | 02 | 01 | 0.01    | 618.00  | 617.99  |
| 114. | 32  | 4210 | 01 | 800 | 01 | 01 | 0.01    | 185.00  | 184.99  |
| 115. | 32  | 4405 | 00 | 104 | 01 | 03 | 95.63   | 345.79  | 250.16  |
| 116. | 32  | 4405 | 00 | 104 | 01 | 04 | 0.00    | 200.00  | 200.00  |
| 117. | 32  | 5452 | 01 | 800 | 06 | 04 | 72.98   | 192.43  | 119.45  |
| 118. | 32  | 5452 | 01 | 800 | 07 | 03 | 0.00    | 123.66  | 123.66  |

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| (1)          | (2) | (3)  |    |     |    |    | (4)             | (5)             | (6)             |
|--------------|-----|------|----|-----|----|----|-----------------|-----------------|-----------------|
| 119.         | 32  | 5452 | 01 | 800 | 08 | 01 | 80.00           | 165.24          | 85.24           |
| 120.         | 32  | 5452 | 01 | 800 | 10 | 02 | 59.30           | 131.22          | 71.92           |
| 121.         | 32  | 5452 | 01 | 800 | 15 | 01 | 0.01            | 664.84          | 664.83          |
| 122.         | 33  | 2048 | 00 | 200 | 01 | 01 | 688.80          | 828.36          | 139.56          |
| <b>Total</b> |     |      |    |     |    |    | <b>36929.69</b> | <b>77198.03</b> | <b>40268.34</b> |

**Appendix 2.3**  
**(Reference: Paragraph 2.3.4; Page 33)**

**Cases where supplementary provisions made were excessive  
by more than ₹ 50 lakh**

(₹ in lakh)

| Sl. No.      | Grant No. | Head of Account | Original       | Supplementary  | Total           | Expenditure     | Savings        |
|--------------|-----------|-----------------|----------------|----------------|-----------------|-----------------|----------------|
| 1.           | 12        | 2055 00 115 03  | --             | 697.48         | 697.48          | 229.34          | 468.14         |
| 2.           | 15        | 2071 01 101 01  | 6572.58        | 3927.42        | 10500.00        | 9848.66         | 651.34         |
| 3.           | 16        | 3054 04 789 02  | 100.00         | 239.50         | 339.50          | 194.56          | 144.94         |
| 4.           | 33        | 2049 01 200 02  | 90.00          | 260.75         | 350.75          | 288.63          | 62.12          |
| <b>Total</b> |           |                 | <b>6762.58</b> | <b>5125.15</b> | <b>11887.73</b> | <b>10561.19</b> | <b>1326.54</b> |

**Appendix 2.4**  
(Reference: Paragraph 2.3.5; Page 33)

**Excessive/unnecessary re-appropriation of funds**

(₹ in lakh)

| Sl.No.       | Grant No. | Head of Account   | Original | Supple-<br>mentary | Re-app | Total<br>provision | Expenditure    | Savings        |
|--------------|-----------|-------------------|----------|--------------------|--------|--------------------|----------------|----------------|
| 1.           | 06        | 2029 00 101 04 01 | 39.35    | 0.00               | 1.26   | 40.61              | 38.91          | 1.70           |
| 2.           | 06        | 2029 00 103 01 03 | 7.80     | 0.00               | 0.30   | 8.10               | 7.79           | 0.31           |
| 3.           | 09        | 2052 00 092 01 01 | 3.00     | 0.00               | 1.32   | 4.32               | 2.74           | 1.58           |
| 4.           | 12        | 2055 00 001 02 01 | 0.00     | 50.32              | 0.97   | 51.29              | 49.79          | 1.50           |
| 5.           | 12        | 2055 00 108 01 03 | 26.50    | 6.12               | 0.45   | 33.07              | 31.76          | 1.31           |
| 6.           | 13        | 2056 00 101 02 03 | 4.80     | 0.00               | 0.68   | 5.48               | 4.46           | 1.02           |
| 7.           | 17        | 2202 01 101 02 01 | 604.40   | 60.00              | 6.65   | 671.05             | 663.88         | 7.17           |
| 8.           | 17        | 2202 02 004 03 01 | 13.78    | 0.00               | 1.00   | 14.78              | 13.74          | 1.04           |
| 9.           | 17        | 2202 02 109 01 02 | 224.02   | 40.00              | 0.52   | 264.54             | 263.40         | 1.14           |
| 10.          | 17        | 2202 02 109 10 01 | 6.87     | 0.00               | 0.40   | 7.27               | 6.80           | 0.47           |
| 11.          | 17        | 2202 03 107 02 04 | 0.27     | 0.00               | 0.12   | 0.39               | 0.11           | 0.28           |
| 12.          | 17        | 2203 00 105 01 01 | 116.54   | 160.00             | 1.08   | 277.62             | 250.82         | 26.80          |
| 13.          | 17        | 2204 00 102 01 01 | 173.38   | 70.00              | 0.57   | 243.95             | 242.91         | 1.04           |
| 14.          | 18        | 2210 02 104 02 01 | 73.92    | 0.00               | 0.31   | 74.23              | 73.56          | 0.67           |
| 15.          | 22        | 2216 02 104 02 01 | 0.00     | 0.01               | 179.99 | 180.00             | 0.00           | 180.00         |
| 16.          | 10        | 2217 05 800 01 01 | 110.00   | 0.00               | 34.85  | 144.85             | 83.70          | 61.15          |
| 17.          | 21        | 2235 02 104 04 01 | 16.38    | 0.00               | 433.62 | 450.00             | 0.00           | 450.00         |
| 18.          | 21        | 2235 02 200 03 01 | 0.01     | 0.00               | 2.43   | 2.44               | 0.00           | 2.44           |
| 19.          | 06        | 2245 02 101 02 01 | 12.00    | 0.00               | 5.90   | 17.90              | 0.00           | 17.90          |
| 20.          | 24        | 2401 00 103 03 02 | 0.01     | 37.00              | 2.29   | 39.30              | 17.00          | 22.30          |
| 21.          | 25        | 2403 00 101 12 01 | 0.00     | 0.00               | 0.70   | 0.70               | 0.00           | 0.70           |
| 22.          | 25        | 2403 00 113 04 01 | 0.00     | 0.00               | 1.41   | 1.41               | 0.00           | 1.41           |
| 23.          | 26        | 2405 00 103 05 01 | 228.52   | 0.00               | 62.11  | 290.63             | 211.67         | 78.96          |
| 24.          | 26        | 2405 00 800 01 01 | 38.34    | 18.19              | 0.54   | 57.07              | 55.79          | 1.28           |
| 25.          | 10        | 2515 00 101 03 01 | 16.00    | 0.00               | 0.40   | 16.40              | 15.62          | 0.78           |
| 26.          | 27        | 2515 00 102 01 01 | 147.88   | 64.88              | 0.26   | 213.02             | 211.87         | 1.15           |
| 27.          | 27        | 2515 00 789 02 01 | 38.17    | 0.00               | 0.61   | 38.78              | 31.14          | 7.64           |
| 28.          | 28        | 2851 00 789 01 01 | 32.05    | 0.00               | 1.12   | 33.17              | 23.74          | 9.43           |
| 29.          | 28        | 2851 00 789 04 01 | 3.15     | 0.00               | 0.49   | 3.64               | 2.97           | 0.67           |
| 30.          | 19        | 3452 01 102 03 01 | 32.16    | 0.00               | 0.29   | 32.45              | 32.13          | 0.32           |
| 31.          | 19        | 3452 80 800 01 01 | 0.01     | 0.00               | 0.78   | 0.79               | 0.00           | 0.79           |
| 32.          | 06        | 3456 00 800 03 01 | 0.01     | 0.00               | 1.40   | 1.41               | 0.00           | 1.41           |
| 33.          | 32        | 4210 01 800 02 03 | 0.00     | 0.01               | 774.99 | 775.00             | 0.00           | 775.00         |
| 34.          | 32        | 5452 01 800 14 01 | 0.00     | 0.00               | 400.00 | 400.00             | 0.00           | 400.00         |
| <b>Total</b> |           |                   |          |                    |        | <b>4395.66</b>     | <b>2336.31</b> | <b>2059.35</b> |

**Appendix 2.5**  
**(Reference: Paragraph 2.3.6.; Page 33)**

**Cases of substantial surrenders made during 2010-11**

(₹ in lakh)

| Sl.No. | Grant No. | Head of Account   | Total Provision | Surrender |
|--------|-----------|-------------------|-----------------|-----------|
| (1)    | (2)       | (3)               | (4)             | (5)       |
| 1.     | 08        | 5055 00 190 01 01 | 400.00          | 250.00    |
| 2.     | 08        | 5055 00 190 02 01 | 0.10            | 0.10      |
| 3.     | 08        | 5055 00 190 04 02 | 200.00          | 200.00    |
| 4.     | 09        | 3451 00 090 08 01 | 5000.00         | 4097.62   |
| 5.     | 10        | 2215 01 191 03 01 | 4528.20         | 4054.38   |
| 6.     | 10        | 2215 01 191 03 02 | 1051.80         | 925.62    |
| 7.     | 10        | 2215 01 191 03 03 | 226.80          | 226.80    |
| 8.     | 10        | 2215 01 191 03 04 | 193.20          | 193.20    |
| 9.     | 10        | 2216 80 789 08 01 | 1272.25         | 1114.79   |
| 10.    | 10        | 2216 80 800 04 02 | 920.00          | 530.00    |
| 11.    | 10        | 2216 80 800 11 01 | 374.87          | 250.00    |
| 12.    | 10        | 2515 00 101 21 01 | 1132.05         | 1132.05   |
| 13.    | 10        | 3054 04 337 03 01 | 4543.28         | 4077.41   |
| 14.    | 10        | 3054 04 337 03 02 | 986.13          | 923.22    |
| 15.    | 10        | 3054 04 337 03 03 | 220.06          | 148.84    |
| 16.    | 10        | 3054 04 337 03 04 | 250.53          | 250.53    |
| 17.    | 16        | 4215 01 800 03 01 | 5400.00         | 2900.00   |
| 18.    | 16        | 4217 60 051 05 01 | 5000.00         | 5000.00   |
| 19.    | 16        | 4702 00 800 02 01 | 2375.00         | 2375.00   |
| 20.    | 16        | 4702 00 800 02 02 | 450.00          | 349.00    |
| 21.    | 16        | 4702 00 800 02 03 | 100.00          | 100.00    |
| 22.    | 16        | 4711 03 800 04 01 | 1125.00         | 600.00    |
| 23.    | 16        | 5054 04 800 09 01 | 7000.00         | 3742.16   |
| 24.    | 16        | 5054 04 800 09 02 | 2120.00         | 1424.12   |
| 25.    | 19        | 2220 60 800 03 01 | 4440.00         | 4403.57   |
| 26.    | 19        | 5452 80 190 02 01 | 0.01            | 0.01      |
| 27.    | 21        | 4225 01 190 01 01 | 400.00          | 300.00    |
| 28.    | 22        | 4860 04 800 01 01 | 4000.00         | 2020.02   |
| 29.    | 26        | 4405 00 195 01 01 | 100.50          | 85.60     |
| 30.    | 26        | 6405 00 195 01 01 | 0.01            | 0.01      |
| 31.    | 26        | 6405 00 195 01 02 | 0.01            | 0.01      |
| 32.    | 26        | 6405 00 195 01 03 | 0.01            | 0.01      |
| 33.    | 26        | 6405 00 195 01 04 | 0.01            | 0.01      |
| 34.    | 28        | 2851 00 800 12 01 | 3000.00         | 2106.04   |
| 35.    | 28        | 4860 01 190 02 01 | 0.01            | 0.01      |
| 36.    | 29        | 4801 05 800 34 01 | 1150.00         | 1150.00   |

| (1)          | (2) | (3)               | (4)             | (5)             |
|--------------|-----|-------------------|-----------------|-----------------|
| 37.          | 29  | 4801 05 800 36 01 | 750.00          | 750.00          |
| 38.          | 29  | 4801 05 800 38 01 | 1900.00         | 1900.00         |
| 39.          | 29  | 4801 05 800 40 01 | 200.00          | 200.00          |
| 40.          | 29  | 4801 05 800 42 02 | 600.00          | 600.00          |
| 41.          | 29  | 4801 05 800 44 02 | 400.00          | 400.00          |
| 42.          | 31  | 7610 00 201 01 07 | 15.00           | 10.00           |
| 43.          | 31  | 7610 00 202 01 07 | 20.00           | 18.00           |
| 44.          | 32  | 4202 01 800 02 01 | 7500.00         | 6020.63         |
| <b>Total</b> |     |                   | <b>69344.83</b> | <b>54828.76</b> |

**Appendix 2.6**  
**(Reference: Paragraph 2.3.7 ; Page 33)**

**List of grants in which anticipated savings more than  
₹ 10 lakh were not surrendered**

(₹ in crore)

| Sl.No.         | Grant Number | Description           | Savings      |
|----------------|--------------|-----------------------|--------------|
| <b>Revenue</b> |              |                       |              |
| 1.             | 07           | Sales Tax             | 0.44         |
| 2.             | 12           | Police                | 5.35         |
| 3.             | 13           | Jails                 | 1.92         |
| 4.             | 16           | Public works          | 1.13         |
| 5.             | 17           | Education             | 1.88         |
| 6.             | 18           | Medical`              | 0.67         |
| 7.             | 20           | Labour and Employment | 0.35         |
| 8.             | 24           | Agriculture           | 0.39         |
| 9.             | 22           | Fisheries             | 1.52         |
| 10.            | 27           | Community Development | 0.27         |
| <b>Total</b>   |              |                       | <b>13.92</b> |

**Appendix 2.7**  
(Reference: Paragraph 2.3.7; Page 33)

**Cases where savings of more than ₹ one crore were not surrendered fully**  
(₹ in crore)

| Sl.No.                             | Grant Number | Description             | Savings       | Amount Surrendered | Amount not surrendered |
|------------------------------------|--------------|-------------------------|---------------|--------------------|------------------------|
| <b>Revenue</b>                     |              |                         |               |                    |                        |
| 1.                                 | 06           | Revenue and Food        | 13.05         | 0.93               | 12.12                  |
| 2.                                 | 10           | District Administration | 212.31        | 167.40             | 44.91                  |
| 3.                                 | 21           | Social Welfare          | 130.57        | 42.23              | 88.34                  |
| 4.                                 | 22           | Co-operation            | 4.53          | 2.69               | 1.84                   |
| 5.                                 | 32           | Building programmes     | 2.12          | 0.60               | 1.52                   |
| <b>Total - Revenue</b>             |              |                         | <b>362.58</b> | <b>213.85</b>      | <b>148.73</b>          |
| <b>Capital</b>                     |              |                         |               |                    |                        |
| 6.                                 | 16           | Public Works            | 169.20        | 167.69             | 1.51                   |
| 7.                                 | 22           | Co-operation            | 33.79         | 20.20              | 13.59                  |
| 8.                                 | 29           | Electricity             | 90.63         | 62.96              | 27.67                  |
| 9.                                 | 32           | Building programmes     | 89.89         | 60.21              | 29.68                  |
| <b>Total - Capital</b>             |              |                         | <b>383.51</b> | <b>311.06</b>      | <b>72.45</b>           |
| <b>Total (Revenue and Capital)</b> |              |                         | <b>746.09</b> | <b>524.91</b>      | <b>221.18</b>          |

**Appendix 2.8**  
**(Reference: Paragraph 2.3.8; Page 34)**

**Details of rush of expenditure during last quarter of the year and during March 2011**

| Sl. No. | Grant No | Major Head  | Total expenditure during the year (₹) | Expenditure incurred (₹)        |                   | Percentage to total expenditure |                   |
|---------|----------|-------------|---------------------------------------|---------------------------------|-------------------|---------------------------------|-------------------|
|         |          |             |                                       | During last quarter of the year | During March 2011 | During last quarter of the year | During March 2011 |
| 1.      | 6        | 3456 00 001 | 1,13,24,486                           | 1,13,24,486                     | 1,13,24,486       | 100.00                          | 100.00            |
| 2.      |          | 2216 03 102 | 4,09,68,061                           | 3,23,26,228                     | 3,09,95,727       | 78.91                           | 75.66             |
| 3.      | 9        | 3451 00 091 | 3,91,92,654                           | 3,47,63,196                     | 3,40,09,927       | 88.7                            | 86.78             |
| 4.      | 10       | 2250 00 101 | 82,45,832                             | 61,15,000                       | 46,02,500         | 74.16                           | 55.82             |
| 5.      |          | 2216 80 103 | 75,00,000                             | 75,00,000                       | 75,00,000         | 100.00                          | 100.00            |
| 6.      |          | 2501 04 105 | 1,06,00,000                           | 78,50,000                       | 78,50,000         | 74.06                           | 74.06             |
| 7.      |          | 2216 80 800 | 33,22,64,778                          | 25,11,69,000                    | 23,90,32,000      | 75.59                           | 71.94             |
| 8.      | 17       | 2204 00 104 | 7,85,41,588                           | 6,63,44,177                     | 6,48,44,,165      | 84.47                           | 82.56             |
| 9.      | 21       | 4225 01 190 | 1,00,00,000                           | 1,00,00,000                     | 1,00,00,000       | 100.00                          | 100.00            |
| 10.     | 26       | 4405 00 101 | 20,50,000                             | 15,50,000                       | 15,50,000         | 75.61                           | 75.61             |
| 11.     | 32       | 4405 00 104 | 5,45,79,135                           | 5,45,79,135                     | 4,22,11,855       | 100.00                          | 77.34             |

**Appendix 3.1**  
**(Reference: Paragraph 3.1; Page 37)**

**Details of outstanding utilisation certificates**

| <b>Sl. No.</b> | <b>Department</b>                       | <b>Number of certificates outstanding</b> | <b>Amount (₹ in crore)</b> |
|----------------|---|---|----------------------------|
| 1.             | Adi-dravidar Welfare                    | 116                                       | 38.82                      |
| 2.             | Agriculture                             | 43  | 24.71                      |
| 3.             | Animal Husbandry                        | 14  | 5.32                       |
| 4.             | Art and Culture                         | 15  | 0.53                       |
| 5.             | Civil Supplies and Consumer Affairs     | 31  | 28.20                      |
| 6.             | Co-operation                            | 25  | 14.88                      |
| 7.             | Education                               | 25  | 23.69                      |
| 8.             | Fisheries and Fishermen Welfare         | 62  | 15.74                      |
| 9.             | Health and Family Welfare               | 4   | 1.22                       |
| 10.            | Hindu Religious Institutions/WAKF Board | 109                                       | 4.09                       |
| 11.            | Industries and Commerce                 | 9   | 1.14                       |
| 12.            | Information Technology                  | 3   | 0.36                       |
| 13.            | Labour                                  | 2   | 0.43                       |
| 14.            | Local Administration                    | 834                                       | 142.21                     |
| 15.            | Rural Development                       | 5   | 2.47                       |
| 16.            | Science, Technology and Environment     | 1   | 0.07                       |
| 17.            | Social Welfare                          | 13  | 1.11                       |
| 18.            | Town and Country Planning               | 189                                       | 94.99                      |
| 19.            | Women and Child Development             | 4   | 1.43                       |
|                | <b>Total</b>                            | <b>1504</b>                               | <b>401.41</b>              |

**Appendix 3.2**  
**(Reference: Paragraph 3.2; Page 38)**

**List of Autonomous Bodies/Authorities from whom accounts were not received**

| <b>Sl. No.</b> | <b>Name of the Autonomous Body/Authority</b>                               | <b>Year for which accounts have not been received</b> |
|----------------|--|---|
| <b>(1)</b>     | <b>(2)</b>   | <b>(3)</b>  |
| 1.             | Bharathiyar Palkalai Koodam  | 2008-09 and 2009-10                                   |
| 2.             | District Institute of Education and Training                               | 2008-09 and 2009-10                                   |
| 3.             | Fish Farmers Development Agency, Karaikal                                  | 2006-07 to 2009-10                                    |
| 4.             | Karaikal Market Committee  | 2006-07 to 2008-09                                    |
| 5.             | Krishi Vigyan Kendra, Puducherry   | 2008-09 and 2009-10                                   |
| 6.             | Mother Teresa Institute of Health Sciences                                 | 2008-09 and 2009-10                                   |
| 7.             | Nedungadu Commune Panchayat  | 2006-07 to 2009-10                                    |
| 8.             | Neravy Commune Panchayat   | 2006-07 to 2009-10                                    |
| 9.             | Perunthalaivar Kamarajar College of Education, Karaikal                    | 2006-07 to 2009-10                                    |
| 10.            | Perunthalaivar Kamarajar Institute of Engineering and Technology, Karaikal | 2006-07 to 2009-10                                    |
| 11.            | Pondicherry Experimental Solar Pond Power Project                          | 2008-09 and 2009-10                                   |
| 12.            | Pondicherry Housing Board  | 2008-09 and 2009-10                                   |
| 13.            | Pondicherry Fishing Harbour Management Society                             | 2008-09 and 2009-10                                   |
| 14.            | Pondicherry Fishermen Welfare Distress Relief Society                      | 2008-09 and 2009-10                                   |
| 15.            | Pondicherry Institute of Hotel Management and Catering Technology          | 2008-09 and 2009-10                                   |
| 16.            | Pondicherry Khadi and Village Industries Board                             | 2008-09 and 2009-10                                   |
| 17.            | Pondicherry Market Committee   | 2008-09 and 2009-10                                   |
| 18.            | Pondicherry Medical Relief Society for poor                                | 2007-08 to 2009-10                                    |
| 19.            | Pondicherry Slum Clearance Board   | 2008-09 and 2009-10                                   |
| 20.            | Pondicherry State Sports Council   | 2008-09 and 2009-10                                   |
| 21.            | Pondicherry Seed Certification Agency                                      | 2006-07 to 2009-10                                    |
| 22.            | Pondicherry Society for the Care of the Aged (PONCARE)                     | 2007-08 to 2009-10                                    |
| 23.            | Pondicherry Veterinary College Society                                     | 2008-09 and 2009-10                                   |

| <b>(1)</b> | <b>(2)</b>  | <b>(3)</b>          |
|------------|---|---------------------|
| 24.        | Pondicherry Women's Commission                          | 2008-09 and 2009-10 |
| 25.        | Renewable Energy Agency                                 | 2008-09 and 2009-10 |
| 26.        | Sarva Shiksha Abiyan                                    | 2008-09 and 2009-10 |
| 27.        | State Social Welfare Advisory Board                     | 2006-07 to 2009-10  |
| 28.        | The Indian National Trust for Art, Culture and Heritage | 2006-07 to 2009-10  |
| 29.        | Thirunallar Commune Panchayat                           | 2008-09 and 2009-10 |
| 30.        | T.R. Pattinam Commune Panchayat                         | 2008-09 and 2009-10 |

**Appendix 3.3**  
**(Reference: Paragraph 3.2; Page 38)**

**List of Autonomous Bodies /Authorities from whom accounts were not received since their inception**

| Sl. No. | Name of the Autonomous Body/Authority           |
|---------|---|
| 1.      | Board of Higher Secondary Education             |
| 2.      | Community College, Karaikal                     |
| 3.      | Fishermen Co-operative Union                    |
| 4.      | Mahila Mandals, Karaikal                        |
| 5.      | Pondicherry Building Centre                     |
| 6.      | Pondicherry Management and Productivity Council |
| 7.      | Thondaimandala Numismatic Society               |
| 8.      | Karaikal Planning Authority, Karaikal           |

**Appendix 3.4**  
**(Reference: Paragraph 3.4; Page 39)**

**Department/category-wise details in respect of cases of loss to  
Government due to theft, misappropriation/loss of Government material**

| Sl. No | Name of the Department          | Theft and Loss cases |               | Misappropriation/<br>Loss of Government<br>Material |               | Total           |               |
|--------|---------------------------------|----------------------|---------------|---|---------------|-----------------|---------------|
|        |                                 | Number of Cases      | Amount        | Number of Cases                                     | Amount        | Number of Cases | Amount        |
|        |                                 |                      | (₹ in lakh)   |   | (₹ in lakh)   |                 | (₹ in lakh)   |
| 1.     | Agriculture                     | 4                    | 0.22          | 1   | 5.15          | 5               | 5.37          |
| 2.     | Animal Husbandry                | --                   | --            | 1   | 41.57         | 1               | 41.57         |
| 3.     | Art and Culture                 | 3                    | 0.29          | --  | --            | 3               | 0.29          |
| 4.     | Education                       | 25                   | 1.02          | 1   | 3.89          | 26              | 4.91          |
| 5.     | Electricity                     | 238                  | 621.59        | 2   | 82.35         | 240             | 703.94        |
| 6.     | Health and Family Welfare       | 9                    | 0.27          | --  | --            | 9               | 0.27          |
| 7.     | Industries                      | 1                    | NA            | --  | --            | 1               | NA            |
| 8.     | Police                          | --                   | --            | 1   | 0.30          | 1               | 0.30          |
| 9.     | Public Works                    | 3                    | 5.04          | --  | --            | 3               | 5.04          |
| 10.    | Revenue and Disaster Management | 2                    | 0.87          | --  | --            | 2               | 0.87          |
| 11.    | Tourism                         | 1                    | NA            | --  | --            | 1               | NA            |
| 12.    | Women and Child Development     | 1                    | 3.75          | --  | --            | 1               | 3.75          |
|        | <b>Total</b>                    | <b>287</b>           | <b>633.05</b> | <b>6</b>  | <b>133.26</b> | <b>293</b>      | <b>766.31</b> |

NA: Not available