



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

**on**

**Union Territory Finances  
for the year ended March 2015**



**Government of the Union Territory of Puducherry**

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**Government of the Union Territory of Puducherry – Report on Union Territory Finances – 2014-15**



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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 2015. Information has been obtained from the Government of Union Territory of Puducherry wherever necessary.
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.
4. The Report containing the findings of Performance Audit and audit of transactions in various Departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and observations on Revenue Receipts is presented separately.

# **EXECUTIVE SUMMARY**



## Executive Summary

Based on the audited accounts of the Government of Union Territory of Puducherry (UT Government) for the year ending March 2015, this Report provides an analytical review of the Annual Accounts of the UT 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 on 31 March 2015. It provides an insight into trends in receipts and expenditure, committed expenditure, borrowing pattern and fiscal status of the Government.

**Chapter II** is based on the audit of Appropriation Accounts and gives a 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

**High share of Revenue Expenditure in total expenditure:** The Revenue Expenditure of ₹ 4,800 crore during 2014-15 constituted 88.64 *per cent* of total expenditure. The committed expenditure such as salaries, pension and interest payments constituted around 51 *per cent* of Revenue Receipts and Revenue Expenditure.

**Inadequate priority to Development Expenditure:** Development Expenditure increased by ₹ 344 crore from ₹ 3,558 crore in 2013-14 to ₹ 3,902 crore in 2014-15. However, Development Expenditure as a percentage of Aggregate Expenditure marginally decreased from 73 in 2013-14 to 72 in 2014-15.

**Low return on investments:** As of 31 March 2015, Government invested ₹ 998.93 crore in Government Companies and Co-operative Institutions. Though the average rate of interest on UT Government's borrowings was 7.9 *per cent*, the average rate of return on investments was around 0.4 *per cent* during 2010-15.

**High ratio of fiscal liabilities to GSDP:** The outstanding fiscal liabilities increased from ₹ 4,588 crore in 2010-11 to ₹ 7,030 crore in 2014-15. The fiscal liabilities constituted about 27 *per cent* of GSDP in 2014-15.

## **2. Financial Management and Budgetary control**

During 2014-15, expenditure of ₹ 5,612.39 crore was incurred against total grants and appropriations of ₹ 6,329.93 crore, resulting in overall savings of ₹ 717.54 crore (11.34 *per cent*). In 33 cases, no expenditure was incurred against the provision of ₹ 130.05 crore. There were persistent savings of more than ₹ 10 lakh in 10 grants during 2010-15. In 42 cases, the expenditure exceeded the approved provision, resulting in excess expenditure of ₹ 150.91 crore. Out of total anticipated savings of ₹ 608.31 crore in 10 grants, ₹ 234.77 crore was not surrendered.

## **3. Financial Reporting**

There was pendency in furnishing of Utilisation Certificates by various grantee institutions for Grants-in-aid of ₹ 242.26 crore. The pendency ranged from one to more than nine years. Twenty four Autonomous Bodies/Authorities did not submit to Audit their annual accounts due for the period upto 2013-14 as of March 2015. Temporary advances aggregating to ₹ 171.43 crore were pending for adjustment by the Drawing and Disbursing Officers. The Union Territory Government Departments reported 327 cases of misappropriation, loss, defalcation, etc., involving Government money of ₹ 44.72 crore upto March 2015. 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 located on the east coast of India and extends over an area of 490 sq.km. The UT consists of four regions, namely, Puducherry, Karaikal, Mahe and Yanam, geographically separated from each other. The UT is administered under the provisions of the Government of Union Territories Act, 1963. The UT's population increased from 9.74 lakh in 2001 to 12.48 lakh in 2011, recording a decadal growth rate of 28.1 *per cent*. The percentage of population below the poverty line was 7.7, which was lower than the all-India average of 29.5. The UT's Gross State Domestic Product (GSDP) in 2014-15, at current price, was ₹ 25,819 crore<sup>1</sup>. The UT's literacy rate increased from 81.24 *per cent* (as per 2001 census) to 85.80 *per cent* (as per 2011 census). The per capita income of the UT stands at ₹ 1,60,466. General data relating to the UT is given in **Appendix 1.1**.

#### Gross State Domestic Product

Gross State Domestic Product (GSDP) is the market value of all officially recognised final goods and services produced within the UT in a given period of time. The growth of GSDP of the UT is an important indicator of the UT's economy as it indicates the standard of living of the UT's population. The trends in the annual growth of India's GDP and UT's GSDP at current prices are indicated below in **Table 1.1**:

**Table 1.1: Trend of growth of GDP and GSDP**

	2010-11	2011-12	2012-13	2013-14	2014-15
India's GDP (₹ in crore)	72,48,860	83,91,691	93,88,876	1,04,72,807	1,15,09,810*
Growth rate of GDP (percentage)	18.66	15.77	11.88	11.54	--
UT's GSDP (₹ in crore)	13,092	14,661 (Revised Estimate)	16,795 (Provisional)	21,077 (Quick Estimate)	25,819 (Advance Estimate)
Growth rate of GSDP (percentage)	6.40	11.98	14.56	25.50	22.50

(Source : GSDP in Puducherry-Directorate of Economics and Statistics, Puducherry; India's GDP-Information from Ministry of Statistics and Programme Implementation and Accountants General)

\*Excludes GSDP of Andaman and Nicobar Islands, Chandigarh and Goa

<sup>1</sup> Advance Estimate

The terms and abbreviations used in this Report are listed in the Glossary at Page No. 74

## 1.1 Introduction

This Chapter provides a broad perspective of the finances of the Government of the UT 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**.

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

**Table 1.2** presents the summary of the UT Government's fiscal transactions during the current year (2014-15) *vis-à-vis* the previous year (2013-14), while **Appendix 1.4 - Part A** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

**Table 1.2 : Summary of Current Year's Fiscal Operations**

(₹ in crore)

Receipts	2013-14	2014-15	Disbursements	2013-14	2014-15		
Section-A: Revenue					Non Plan	Plan	Total
<b>Revenue receipts</b>	<b>4,308</b>	<b>4,758</b>	<b>Revenue expenditure</b>	<b>4,483</b>	<b>3,246</b>	<b>1,554</b>	<b>4,800</b>
Tax revenue	1,904	1,993	General services	1,235	1,363	54	1,417
Non-tax revenue	1,193	1,300	Social services	1,661	717	1,114	1,831
Share of Union Taxes/ Duties	Nil	Nil	Economic services	1,582	1,158	386	1,544
Grants from the Government of India	1,211	1,465	Grants-in-aid and Contributions	5	8	Nil	8
<b>Section-B: Capital</b>							
Miscellaneous Capital Receipts	Nil	Nil	Capital expenditure	362	13	601	614
Recoveries of Loans and Advances	3	2	Loans and Advances disbursed	1	1	Nil	1
Public Debt receipts	750	704	Repayment of Public Debt	204	117	66	183
Contingency Fund	Nil	Nil	Contingency Fund	Nil			Nil
Public Account receipts	910	982	Public Account disbursements	709	*	*	845
Opening Cash Balance	1,020	1,232	Closing Cash Balance	1,232			1,235
<b>Total</b>	<b>6,991</b>	<b>7,678</b>	<b>Total</b>	<b>6,991</b>			<b>7,678</b>

(Source: Finance Accounts of respective years); \* Bifurcation of Plan and Non-Plan not available.

Following are the significant changes during 2014-15 as compared to the previous year 2013-14:

- Revenue receipts increased by ₹ 450 crore due to increase in Tax Revenue, Non-Tax revenue and release of additional grants by GoI of ₹ 89 crore, ₹ 107 crore and ₹ 254 crore respectively.

- Revenue expenditure increased by ₹ 317 crore due to more expenditure on General Services (₹ 182 crore), Social Services (₹ 170 crore) and Grants-in-aid (GIA) and contribution (₹ three crore), offset by less expenditure on Economic Services (₹ 38 crore).
- Capital expenditure increased by ₹ 252 crore during the year and it was 11.34 *per cent* of the aggregate expenditure.
- Public Account receipts and disbursements increased by ₹ 72 crore and ₹ 136 crore respectively during 2014-15.

### 1.1.2 Review of the fiscal situation

As UT of Puducherry was not covered under Finance Commission, Fiscal Responsibility and Budget Management (FRBM) Act was not enacted. However, fiscal road map based on the principles of GoI's FRBM Act had been prepared and approved by GoI. The target prescribed in the fiscal road map and target proposed in the budget are given in **Table 1.3**:

**Table 1.3: Comparison of fiscal variable with road map for 2014-15**

Fiscal variables	Target proposed in the fiscal road map	Target proposed in the budget	Actuals
Revenue deficit(-) / surplus (+) (₹ in crore)	(-) 103.98	(+) 133.85	(-) 42.03
Fiscal deficit / GSDP ( <i>per cent</i> )	3.90	Nil	2.54
Ratio of total outstanding debt of the Government to GSDP ( <i>per cent</i> )	30.27	Not available	27.23

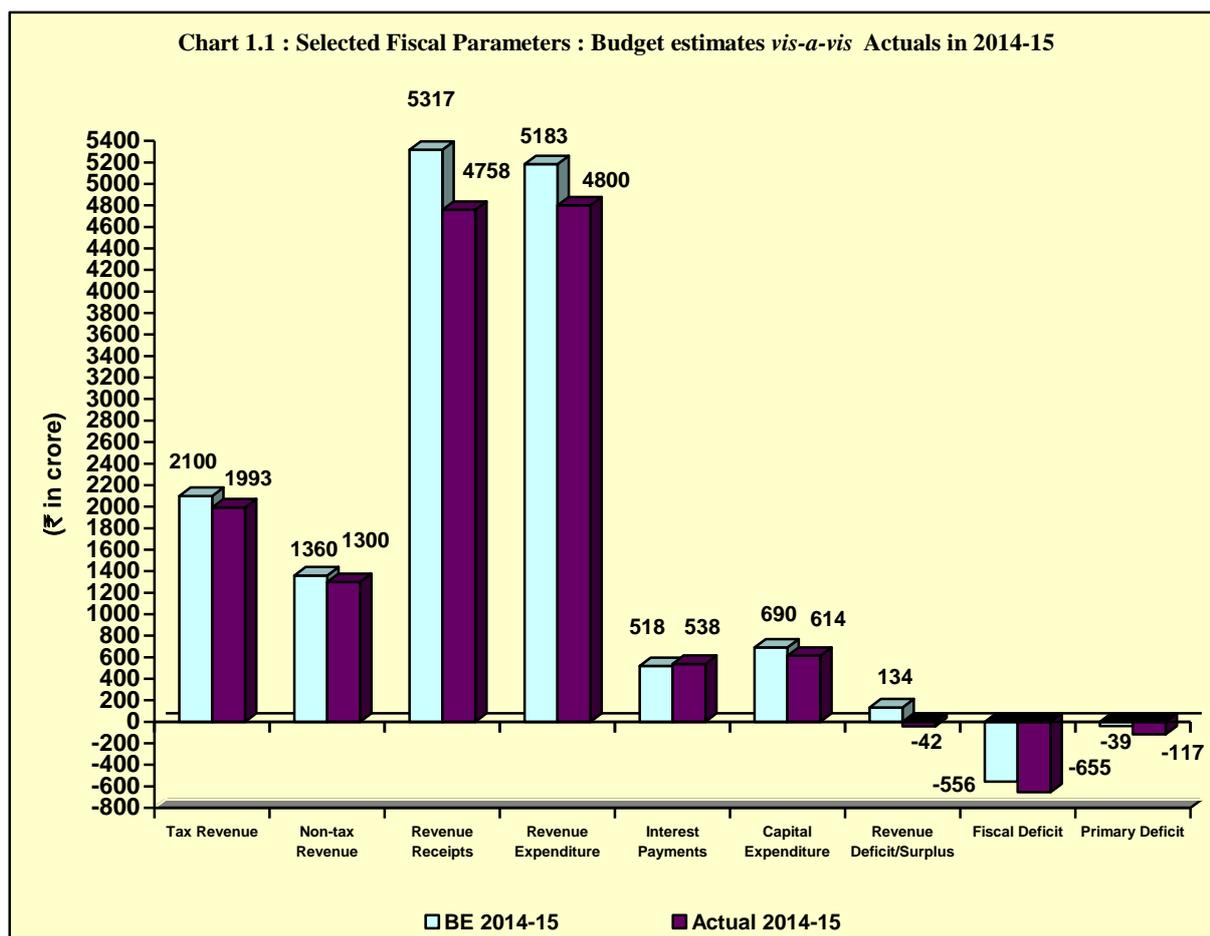
(Source: Finance Accounts, fiscal road map and budget documents)

As against the target proposed in the fiscal road map for revenue deficit of ₹ 103.98 crore, UT Government's revenue deficit was ₹ 42.03 crore which was 0.16 *per cent* of GSDP. The outstanding fiscal liabilities to GSDP were 27.23 *per cent* as against 30.27 *per cent* envisaged in the fiscal road map.

### 1.1.3 Budget estimates and actuals

The Budget papers presented by a State/UT Government provide description of the estimated 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 of the desired fiscal objectives.

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



(Source: Finance Accounts and budget documents)

The actual revenue receipts were less by ₹ 559 crore as compared to the budget estimates, due to less receipts of tax revenue (BE : ₹ 2,100 crore; Actual receipts : ₹ 1,993 crore), non-tax revenue (BE: ₹ 1,360 crore; Actual receipts: ₹ 1,300 crore) and GIA from GoI (BE : ₹ 1,857 crore; Actual receipts: ₹ 1,465 crore). The revenue expenditure and capital expenditure were less by ₹ 383 crore and ₹ 76 crore respectively than the budget estimates. Lower revenue expenditure as compared to the budget estimates was mainly due to less expenditure on General Services; water supply, sanitation, housing and urban development under Social Services and agriculture and allied activities, rural development and energy under Economic Services. Similarly, less capital expenditure was also noticed on health and family welfare and water supply, sanitation, housing and urban development under Social Services and agriculture and allied activities, irrigation and flood control, energy and other general economic services under Economic Services.

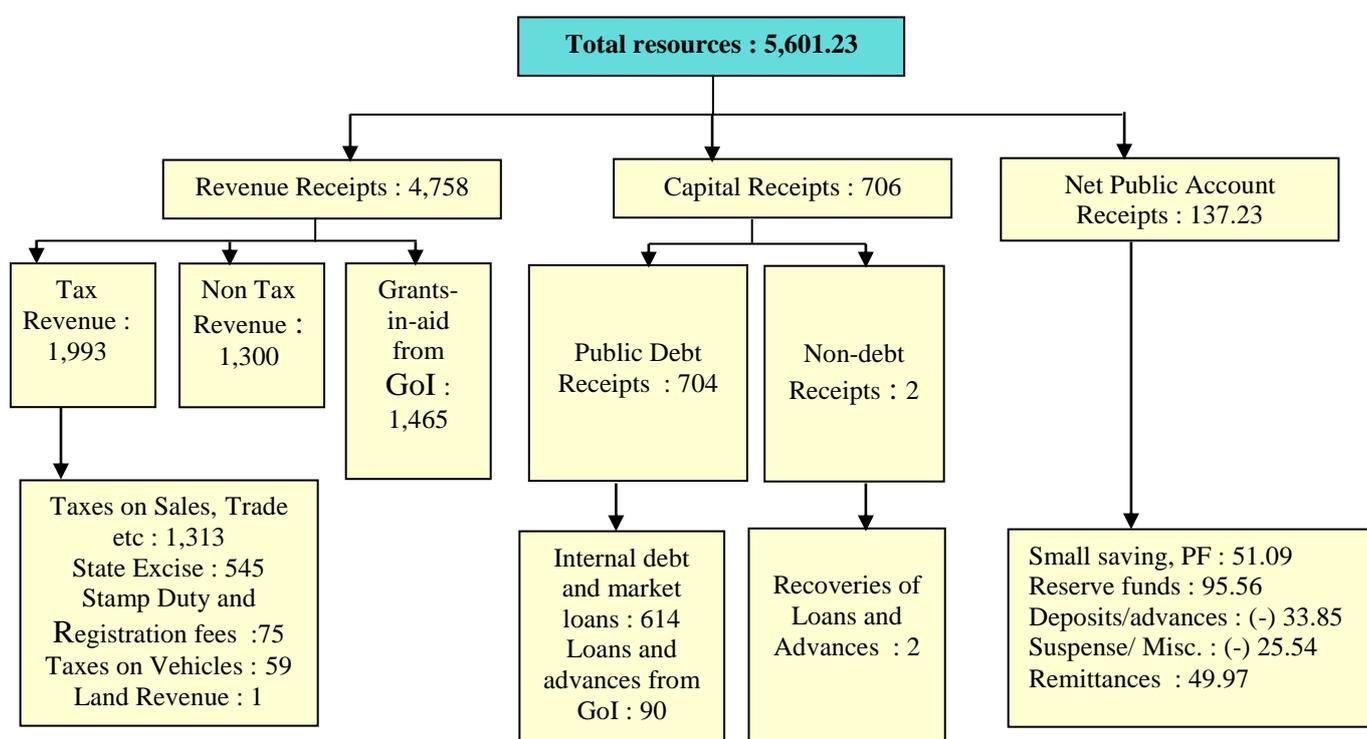
The gap between the estimates and actuals of some of the parameters indicated that either the estimates were not realistic or there was under performance.

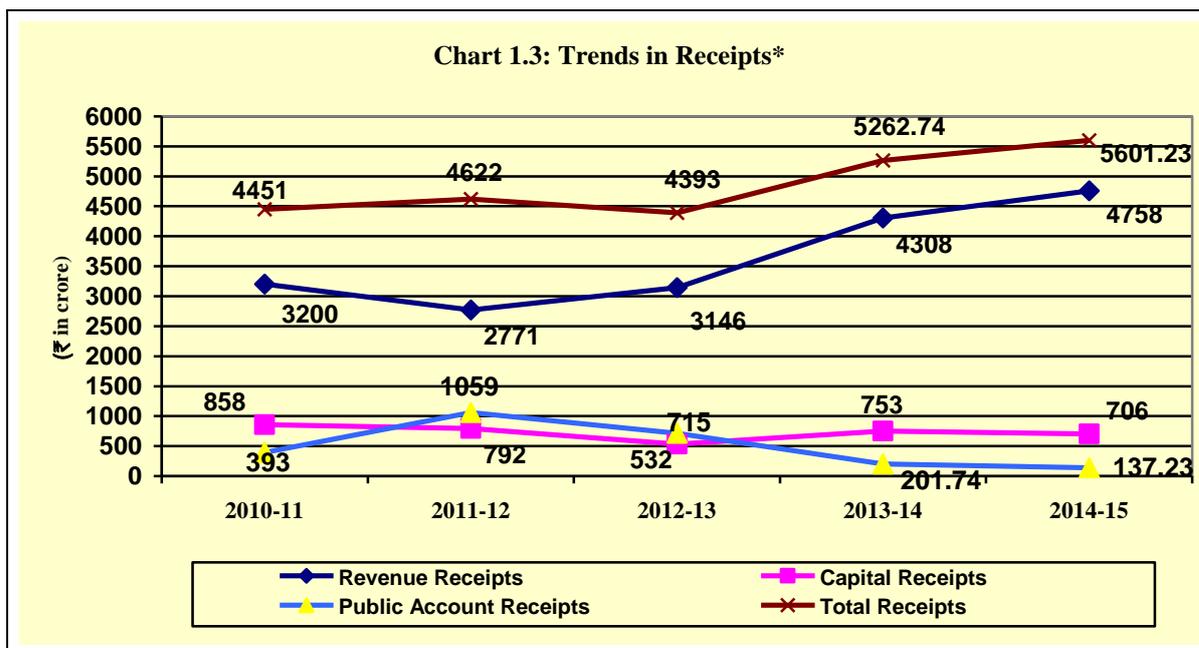
## 1.2 Resources of the Union Territory

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

Revenue and Capital are the two streams of receipts that constitute resources of the Government. Revenue receipts consist of tax revenues, non-tax revenues and GIA 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. **Chart 1.2** presents the receipts and disbursements of the UT during the current year as recorded in its Annual Finance Accounts, while **Chart 1.3** depicts the trends in various components of the receipts during 2010-15. **Chart 1.4** depicts the composition of resources during the current year.

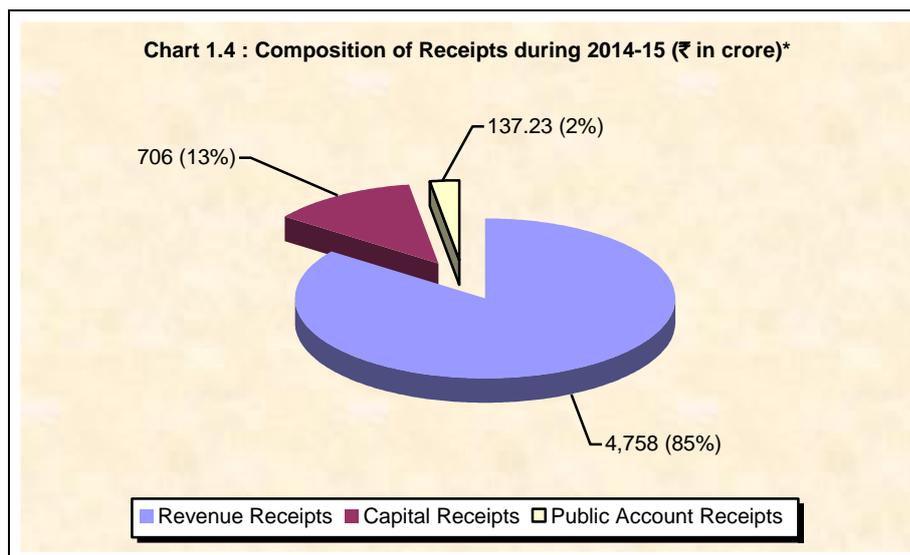
The following flow **Chart 1.2** shows the components and sub-components of resources. (All figures are ₹ in crore)





(Source: Finance Accounts of respective years);

\* Total Receipts includes Net Receipts under Public Account



(Source: Finance Accounts of respective years)

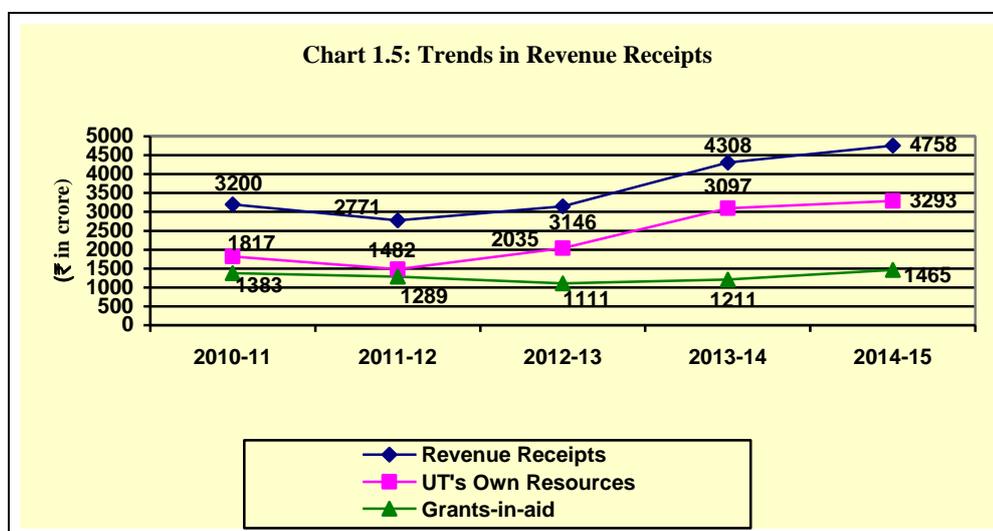
\* Total Receipts includes Net Receipts under Public Accounts

Major part of the UT's receipts consist of revenue receipts (85 per cent) followed by capital receipts (13 per cent).

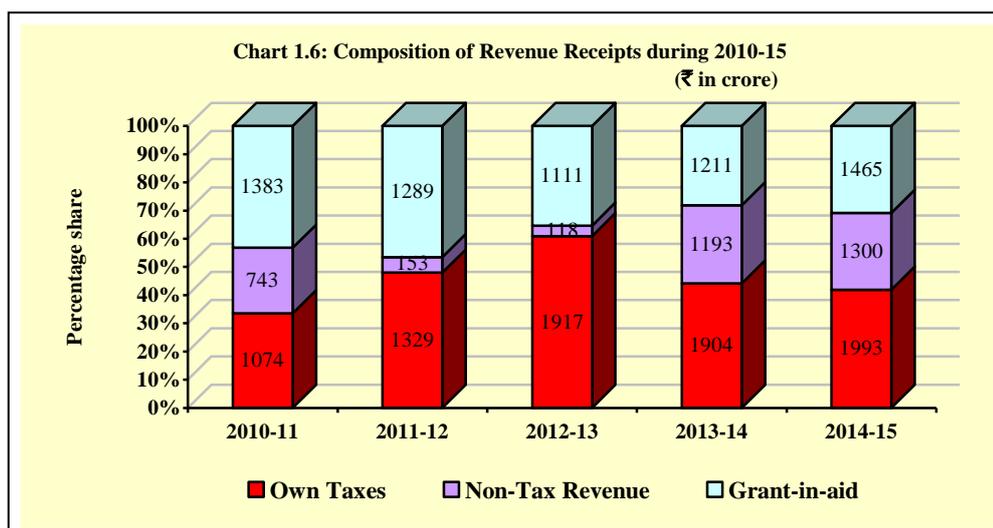
Total receipts increased by ₹ 338.49 crore over the previous year mainly due to increase in revenue receipts.

### 1.3 Revenue Receipts

Statement-14 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the UT's own tax and non-tax revenues and GIA from GoI. The trends and composition of revenue receipts over the period 2010-15 are presented in **Appendix 1.3** and depicted in **Charts 1.5** and **1.6** respectively.



(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)

Revenue receipts of UT increased by ₹ 450 crore (10.44 per cent) over the previous year. Tax revenue, Non-Tax revenue and GIA from GoI increased by ₹ 89 crore, ₹ 107 crore and ₹ 254 crore respectively. The share of GIA from GoI constitutes about 31 per cent of revenue receipts.

The trends of revenue receipts relative to GSDP are presented in **Table 1.4** below:

**Table 1.4: Trends in Revenue Receipts relative to GSDP**

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Revenue Receipts (RR)</b> (₹ in crore)	3,200	2,771	3,146	4,308	4,758
Rate of growth of RR ( <i>per cent</i> )	12.64	(-)13.41	13.53	36.94	10.44
UT's own taxes (₹ in crore)	1,074	1,329	1,917	1,904	1,993
Rate of growth of own taxes ( <i>per cent</i> )	23.73	23.74	44.24	(-) 0.68	4.67
GSDP <sup>2</sup> growth ( <i>per cent</i> )	6.40	11.98	14.56	25.50	22.50
<b>Buoyancy Ratios</b>					
RR/GSDP <sup>2</sup> ( <i>per cent</i> )	24.44	18.90	18.73	20.44	18.43
Revenue buoyancy with reference to GSDP <sup>2</sup> (ratio)	1.98	(-)1.12	0.93	1.45	0.46
UT's own tax buoyancy with reference to GSDP <sup>2</sup> (ratio)	3.71	1.98	3.04	(-) 0.03	0.21

(Source: Finance Accounts of respective years)

The GSDP, at the current prices, was estimated to increase from ₹ 21,077 crore in 2013-14 to ₹ 25,819 crore in 2014-15, representing growth of 22.50 *per cent*. While rate of growth of revenue receipts was 10.44 *per cent* in 2014-15, growth of own taxes was only 4.67 *per cent* during the year.

The buoyancy ratio indicates elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. As against growth rate of GSDP of 22.50 *per cent*, the growth rate of own taxes was 4.67 indicating that growth of own taxes was not proportionate to the growth rate of GSDP. While the revenue buoyancy with reference to GSDP decreased from 1.45 in 2013-14 to 0.46 in 2014-15, UT's own tax buoyancy with reference to GSDP turned positive and stood at 0.21 during the year.

### 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 UT's actual tax and non-tax revenue for the year 2014-15 *vis-à-vis* target proposed in the fiscal road map and budget estimates are given in **Table 1.5**.

**Table 1.5: Tax and Non-tax revenue *vis-à-vis* budget estimates and target proposed in the fiscal road map**

	(₹ in crore)		
	Target proposed in the fiscal road map	Budget estimate	Actuals
Tax revenue	3,021	2,100	1,993
Non-tax revenue	138	1,360	1,300

(Source: Budget documents, Finance Accounts and details furnished by the Department)

<sup>2</sup> Revised, Provisional, Quick estimates and Advance Estimate of GSDP ₹ 14,661 crore, ₹ 16,795 crore, ₹ 21,077 crore and ₹ 25,819 crore, have been adopted for the years 2011-12, 2012-13, 2013-14 and 2014-15 respectively

The actual tax revenue was less by ₹ 1,028 crore (34 per cent) and ₹ 107 crore (5.10 per cent) than target proposed in the fiscal road map and budget estimate respectively. While non-tax revenue was less by ₹ 60 crore (4.4 per cent) than budget estimates, it was more by ₹ 1,162 crore than fiscal road map target.

### 1.3.1.1 Tax revenue

The gross collection in respect of major taxes and duties are given in **Table 1.6**.

**Table 1.6: Components of UT's Tax resources**

Revenue Head						(₹ in crore)
	2010-11	2011-12	2012-13	2013-14	2014-15	Percentage of increase (+)/ decrease (-) over previous year
Taxes on Sales, Trade, etc.	595	750	1,287	1,256	1,313	(+) 4.54
State Excise	379	447	504	512	545	(+) 6.45
Taxes on Vehicles	48	54	52	52	59	(+) 13.46
Stamp Duty and Registration fees	51	77	73	83	75	(-) 9.64
Land Revenue	1	1	1	1	1	Nil
<b>Total</b>	<b>1,074</b>	<b>1,329</b>	<b>1,917</b>	<b>1,904</b>	<b>1,993</b>	<b>(+) 4.67</b>

(Source: Finance Accounts of respective years)

The UT's tax revenue increased by ₹ 89 crore (4.67 per cent) in 2014-15 over the previous year mainly due to increase in collection under taxes on Sales and Trade (₹ 57 crore).

### 1.3.1.2 Non-tax revenue

The components of non-tax receipts are given in **Table 1.7**:

**Table 1.7: Components of UT's Non-tax receipts**

Revenue Head						(₹ in crore)
	2010-11	2011-12	2012-13	2013-14	2014-15	Percentage of increase (+)/ decrease (-) over previous year
Interest receipts	37	35	35	62	91	(+) 47
Dividends and Profits	5	4	1	6	2	(-) 67
Other non-tax receipts	701	114	82	1,125	1,207	(+) 7
<b>Total</b>	<b>743</b>	<b>153</b>	<b>118</b>	<b>1,193</b>	<b>1,300</b>	<b>(+) 9</b>

(Source: Finance Accounts of respective years)

The Non-tax revenue receipts increased from ₹ 1,193 crore in 2013-14 to ₹ 1,300 crore in 2014-15. While interest receipts increased by ₹ 29 crore,

dividends and profits decreased by ₹ four crore. Only one company viz., Pondicherry Distilleries Limited declared dividends during 2014-15.

### 1.3.1.3 Grants-in-aid from GoI

The GIA received from GoI for the years 2010-11 to 2014-15 are given in **Table 1.8**.

**Table 1.8: GIA from GoI**

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Non-Plan grants	1,123.11	926.07	525.38	513.50	513.00
Grants for UT's Plan scheme	207.44	266.61	546.59	663.69	803.44
Grants for CSS	52.24	96.01	38.80	33.32	148.36
<b>Total</b>	<b>1,382.79</b>	<b>1,288.69</b>	<b>1,110.77</b>	<b>1,210.51</b>	<b>1,464.80</b>
Percentage of increase over previous year	3.92	(-) 6.81	(-)13.81	8.98	21.01
Total grant as a percentage of revenue receipts	43.21	46.50	35.31	28.10	30.79

(Source: Finance Accounts of respective years)

GIA received from GoI as a percentage over previous year increased by 21.01. The total grant as a percentage of revenue receipts increased from 28.10 in 2013-14 to 30.79 in 2014-15.

During the year, more grants (₹ 139.75 crore) were received for UT's Plan scheme as compared to previous year.

## 1.4 Capital Receipts

Public debt receipts, recoveries of loans and advances and miscellaneous capital receipts are the capital receipts of the UT Government. The trends in growth of capital receipts for the period from 2010-11 to 2014-15 are given in **Table 1.9**.

Table 1.9 : Growth of capital receipts

(₹ in crore)

Source of receipts	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Capital receipts</b>	<b>858</b>	<b>792</b>	<b>532</b>	<b>753</b>	<b>706</b>
Miscellaneous capital receipts	Nil	Nil	Nil	Nil	Nil
Recovery of loans and advances	4	4	3	3	2
Public Debt receipts	854	788	529	750	704
Rate of growth of Public debt receipts ( <i>per cent</i> )	29.59	(-) 7.73	(-) 32.87	41.78	(-)6.13
Rate of growth of non-debt capital receipts ( <i>per cent</i> )	(-) 89.47	Nil	-25	Nil	(-) 33.33
Rate of growth of GSDP ( <i>per cent</i> )	6.40	11.98	14.56	25.50	22.50
Rate of growth of capital receipts ( <i>per cent</i> )	23.10	(-) 7.69	(-) 32.83	41.54	(-) 6.24

(Source: Finance Accounts of respective years)

The capital receipts decreased by ₹ 47 crore mainly due to decrease in Public Debt receipts.

## 1.5 Public Account Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc., which do not form part of the Consolidated Fund, are kept in the Public Account and are not subject to vote by the UT Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use. Public Account Receipts for the period from 2010-11 to 2014-15 are given in **Table 1.10**.

Table 1.10 – Trends in growth and composition of Public Account Receipts

(₹ in crore)

Resources under various heads	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Public Account Receipts</b>	<b>392.85</b>	<b>1,058.58</b>	<b>715.17</b>	<b>910.80</b>	<b>981.76</b>
a) Small savings, Provident Fund, etc.	233.27	246.41	257.16	266.34	289.93
b) Reserve Fund	8.28	11.87	28.53	50.00	95.56
c) Deposits and advances	89.93	323.49	259.70	269.59	195.80
d) Suspense and miscellaneous	(-) 365.13	28.92	(-) 143.10	5.43	(-) 2.49
e) Remittance	426.50	447.89	312.88	319.44	402.96

(Source: Finance Accounts of respective years)

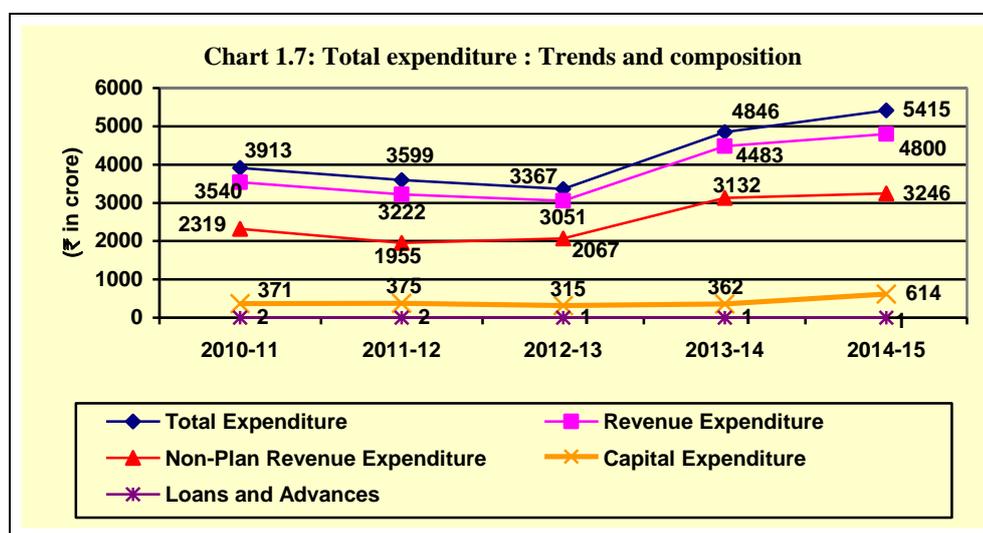
The Public Account Receipts increased from ₹ 910.80 crore in 2013-14 to ₹ 981.76 crore in 2014-15.

## 1.6 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 that too financed by deficit or borrowings, it is important to ensure that the ongoing fiscal correction and consolidation process are not at the cost of development expenditure.

### 1.6.1 Growth and Composition of Expenditure

**Chart 1.7** presents the trends of total expenditure over a period of five years (2010-15). Its composition in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted respectively in **Charts 1.8 and 1.9**.

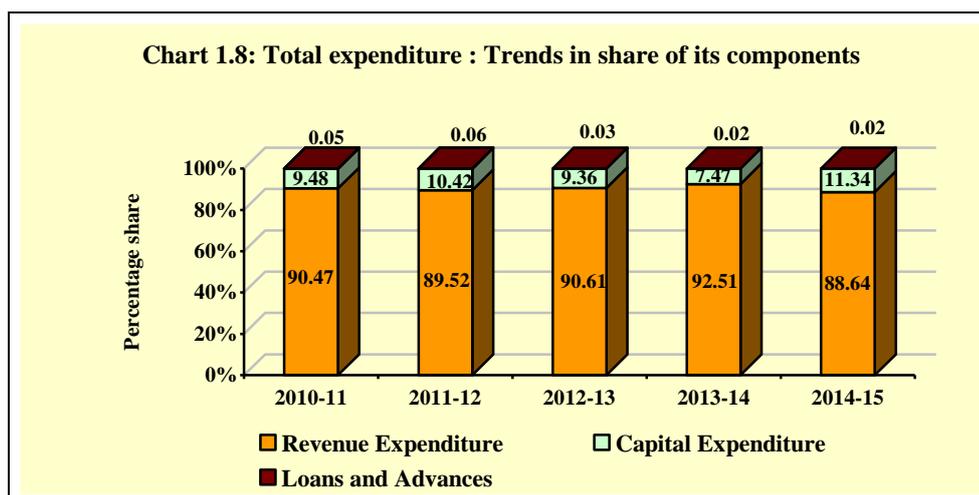


(Source: Finance Accounts of respective years)

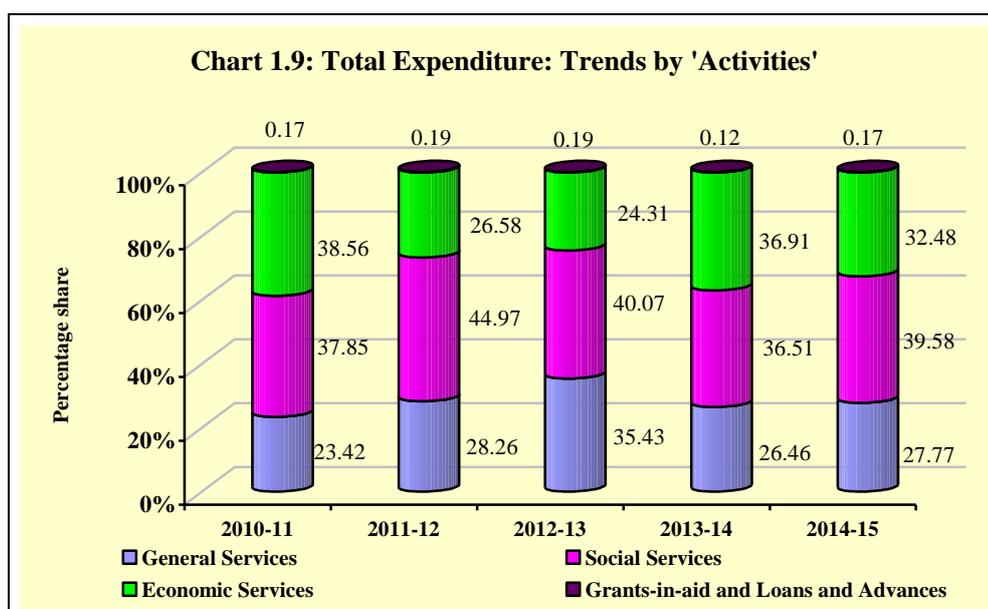
Total expenditure<sup>3</sup> of the UT increased by 11.74 per cent from ₹ 4,846 crore in 2013-14 to ₹ 5,415 crore in 2014-15. The revenue expenditure increased by ₹ 317 crore (7.07 per cent) and the capital expenditure increased by ₹ 252 crore (69.61 per cent) during 2014-15 when compared to last year.

Revenue expenditure was 88.64 per cent of the total expenditure, of which, 67.63 per cent was the Non-Plan component. The capital expenditure accounted for 11.34 per cent of the total expenditure in 2014-15.

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



(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)

During 2014-15, expenditure on General Services, Social Services and Economic Services was 27.77, 39.58 and 32.48 *per cent* of the total expenditure respectively. While the expenditure on General Services and Social Services increased by 17.23 and 21.14 *per cent* respectively over the previous year, the expenditure on Economic Services decreased by 1.67 *per cent*.

### 1.6.2 Revenue expenditure

Revenue expenditure increased by ₹ 317 crore as compared to previous year, it constitutes 88.64 *per cent* of total expenditure of ₹ 5,415 crore during the year. Revenue deficit stood at 0.16 *per cent* of GSDP.

### 1.6.3 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 1.11** presents the trends of expenditure on these components during 2010-15 and **Chart 1.10** presents the share of committed expenditure in Non-Plan revenue expenditure on salaries, interest payments and pension during 2012-15.

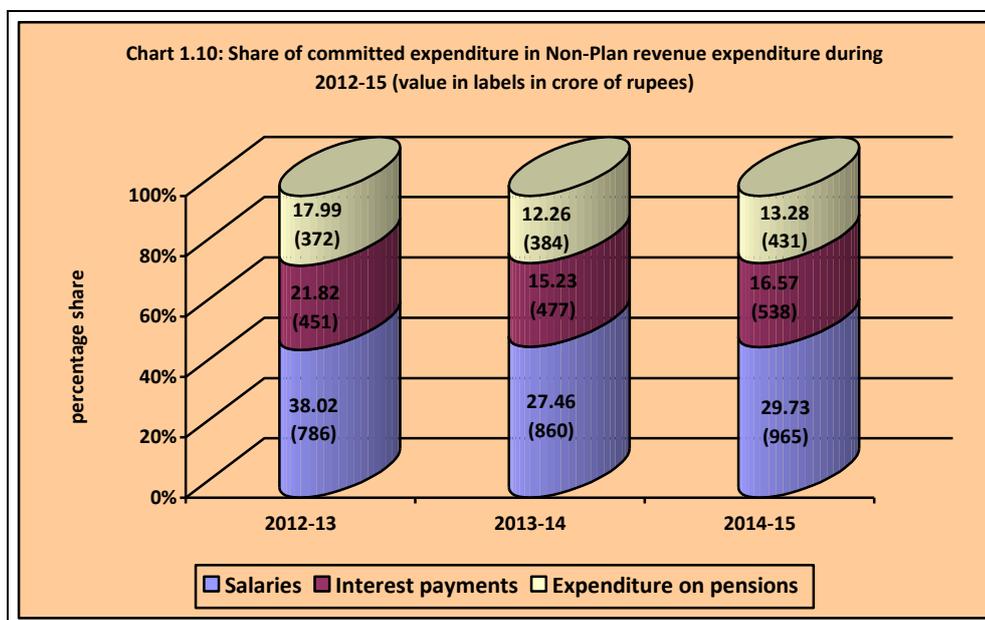
**Table-1.11: Components of Committed Expenditure**

(₹ in crore)

Components of Committed Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15
Salaries, of which	987 (31)	956 (34)	1,063 (34)	1,172 (27)	1,332 (28)
Non-Plan Head	731	706	786	860	965
Plan Head**	256	250	277	312	367
Interest Payments	331 (10)	390 (14)	451 (14)	477 (11)	538 (11)
Expenditure on Pension	254 (8)	296 (11)	372 (12)	384 (9)	431 (9)
Subsidies	82 (3)	88 (3)	53 (2)	129 (3)	144 (3)
<b>Total</b>	<b>1,654 (52)</b>	<b>1,730 (62)</b>	<b>1,939 (62)</b>	<b>2,162 (50)</b>	<b>2,445 (51)</b>

Figures in bracket indicate percentage to revenue receipts  
 \*\* Plan head also includes the salaries paid under Centrally Sponsored Schemes

(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)

The committed expenditure (₹ 2,445 crore) increased continuously from 2010-11 to 2014-15 and constituted around 51 *per cent* of revenue receipts and revenue expenditure during 2014-15.

**Expenditure on salaries** under Non-Plan and Plan during the current year was ₹ 965 crore and ₹ 367 crore respectively. During 2014-15, expenditure on salary increased by ₹ 160 crore, as a percentage of revenue receipts, it was around 28.

**Pension payments** increased by around 12 *per cent* from ₹ 384 crore in 2013-14 to ₹ 431 crore in 2014-15 and it stood around nine *per cent* of revenue receipts.

**Interest payments** increased by ₹ 61 crore (around 13 *per cent*) in 2014-15 over the previous year. The interest payments in 2014-15 were about 11 *per cent* of the total revenue receipts.

**Subsidies** (around three *per cent* of revenue receipts in 2014-15) represent the expenditure booked under the object head ‘Subsidies’ under Welfare of Scheduled Castes, Social Security and Welfare, Crop Husbandry, Animal Husbandry, Fisheries, Food Storage and Warehousing, Minor Irrigation, Village and Small Industries, Tourism and other General Economic Services.

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

The Panchayati Raj system in Puducherry is governed by the provisions of the Pondicherry Village and Commune Panchayat Act, 1973 which has devolved several powers to Village and Commune Panchayats. The legislation was further amended in 1994, so as to conform to the 73<sup>rd</sup> amendment to the Constitution. In Puducherry, there are five Municipalities, 10 Commune Panchayats and 98 Village Panchayats. 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 1.12**.

**Table 1.12: Financial Assistance to Local Bodies etc.**

(₹ in crore)					
Financial Assistance to Institutions	2010-11	2011-12	2012-13	2013-14	2014-15
(1)	(2)	(3)	(4)	(5)	(6)
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	32.55	25.15	28.09	37.08	50.56
Municipalities	58.95	48.37	23.43	44.89	43.98
Panchayati Raj Institutions	14.54	30.91	3.75	18.36	12.14
Development Agencies and Autonomous Bodies	421.94	302.86	263.03	348.59	459.75

(1)	(2)	(3)	(4)	(5)	(6)
Co-operatives	25.86	30.42	35.32	32.63	68.72
Other Institutions*	5.28	6.75	6.43	5.75	25.49
<b>Total</b>	<b>559.12</b>	<b>444.46</b>	<b>360.05</b>	<b>487.30</b>	<b>660.64</b>
Assistance as percentage of revenue expenditure	16	14	12	11	14

(Source: Information furnished by the Director of Accounts and Treasuries, Puducherry)

\* Welfare societies and religious institutions

Financial assistance extended to Local Bodies and other institutions increased from ₹ 487.30 crore in 2013-14 to ₹ 660.64 crore in 2014-15. The increase was mainly due to more financial assistance given to Development Agencies and Autonomous Bodies.

## 1.7 Quality of Expenditure

The availability of better social and physical infrastructure in the UT generally reflects the quality of its expenditure. 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 effectiveness (assessment of outlay-outcome relationships for select services).

### 1.7.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social and 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 1.13** analyses the fiscal priority (percentage 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 UT of Puducherry in 2011-12 and 2014-15.

**Table 1.13: Fiscal Priority of the UT in 2011-12 and 2014-15**

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	Per capita expenditure on Education, Sports, Art and Culture (in ₹)	Per capita expenditure on Health and Family Welfare (in ₹)
Puducherry (Percentage)	2011-12	24	72	45	10	27	14	9	3,923	2,685
	2014-15	21	72	40	11	32	12	8	5,304	3,534
AE: Aggregate Expenditure; DE: Development Expenditure; SSE: Social Sector Expenditure; CE: Capital Expenditure; ESE: Economic Sector Expenditure Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed										

(Source: (1) Directorate of Economics and Statistics, Puducherry and (2) Finance Accounts for Expenditure figures)

The Aggregate expenditure as a percentage to GSDP decreased from 24 in 2011-12 to 21 in 2014-15. This reflects stagnancy in adequacy of expenditure.

While the percentage of expenditure on Education, Sports, Art and Culture and Health and Family Welfare to Aggregate expenditure decreased marginally during 2014-15, the percentage of expenditure on Development expenditure to Aggregate expenditure remained at 72.

Per capita expenditure on Education, Sports, Art and Culture and per capita expenditure on Health and Family Welfare increased from ₹ 3,923 and ₹ 2,685 in 2011-12 to ₹ 5,304 and ₹ 3,534 in 2014-15 respectively.

### 1.7.2 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 (refer **Glossary**). Apart from improving the allocation towards development expenditure (refer **Glossary**), 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 1.14** depicts the trends in development expenditure relative to the aggregate expenditure of the UT during 2010-11 to 2014-15, **Table 1.15** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of selected social and economic services during 2013-14 and 2014-15.

**Table-1.14: Development Expenditure**

(₹ in crore)

Components of Development Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Development Expenditure (a to c)</b>	2,990.21 (76)	2,575.35 (72)	2,168.24 (64)	3,558.19 (73)	3,902.36 (72)
a. Development Revenue Expenditure	2,670.63 (68)	2,249.43 (63)	1,907.25 (57)	3,243.06 (67)	3,375.71 (62)
b. Development Capital Expenditure	319.58 (8)	325.92 (9)	260.99 (8)	315.13 (6)	526.65 (10)
c. Development Loans and Advances	Nil	Nil	Nil	Nil	Nil

(Source: Finance Accounts of respective years); Figures in bracket indicate percentage of aggregate expenditure

**Table 1.15 –Efficiency of Use in Selected Social and Economic Services**

(Percentage)

Social/Economic Infrastructure	2013-14		2014-15	
	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	2.35	74.90	2.23	72.99
Health and Family Welfare	2.77	63.06	2.19	62.31
Water Supply, Sanitation and Housing and Urban Development	25.16	21.91	28.50	23.16
<b>Total (SS)</b>	<b>6.12</b>	<b>42.62</b>	<b>14.57</b>	<b>37.33</b>
<b>Economic Services (ES)</b>				
Agriculture and Allied Activities	7.64	21.90	5.65	24.45
Irrigation and Flood Control	45.06	58.49	63.94	62.69
Power and Energy	6.97	7.40	5.50	9.08
Transport	63.50	49.48	61.11	39.49
<b>Total (ES)</b>	<b>11.56</b>	<b>12.67</b>	<b>12.18</b>	<b>14.16</b>
<b>Total (SS+ES)</b>	<b>8.86</b>	<b>28.01</b>	<b>13.50</b>	<b>30.19</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 increased by ₹ 344.17 crore from ₹ 3,558.19 crore in 2013-14 to ₹ 3,902.36 crore in 2014-15. However, development

expenditure as a percentage of aggregate expenditure marginally decreased from 73 in 2013-14 to 72 in 2014-15. The development capital expenditure, as a percentage of Aggregate expenditure increased from 6 in 2013-14 to 10 in 2014-15.

### **Expenditure on Social Services**

The capital expenditure on Social Services as a percentage of total expenditure increased substantially from 6.12 in 2013-14 to 14.57 in 2014-15. While the share of capital expenditure in the total expenditure under General Education and Health and Family Welfare decreased marginally, the share of Water Supply, Sanitation, Housing and Urban Development increased from 25.16 *per cent* in 2013-14 to 28.50 *per cent* in 2014-15. The share of salaries and wages in the revenue expenditure on Social Services decreased from 42.62 *per cent* in 2013-14 to 37.33 *per cent* in 2014-15.

### **Expenditure on Economic Services**

The capital expenditure on Economic Services, as a percentage of total expenditure on Economic Services, increased from 11.56 in 2013-14 to 12.18 in 2014-15. The share of salaries and wages in the revenue expenditure on Economic Services increased from 28.01 *per cent* in 2013-14 to 30.19 *per cent* in 2014-15.

## **1.8 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 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. 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.

### **1.8.1 Incomplete projects**

The information pertaining to incomplete projects in the Public Works Department as on 31 March 2015 is given in **Table 1.16**.

**Table 1.16: Profile of incomplete projects**

(₹ in crore)

Department	No. of incomplete Projects*	Expenditure during the year	Cumulative expenditure as on 31.3.2015
Public Works Department	12	5.23	20.14

(Source: Finance Accounts)

\* Only those projects which were scheduled to be completed before 31 March 2015 are included

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

### 1.8.2 Investment and returns

As of March 2015, Government invested ₹ 711.53 crore in 14 Government Companies and one Statutory Corporation and ₹ 287.40 crore in 351 Co-operative Institutions (Table 1.17).

**Table 1.17: Return on Investment**

Investment/Return/Cost of Borrowings	2010-11	2011-12	2012-13	2013-14	2014-15
Investment at the end of the year (₹ in crore)	910.91	948.87	960.09	981.85	998.93
Return (₹ in crore)	4.84	3.51	1.01	6.30	1.63
Return (per cent)	0.5	0.4	0.1	0.6	0.2
Average rate of interest on Government borrowings (per cent)	7.8	7.8	8.0	7.7	7.9
Difference between interest rate and return (per cent)	7.3	7.4	7.9	7.1	7.7

(Source: Finance Accounts of respective years)

Though the average rate of interest on UT Government's borrowings was 7.9 per cent, the average rate of return on investment was only around 0.4 per cent during 2010-15.

### 1.8.3 Loans and advances by UT Government

During 2014-15, Government did not provide any loans and advances to any institution/organisation. Table 1.18 presents the outstanding loans and advances as on 31 March 2015 and interest receipts vis-à-vis interest payments during the last three years.

**Table-1.18: Outstanding loans and interest received on loans and advances by the UT Government**

(₹ in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2012-13	2013-14	2014-15
<b>Opening Balance</b>	<b>16.09</b>	<b>14.12</b>	<b>12.41</b>
Amount advanced during the year	1.45	1.30	1.45
Amount repaid during the year	3.42	3.01	2.44
<b>Closing Balance</b>	<b>14.12</b>	<b>12.41</b>	<b>11.42</b>
Net increase (+)/ decrease (-)	(-) 1.97	(-) 1.71	(-) 0.99
Interest Receipts	2.64	2.46	2.48
Interest receipts as percentage of outstanding Loans and advances	17.47	18.55	20.81
Interest payments as percentage of outstanding fiscal liabilities of the UT Government	7.67	7.28	7.65
Difference between interest payments and interest receipts ( <i>per cent</i> )	9.80	11.27	13.16

(Source: Finance Accounts of respective years)

The quantum of loan advanced increased from ₹ 1.30 crore in 2013-14 to ₹ 1.45 crore in 2014-15 and repayments of loan by the loanees decreased from ₹ 3.01 crore in 2013-14 to ₹ 2.44 crore in 2014-15. The total amount of ₹ 1.45 crore advanced during the year was only loans and advances given to Government servants.

#### 1.8.4 Cash balance and investment of cash balances

**Table 1.19** shows the cash balance and investment of cash balances for 2013-14 and 2014-15.

**Table-1.19: Cash balance and investment of cash balance**

(₹ in crore)

	Opening balance on 1 April 2014	Closing balance on 31 March 2015
(1)	(2)	(3)
(a) General cash balance :		
(i) Cash in treasuries	Nil	Nil
(ii) Deposit with RBI	0.15	0.15
(iii) Deposits with other banks	Nil	Nil
(iv) Local remittances	Nil	Nil
<b>Total</b>	<b>0.15</b>	<b>0.15</b>
(v) Investment held in cash balance investment account	1,143.14	987.88
<b>General Cash balance – Total (a)</b>	<b>1,143.29</b>	<b>988.03</b>

(1)	(2)	(3)
(b) other cash balances and investments :		
(vi) Departmental cash balances	0.20	0.41
(vii) Permanent Imprest	1.65	1.53
(viii) Investment out of earmarked funds	86.92	244.92
<b>Total (b)</b>	<b>88.77</b>	<b>246.86</b>
<b>Grand Total (a) + (b)</b>	<b>1,232.06</b>	<b>1,234.89</b>

(Source: Finance Accounts of respective years)

The cash balance increased from ₹ 1,232.06 crore in 2013-14 to ₹ 1,234.89 crore in 2014-15. During the year, the cash balance investment was ₹ 987.88 crore.

## 1.9 Assets and Liabilities

### 1.9.1 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 assets as on 31 March 2015, compared with the corresponding position on 31 March 2014. While the liabilities 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 2015 was 0.86 indicating that assets were not sufficient to meet the liabilities.

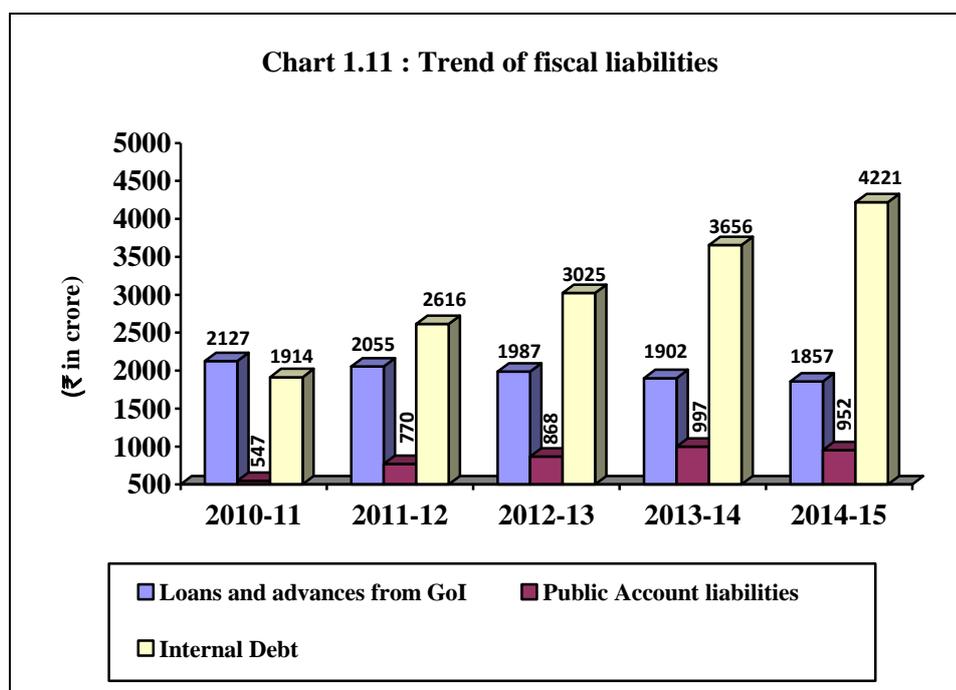
### 1.9.2 Fiscal Liabilities

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 for the period 2011-15 is presented in **Chart 1.11** and the trends of fiscal liabilities relative to revenue receipts and GSDP are presented in **Table 1.20** below:

**Table 1.20: Trend of fiscal liabilities**

	2010-11	2011-12	2012-13	2013-14	2014-15
Fiscal liabilities (₹ in crore)	4,588	5,441	5,880	6,555	7,030
ROG of fiscal liabilities (per cent)	18.03	18.59	8.07	11.48	7.25
Percentage of revenue receipts	143	196	187	152	148
Percentage of GSDP	35	37	35	31	27

(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)

The outstanding fiscal liabilities have shown a steady increase from ₹ 4,588 crore in 2010-11 to ₹ 7,030 crore in 2014-15. The fiscal liabilities at the end of 2014-15 represented 148 *per cent* of revenue receipts (₹ 4,758 crore) during the year.

While internal debts which constituted 56 *per cent* in 2013-14 increased to 60 *per cent* in 2014-15, loans and advances from GoI decreased from 29 to 26 *per cent* of the fiscal liabilities during the same period. The Public Account liabilities also decreased marginally from ₹ 997 crore in 2013-14 to ₹ 952 crore in 2014-15. The fiscal liabilities represented about 27 *per cent* of GSDP during 2014-15.

### 1.9.3 Contingent liabilities

#### Status of guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the UT Government in case 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 UT. 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 UT of Puducherry is empowered to give guarantees. As per Statement No.9 of the Finance Accounts, the maximum amount for which guarantees were given by UT Government and GoI on behalf of the UT and outstanding guarantees for the last three years are given in **Table 1.21**.

**Table-1.21: Guarantees given by the Government of India on behalf of the UT of Puducherry**

Guarantees	2012-13	2013-14	2014-15
Maximum amount guaranteed (₹ in crore)	20.98	20.98	37.50
Outstanding amount of guarantees (₹ in crore)	5.25	4.95	27.80
Percentage of maximum amount guaranteed to total Revenue receipts	0.67	0.49	0.79

(Source: Finance Accounts of respective years)

As a percentage of revenue receipts, the maximum amount guaranteed increased from 0.49 in 2013-14 to 0.79 in 2014-15. No guarantee was invoked during any of the three years.

## 1.10 Debt Management

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>4</sup>, burden of interest payments (measured by interest payments to revenue receipts ratio) and the maturity profile of the UT Government's debts.

**Table 1.22** indicates the debt sustainability of the UT for a period of three years beginning from 2012-13.

**Table 1.22: Debt Sustainability: Indicators and Trends**

(₹ in crore)

Indicators of Debt Sustainability	2012-13	2013-14	2014-15
Debt <sup>#</sup> /GSDP (percentage)	30.14	26.37	23.54
Sufficiency of Non-debt receipts (Resource Gap)	606	(-) 317	(-) 120
Net availability of borrowed funds	(-) 12	198	(-) 63
Burden of Interest Payments (IP/RR Ratio)	0.14	0.11	0.11
Maturity profile of internal debt and GoI loans (in years)			
0 – 1	203 (4.05)	212.74 (3.83)	221.63 (3.65)
1 – 3	424 (8.46)	448.60 (8.07)	819.99 (13.49)
3 – 5	756 (15.08)	1,114.87 (20.06)	1,279.76 (21.06)
5 – 7	1,168 (23.30)	1,426.65 (25.67)	1,467.49 (24.14)
7 and above	2,461 (49.11)	2,345.40 (42.20)	2,279.63 (37.50)
		9.96* (0.17)	9.96* (0.16)
<b>Outstanding Public debt as on 31 March 2015</b>			<b>6,078.46</b>

(Source: Finance Accounts of respective years)

Figures in bracket represents percentage to total outstanding Public Debt.

<sup>#</sup>Excluding Public Account liability

\*Maturity profile not available due to non-receipt of terms and conditions from Ministry of Finance, New Delhi

A falling Debt-GSDP ratio can be considered as leading towards stability. The UT's Debt-GSDP ratio has been gradually decreasing from 2012-13 onwards and stood at 23.54 *per cent* during 2014-15. The resource gap (the difference between incremental total expenditure and incremental non-debt receipts) stood at (-) ₹ 120 crore in 2014-15.

The burden of interest payment, which was 14 *per cent* of the Revenue receipts in 2012-13, has decreased to 11 *per cent* in 2014-15. The maturity profile of the UT Government's Public debt indicates that nearly 62.34 *per cent* of the total Public debt is repayable within next seven years, while 37.66 *per cent* of loans are required to be repaid after seven years.

<sup>4</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

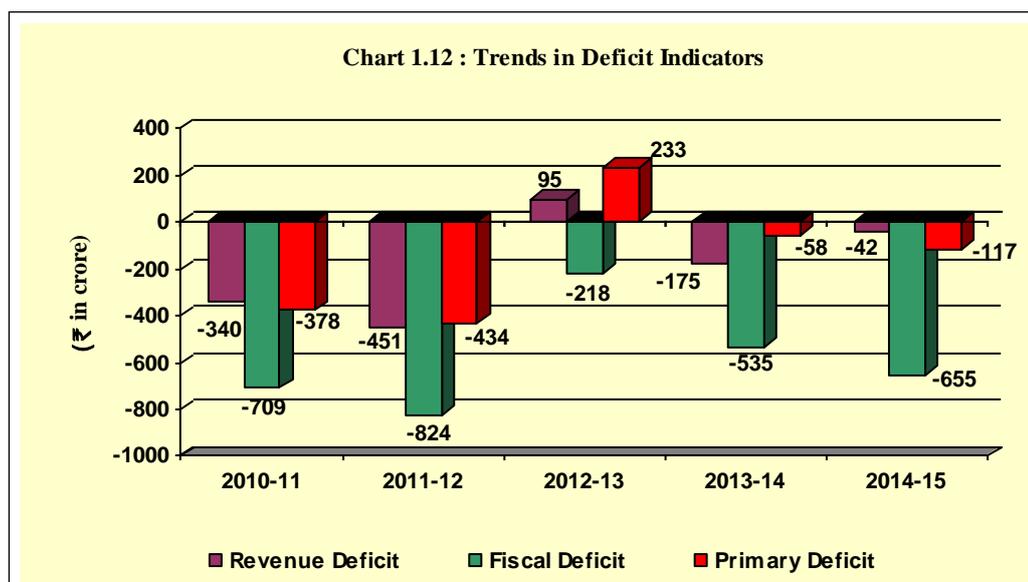
Bunching of repayments in any particular year would cause financial stress to that year's budget. The maturity profile of the UT's debt indicates a year-on-year increase in its repayment burden. In UT, the greater portion of repayments would happen between the 3<sup>rd</sup> and 7<sup>th</sup> years from borrowings and beyond seven years. Government could face challenges in order to meet the liabilities at that time.

## 1.11 Fiscal Imbalances

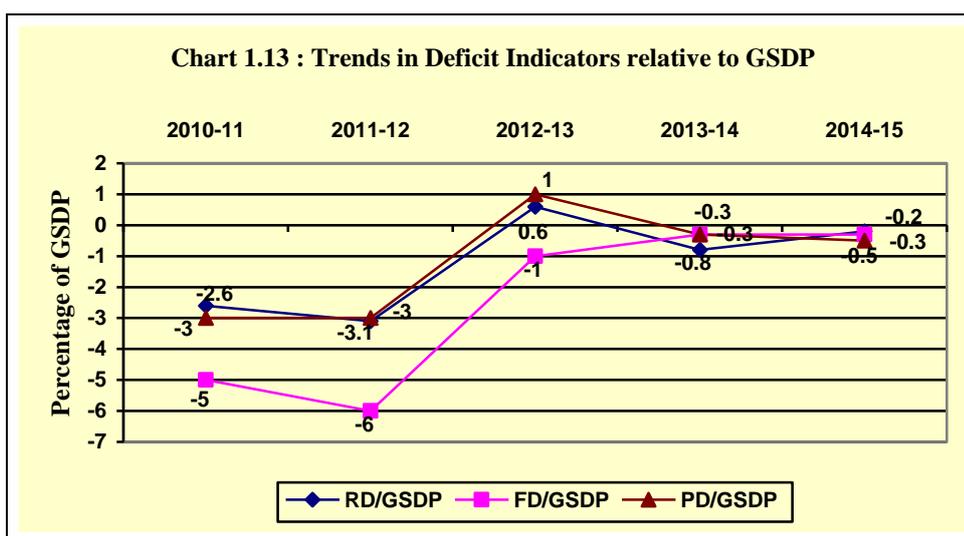
Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal soundness or imbalances in the finances of the UT Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature 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 are applied, are important pointers to its fiscal health. This section presents the trends, nature, magnitude and manner of financing these deficits.

### 1.11.1 Trends in Deficits

Charts 1.12 and 1.13 present the trends in deficit indicators over the period 2010-15.



(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)

Revenue deficit indicates the excess of revenue expenditure over revenue receipts. The revenue deficit of ₹ 175 crore during 2013-14 decreased to ₹ 42 crore in 2014-15. The fiscal deficit increased from ₹ 535 crore in 2013-14 to ₹ 655 crore in 2014-15. The primary deficit also increased from ₹ 58 crore in 2013-14 to ₹ 117 crore in 2014-15.

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

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in **Table 1.23**.

**Table 1.23: Components of Fiscal Deficit and its Financing Pattern**

(₹ in crore)

Sl. No.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Split up of Fiscal Deficit</b>		<b>(-) 709</b>	<b>(-)824</b>	<b>(-) 218</b>	<b>(-) 535</b>	<b>(-) 655</b>
1	Revenue Deficit(-)/Surplus(+)	(-) 340	(-)451	(+) 95	(-) 175	(-) 42
2	Net Capital Expenditure	(-) 371	(-)375	(-) 315	(-) 362	(-) 614
3	Net Loans and Advances	(+) 2	(+)2	(+) 2	(+) 2	(+) 1
<b>Financing Pattern of Fiscal Deficit*</b>						
1	Market Borrowings	677	703	409	630	566
2	Loans from GoI	30	(-) 72	(-) 69	(-) 84	(-) 46
3	Small Savings, PF etc.	42	19	14	33	51
4	Deposits and Advances	(-) 41	203	71	80	(-) 34
5	Suspense and Miscellaneous	(-) 365	25	(-)132	6	(-) 25
6	Remittances	(-) 24	5	17	32	50
7	Reserve Funds	8	12	29	50	96
	<b>Total</b>	<b>327</b>	<b>895</b>	<b>339</b>	<b>747</b>	<b>658</b>
8	Overall Surplus/Deficit (cash balance)**	(-) 382	71	121	212	3

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

\*\* Increase in cash balance shown as (+) and decrease in cash balance is shown as (-)

(Source: Finance Accounts of respective years)

The fiscal deficit increased by ₹ 120 crore during 2014-15 which was due to revenue deficit and more capital expenditure. The increase in fiscal deficit, along with increase in interest payments by ₹ 61 crore, led to primary deficit of ₹ 117 crore during the year. The UT has been increasingly relying on market borrowings for financing its fiscal deficit.

### 1.11.3 Quality of Deficit/Surplus

The bifurcation of the primary deficit (Table 1.24) would indicate the extent to which the deficit was on account of enhancement in capital expenditure which may have been desirable to improve the productive capacity of the UT's economy.

Table 1.24: 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))
2010-11	3,200	4	3,204	3,209	371	2	3,582	(-) 9	(-) 378
2011-12	2,771	4	2,775	2,832	375	2	3,209	(-) 61	(-) 434
2012-13	3,146	3	3,149	2,600	315	1	2,916	546	233
2013-14	4,308	3	4,311	4,006	362	1	4,369	302	(-)58
2014-15	4,758	2	4,760	4,262	614	1	4,877	496	(-) 117

(Source: Finance Accounts of respective years)

As non-debt receipts were not enough to meet the primary expenditure, primary deficit increased from ₹ 58 crore in 2013-14 to ₹ 117 crore in 2014-15. Primary revenue surplus increased from ₹ 302 crore in 2013-14 to ₹ 496 crore in 2014-15.

## 1.12 Conclusion

**High share of Revenue Expenditure in total expenditure:** The Revenue Expenditure of ₹ 4,800 crore during 2014-15 constituted 88.64 per cent of total expenditure. The committed expenditure such as salaries, pension and interest payments constituted around 51 per cent of Revenue Receipts and Revenue Expenditure.

**Inadequate priority to Development Expenditure:** Development Expenditure increased by ₹ 344 crore from ₹ 3,558 crore in 2013-14 to ₹ 3,902 crore in 2014-15. However, Development Expenditure as

a percentage of Aggregate Expenditure marginally decreased from 73 in 2013-14 to 72 in 2014-15.

**Low return on investments:** As of 31 March 2015, Government invested ₹ 998.93 crore in Government Companies and Co-operative Institutions. Though the average rate of interest on UT Government's borrowings was 7.9 *per cent*, the average rate of return on investments was around 0.4 *per cent* during 2010-15.

**High ratio of fiscal liabilities to GSDP:** The outstanding fiscal liabilities increased from ₹ 4,588 crore in 2010-11 to ₹ 7,030 crore in 2014-15. The fiscal liabilities constituted about 27 *per cent* of GSDP in 2014-15.

# **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 the 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 are 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 2014-15 against 42 grants/appropriations is 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/appropriation	Supplementary grant/appropriation	Total	Actual expenditure <sup>1</sup>	Saving (-)/ Excess (+)	Amount surrendered	Amount surrendered on 31 March	Percentage of savings surrendered by 31 March
<b>Voted</b>	I Revenue	4,503.50	220.59	4,724.09	4,185.66	(-) 538.43	303.98	303.98	56.46
	II Capital	702.44	5.66	708.10	620.63	(-) 87.47	40.32	40.32	46.10
	III Loans and Advances	2.42	Nil	2.42	1.45	(-) 0.97	0.62	0.62	63.92
<b>Total - Voted</b>		<b>5,208.36</b>	<b>226.25</b>	<b>5,434.61</b>	<b>4,807.74</b>	<b>(-) 626.87</b>	<b>344.92</b>	<b>344.92</b>	<b>55.02</b>
<b>Charged</b>	IV Revenue	679.47	0.85	680.32	621.27	(-) 59.05	45.01	45.01	76.22
	V Capital	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	VI Public Debt-Repayment	212.17	2.83	215.00	183.38	(-) 31.62	Nil	Nil	Nil
<b>Total - Charged</b>		<b>891.64</b>	<b>3.68</b>	<b>895.32</b>	<b>804.65</b>	<b>(-) 90.67</b>	<b>45.01</b>	<b>45.01</b>	<b>49.64</b>
<b>Grand Total</b>		<b>6,100.00</b>	<b>229.93</b>	<b>6,329.93</b>	<b>5,612.39</b>	<b>(-) 717.54</b>	<b>389.93</b>	<b>389.93</b>	<b>54.34</b>

(Source: Appropriation Accounts and Budget documents for 2014-15)

The overall savings of ₹ 717.54 crore was result of savings of ₹ 597.48 crore in 30 grants and seven appropriations under Revenue Section, ₹ 87.47 crore in six grants under Capital Section and ₹ 32.59 crore in two grants and one appropriation under Loan Section. The overall savings worked out to 11.34 per cent of total provision including supplementary.

## 2.3 Financial Accountability and Budget Management

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

During 2014-15, savings of more than ₹ 10 crore occurred in each case (nine grants) under capital and revenue heads amounting to ₹ 574.63 crore (80.08 per cent of total savings of ₹ 717.54 crore). The percentage of savings ranged between 2 and 48 as indicated in Table 2.2.

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

Table 2.2: List of grants with savings of ₹ 10 crore and above

(₹ in crore)

Sl. No.	Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings	Percentage
<b>Revenue-Voted</b>							
1	06 - Revenue and Food	128.68	18.02	146.70	134.13	12.57	8.57
2	10 - District Administration	419.19	0.00	419.19	216.27	202.92	48.41
3	17 - Education	669.97	9.82	679.79	667.09	12.70	1.87
4	21 - Social Welfare	420.64	30.18	450.82	439.98	10.84	2.40
5	24 - Agriculture	134.34	0.00	134.34	89.01	45.33	33.74
6	27 - Community Development	40.91	0.00	40.91	21.51	19.40	47.43
7	29 - Electricity	1,161.99	0.00	1,161.99	972.01	189.98	16.35
	<b>Total</b>	<b>2,975.72</b>	<b>58.02</b>	<b>3,033.74</b>	<b>2,540.00</b>	<b>493.74</b>	<b>16.28</b>
<b>Capital-Voted</b>							
8	16 - Public Works	330.97	0.00	330.97	298.20	32.77	9.90
9	29 - Electricity	79.37	0.00	79.37	62.48	16.89	21.28
10	32 - Building Programmes	77.08	0.00	77.08	45.85	31.23	40.52
	<b>Total</b>	<b>487.42</b>	<b>0.00</b>	<b>487.42</b>	<b>406.53</b>	<b>80.89</b>	<b>16.59</b>
	<b>Grand Total</b>	<b>3,463.14</b>	<b>58.02</b>	<b>3,521.16</b>	<b>2,946.53</b>	<b>574.63</b>	<b>16.32</b>

(Source: Appropriation Accounts for 2014-15)

It was noticed that in 106 cases (sub-heads), 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 33 out of the 106 cases, no expenditure was incurred against the provision of ₹ 130.05 crore.

### 2.3.2 Persistent savings

In 10 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 2010-15

(₹ in crore)

Sl. No.	Number and name of the Grant		Amount of savings				
			2010-11	2011-12	2012-13	2013-14	2014-15
	Revenue – Voted						
1.	06	Revenue and Food	13.05	2.98	847.80	2.98	12.57
2.	09	Secretariat	41.15	15.37	1.85	16.07	5.88
3.	10	District Administration	212.31	214.82	222.83	61.34	202.92
4.	16	Public Works	1.13	2.73	113.37	9.73	4.73
5.	17	Education	1.88	82.45	128.62	32.33	12.70
6.	18	Medical	0.68	70.68	126.73	1.91	2.05
7.	19	Information and Publicity	46.82	72.56	122.78	5.18	4.62
8.	21	Social Welfare	130.57	78.34	144.72	5.45	10.84
9.	24	Agriculture	0.39	39.63	50.94	12.06	45.33
10.	32	Building Programmes	2.12	9.15	22.21	0.78	4.92
	<b>Total</b>		<b>450.10</b>	<b>588.71</b>	<b>1,781.85</b>	<b>147.83</b>	<b>306.56</b>
	Capital – Voted						
11.	16	Public Works	169.20	342.39	62.27	64.10	32.77
12.	32	Building Programmes	89.89	76.59	70.19	38.67	31.23
	<b>Total</b>		<b>259.09</b>	<b>418.98</b>	<b>132.46</b>	<b>102.77</b>	<b>64.00</b>

(Source: Appropriation Accounts of respective years)

### 2.3.3 Excess expenditure

In 42 sub-heads, expenditure aggregating ₹ 287.21 crore exceeded the original provision by ₹ 50 lakh or more in each case and by more than 20 per cent of the total provision resulting in excess expenditure of ₹ 150.91 crore (Appendix 2.2).

### 2.3.4 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings were anticipated, to another unit where additional funds are needed. It was noticed that during 2014-15, re-appropriation order was issued on 31 March 2015 for ₹ 306.09 crore. Issue of re-appropriation order at the fag end of financial year dilutes the process of budgeting and expenditure control. Further, it also indicated that re-appropriation orders were proposed *ex post facto* to cover the expenses already incurred during the year without necessary provision in the respective heads. As a result, in 15 cases where there was no provision, expenditure of ₹ 3.41 crore was incurred. Further, the re-appropriations made were proved unnecessary or excessive in 47 sub-heads as detailed in Appendix 2.3. Out of this, in respect of 15 cases, no expenditure was incurred resulting in saving of

₹ 10.92 crore. Apart from this, in respect of two sub-heads<sup>2</sup>, an amount of ₹ 5.67 crore provided as supplementary provision towards ‘Capital outlay on Ports and Light Houses’ in Puducherry region and ‘Entertainment and Hospitality Expenses’ was unnecessary, as no expenditure was incurred and savings were more than the supplementary provision respectively.

### **2.3.5 Substantial surrenders**

Substantial surrenders (cases where more than 50 per cent of the total provision was surrendered and was more than ₹ 10 lakh) were made in 33 sub-heads on account of either non-implementation or slow implementation of the schemes/programmes (**Appendix 2.4**). Out of the total provision of ₹ 276.63 crore in these 33 sub-heads, ₹ 222.68 crore (81 per cent) were surrendered and in respect of five sub-heads entire provision (₹ 4.10 crore) was surrendered.

### **2.3.6 Anticipated savings not surrendered**

Out of total savings of ₹ 717.54 crore, an amount of ₹ 389.94 crore was surrendered on 31 March 2015. It was noticed that in respect of 10 grants/appropriations, which had a saving of ₹ 608.31 crore (saving of ₹ one crore and above), an amount of ₹ 234.77 crore (38.59 per cent) was not surrendered, details of which are given in **Appendix 2.5**. This indicated inadequate financial control and non-utilisation of funds for other development purposes, since surrenders were made on the last day of the financial year.

### **2.3.7 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 six sub-heads listed in **Appendix 2.6**, expenditure exceeding ₹ 10 lakh and by more than 50 per cent of the total expenditure for the year was incurred in March 2015. 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.

### **2.3.8 Expenditure on Centrally Sponsored Schemes**

The total provision under Centrally Sponsored Schemes (CSS) after re-appropriation stood at ₹ 432.91 crore in 88 sub-heads. Out of this, in respect of 65 sub-heads which had a provision of ₹ 413.75 crore, ₹ 155.11 crore (37.49 per cent) alone was spent. It was noticed that the expenditure was less than 50 per cent of the provision in respect of 21 sub-heads, while no

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<sup>2</sup> 5051.02.200.06 (₹ 498 lakh – Grant 30) and 2013.00.104.01 (₹ 69.40 lakh – Grant 3)

expenditure was incurred in respect of 23 sub-heads which had provision of ₹ 19.16 crore.

## **2.4 Comment on budgetary control**

A review of the budgetary procedure and control of expenditure followed in Grant 6 – Revenue and Food revealed the following failures:

**2.4.1** A sum of ₹ 6.01 lakh was provided by re-appropriation to Department of Revenue and Disaster Management towards settlement of pending bills and the total fund allocation under the relevant Head of Account (2029.00.101.02.03) stood at ₹ 10.66 lakh. Scrutiny of records revealed that fund was proposed to be utilised for purchase of a new vehicle at a cost of ₹ 6.50 lakh, instead of settlement of pending bills. The Finance Department, however, turned down the proposal, as the purchase price of the vehicle should be limited within ₹ 4.75 lakh as per the order of GoI. Thus, the action of the Department in obtaining funds for pending bills and proposing to purchase vehicle in violation of GoI order, resulted in savings of ₹ 6.54 lakh.

**2.4.2** A sum of ₹ 15 lakh was provided towards Personal Accident Insurance Scheme for poor families in Yanam region and a sum of ₹ 14 lakh was re-appropriated to the same head taking the total provision under the Head of Account (2235.60.101.01.04) to ₹ 29 lakh. A bill was raised on 18 March 2015 for an amount of ₹ 27.30 lakh towards financial assistance to the families of 88 deaths (₹ 0.30 lakh each for 86 natural deaths and ₹ 0.75 lakh each for two unnatural deaths). However, the bill was returned by Directorate of Accounts and Treasuries as there was only an amount of ₹ 15 lakh under the Head of Account on the day of presentation of the bill (23 March 2015), as re-appropriation orders were issued only on 31 March 2015. Thus, delay in issuing re-appropriation orders resulted in savings of ₹ 29 lakh, besides delaying the assistance to the families of the deceased.

**2.4.3** In lieu of free supply of 10 kg of single boiled rice to all the ration card holders of Puducherry and Karaikal regions, the UT Government decided (10 March 2015) to distribute cash of ₹ 300 each. An amount of ₹ 18.33 crore was sanctioned (March 2015) and Department of Civil Supplies was directed to deposit the amount for the months of February and March 2015 in the respective Aadhaar linked bank account of the beneficiaries.

The Department opened (March 2015) a bank account for this purpose and the sanctioned amount was deposited in it for eventual release to the beneficiaries. As of 31 March 2015, an amount of ₹ 12.15 crore was released to the beneficiaries and Department did not remit the remaining amount of ₹ 6.18 crore into Government Account at the end of the financial year and continued to incur expenditure out of it during the financial year 2015-16.

As per the provision under Rule 52 (2) of General Financial Rules, 2005, funds provided during the financial year and not utilised before the close of the year shall stand lapsed at the close of the financial year. The above scheme being continuing one, prudent action on the part of the Department was to remit the balance amount as on 31 March 2015 into Government Account and to incur expenditure from the month of April 2015 out of the budget allocation for the year 2015-16. Failure of the Department to do so, resulted in the amount of ₹ 6.18 crore remaining outside Government account thereby showing a reduced cash balance in the consolidated fund of UT Government at the end of the financial year 2014-15.

## **2.5 Conclusion and Recommendation**

During 2014-15, expenditure of ₹ 5,612.39 crore was incurred against total grants and appropriations of ₹ 6,329.93 crore, resulting in overall savings of ₹ 717.54 crore (11.34 per cent). In 33 cases, no expenditure was incurred against the provision of ₹ 130.05 crore. There were persistent savings of more than ₹ 10 lakh in 10 grants during 2010-15. In 42 cases, the expenditure exceeded the approved provision, resulting in excess expenditure of ₹ 150.91 crore. Out of total anticipated savings of ₹ 608.31 crore in 10 grants, ₹ 234.77 crore was not surrendered.

*Government may consider issuing instructions to all the Departments to ensure surrender of unutilised allocations as soon as they are foreseen so that the funds could be allocated to other Departments requiring funds.*

# **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 the 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 upto March 2014, 994 UCs for an aggregate amount of ₹ 242.26 crore were not furnished by the grantees as of March 2015. The Department-wise break-up of outstanding UCs and the age-wise pendency in submission of UCs are given in **Appendix 3.1** and **Table 3.1** respectively.

**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	275	83.62
2	1 – 3	120	15.44
3	3 – 5	339	90.15
4	5 – 7	59	12.28
5	7 – 9	82	15.40
6	9 and above	119	25.37
	<b>Total</b>	<b>994</b>	<b>242.26</b>

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

Out of 994 UCs, 734 UCs (73.84 per cent) involving ₹ 189.21 crore were pending for periods ranging from one to five years, while 260 UCs involving ₹ 53.05 crore were pending for more than five years. Pendency of 822 UCs for an aggregate amount of ₹ 161.38 crore pertained to Adi-Dravidar Welfare

Department, Hindu Religious Institutions and Wakf Board, Local Administration Department and Town and Country Planning Department.

Non-receipt of UCs indicates that the Departmental officers failed to comply with the rules to ensure accountability of the agencies that received Government funds.

### 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 given and the total expenditure of these institutions.

The annual accounts of 24 Autonomous Bodies/Authorities due upto 2013-14 had not been submitted to the Principal Accountant General (General and Social Sector Audit) as of March 2015. The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**.

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

Sl. No.	Pendency in number of years	Number of the Bodies/Authorities
1	1 – 3	6
2	4 – 5	1
3	More than five years	17
<b>Total</b>		<b>24</b>

(Source: Compiled from the information furnished by the Heads of Department)

Due to non-receipt of annual accounts from a large number of Autonomous Bodies/Authorities which received Government assistance, 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

The 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, adjustment bills along with balances, if any, should be submitted 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 2015, advances aggregating ₹ 171.43 crore were pending for adjustment by the DDOs as per the records of the Director of Accounts and Treasuries, Puducherry. Age-wise analysis of the 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	147	4.66
2	More than five years but less than 10 years	349	37.73
3	More than one year but less than five years	582	81.42
4	Less than one year	355	47.62
<b>Total</b>		<b>1,433</b>	<b>171.43</b>

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

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

### 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 327 cases of misappropriation, loss, defalcation, etc., involving Government money amounting to ₹ 44.72 crore up to March 2015, 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 3.3**. The Electricity Department

accounted for bulk of the cases (261) and amount (₹ 43.80 crore). 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	42	3,683.32	Theft/Loss of material	315	4,313.84
5 - 10	37	479.48			
10 - 15	75	294.76	Misappropriation	12	158.27
More than 15	173	14.55			
<b>Total</b>	<b>327</b>	<b>4,472.11</b>	<b>Total</b>	<b>327</b>	<b>4,472.11</b>

(Source: Compiled from the information furnished by the Heads of Department)

The reasons for 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	290	134.33
ii)	Departmental actions initiated but not finalised	7	10.31
iii)	Awaiting orders for recovery or write off	7	8.06
iv)	Pending in Courts of law	23	4,319.41
	<b>Total</b>	<b>327</b>	<b>4,472.11</b>

(Source: Compiled from the information furnished by the Heads of Department)

While 23 cases involving ₹ 43.19 crore were pending in Courts of law, 304 cases involving ₹ 1.53 crore were pending finalisation in various Departments.

### 3.5 Conclusion and Recommendations

There was pendency in furnishing of Utilisation Certificates by various grantee institutions for Grants-in-aid of ₹ 242.26 crore. The pendency ranged from one to more than nine years. Twenty four Autonomous

Bodies/Authorities did not submit to Audit their annual accounts due for the period upto 2013-14 as of March 2015. Temporary advances aggregating to ₹ 171.43 crore were pending for adjustment by the Drawing and Disbursing Officers. The Union Territory Government Departments reported 327 cases of misappropriation, loss, defalcation, etc., involving Government money of ₹ 44.72 crore upto March 2015. Final action on these cases was pending for periods ranging from one to more than 15 years.

- *The pendency in submission of Utilisation Certificates should be cleared by addressing the Departmental officers to obtain Utilisation Certificates from the organisation to whom grants were given.*
- *In respect of outstanding cases of misappropriations, losses, defalcations, etc., the UT Government may finalise cases where Departmental action has been initiated and the cases awaiting orders for recovery or write off.*

*Subhashini S.*

Chennai  
The 04 April 2016

**(SUBHASHINI SRINIVASAN)**  
Principal Accountant General  
(General and Social Sector Audit)  
Tamil Nadu and Puducherry

Countersigned

*Shashi Kant Sharma*

New Delhi  
The 05 April 2016

**(SHASHI KANT SHARMA)**  
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		490 sq.km.
2	Population		
	a.	As per 2001 Census	9.74 lakh
	b.	2011 Census	12.48 lakh
3(a)	Density of Population ( as per 2001 census ) (All India Density = 325 persons per sq.km.)		2,034 persons per sq.km.
(b)	Density of Population (as per 2011 census ) (All India Density = 382 persons per sq.km.)		2,547 persons per sq.km.
4	Population below poverty line (All India Average = 29.5 per cent)		7.7 per cent
5(a)	Literacy (as per 2001 census) (All India Average = 64.8 per cent )		81.24 per cent
(b)	Literacy (as per 2011 census) (All India Average = 73 per cent )		85.8 per cent
6	Infant mortality (per 1,000 live births) (All India Average = 40 per 1,000 live births )		17 per 1000 live births
7	Life Expectancy at birth (All India Average = 67.5 years)		68.35 years
8	Gross State Domestic Product (GSDP) 2014-15 at current prices		₹ 25,819 crore
9	GSDP CAGR (2005-06 to 2014-15)		13.94 per cent
10	Per capita GSDP CAGR ( 2005- 06 to 2014-15 )		8.99 per cent
11	GSDP CAGR (2005-06 to 2013-14)		12.91 per cent
12	Population growth (2000-01 to 2010-11)		28.1 per cent

<b>B. Financial data</b>			
<b>Particulars</b>		<b>Figures (in per cent)</b>	
<b>CAGR*</b>		<b>2005-06 to 2013-14</b>	<b>2013-14 to 2014-15</b>
		<b>Union Territory of Puducherry</b>	
a	of Revenue Receipts	11.51	10.45
b	of Tax Revenue	18.82	4.63
c	of Non-Tax Revenue	11.18	9.04
d	of Total Expenditure	11.11	11.73
e	of Capital Expenditure	2.88	69.27
f	of Revenue Expenditure on Education	14.88	10.99
g	of Revenue Expenditure on Health	15.89	22.79
h	of Salary and wages	16.23	13.25
i	of Pension	20.63	12.10

\*Compound Annual Growth Rate

(Source: Financial data is based on information furnished by the Director of Accounts and Treasuries, Puducherry, BPL (Report of the Expert Group (Rangarajan) to review the methodology for measurement of poverty, Planning Commission (June 2014)), Life Expectancy at birth (Economic Survey indicators for 2010-11 as shown in Economic Survey of 2012-13), Infant mortality rate (SRS Bulletin of September 2014) and socio-economic indicators provided by Directorate of Economics and Statistics, Puducherry, Projected Population for calculation of per capita GSDP - Report of the Technical group on Population projections constituted by the National Commission on Population Table 14)

**Appendix 1.1**  
**(Reference: Paragraph 1.1; Page 2)**

**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: Paragraph 1.1; Page 2)**

**Part C: Layout of Finance Accounts**

Statement (1)	Title (2)	Layout (3)
<b>Volume I</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 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 No. 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>i.e.</i> , 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 No. 1 and recoveries, disbursements feature in Statement Nos. 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 Investments of the Government	The summarised position of Government Investment in the share capital of different concerns is depicted in this statement for the current and previous year.

(1)	(2)	(3)
Statement No.9	Statement of Guarantees given by the Government	Sector-wise summarized statement of Guarantees given by the Union Territory Government for repayment of principal and interest on loans raised during the year and sums guaranteed outstanding as at the end of the year are presented in this statement.
Statement No.10	Statement of Grants-in-aid given by the Government	This statement has been presented grantee institutions group-wise. It includes a note on grants given in kind also.
Statement No.11	Statement of Voted and Charged Expenditure	This Statement presents details of voted and charged expenditure of the Government.
Statement No.12	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.13	Summary of balances under Consolidated Fund, Contingency Fund and Public Account	This Statement assists in providing the accuracy of the accounts.
<b>Volume II</b>		
Statement No.14	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.15	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.16	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.17	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 No. 6.
Statement No.18	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., are presented in this Statement. It also presents plan loans separately. This is the detailed Statement corresponding to Statement No. 7.
Statement No.19	Detailed Statement of Investments of the Government	The position of Government Investment in the share capital of different concerns is depicted in this Statement. Details include type of shares held, face value, dividend received etc.
Statement No.20	Detailed 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.

<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
Statement No.21	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.22	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: Paragraph 1.1; Page 2)**

**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)**

	2010-11	2011-12 (RE)	2012-13 (P)	2013-14 (QE)	2014-15 (AE)
Gross State Domestic Product (₹ in crore)	13,092	14,661	16,795	21,077	25,819
Growth rate of GSDP	6.40*	11.98	14.56	25.50	22.50
<i>Source:</i> Directorate of Economics and Statistics, Government of Puducherry RE: Revised Estimate; P: Provisional; QE: Quick Estimate; AE: Advance Estimate; * GSDP for 2009-10 was ₹ 12,304 crore and it increased to ₹ 13,092 crore in 2010-11 (an increase of 6.40 per cent)					

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

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/ GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
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 / $[(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
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 / $[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
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 1.1, 1.3 and 1.9.2; Pages 2, 7 and 22)

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

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
(1)	(2)	(3)	(4)	(5)	(6)
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>3,200(72)</b>	<b>2,771(60)</b>	<b>3,146(72)</b>	<b>4,308(72)</b>	<b>4,758 (74)</b>
<b>(i) Tax Revenue</b>	<b>1,074(34)</b>	<b>1,329(48)</b>	<b>1,917 (61)</b>	<b>1,904(44)</b>	<b>1,993 (42)</b>
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc	595	750	1,287	1,256	1,313
State Excise	379	447	504	512	545
Taxes on Vehicles	48	54	52	52	59
Stamp Duty and Registration fees	51	77	73	83	75
Land Revenue	1	1	1	1	1
Taxes on Goods and Passengers	Nil	Nil	Nil	Nil	Nil
Other Taxes	Nil	Nil	Nil	Nil	Nil
<b>(ii) Non-Tax Revenue</b>	<b>743 (23)</b>	<b>153(6)</b>	<b>118 (4)</b>	<b>1,193(28)</b>	<b>1,300 (27)</b>
<b>(iii) State's share of Union taxes and duties</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>(iv) Grants-in-aid from Government of India</b>	<b>1,383(43)</b>	<b>1,289(46)</b>	<b>1,111(35)</b>	<b>1,211(28)</b>	<b>1,465 (31)</b>
<b>2. Miscellaneous Capital Receipts</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>3. Recoveries of Loans and Advances</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>4. Total Revenue and Non-debt capital receipts (1+2+3)</b>	<b>3,204</b>	<b>2,775</b>	<b>3,149</b>	<b>4,311</b>	<b>4,760</b>
<b>5. Public Debt Receipts</b>	<b>854(19)</b>	<b>788(17)</b>	<b>529(12)</b>	<b>750(13)</b>	<b>704 (11)</b>
Internal Debt and Market Loan	677	703	424	663	614
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	177	85	105	87	90
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>4,058</b>	<b>3,563</b>	<b>3,678</b>	<b>5,061</b>	<b>5,464</b>
<b>7. Contingency Fund Receipts</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>8. Public Account Receipts</b>	<b>393 (9)</b>	<b>1,059(23)</b>	<b>715(16)</b>	<b>911(15)</b>	<b>982 (15)</b>
<b>9. Total Receipts of the UT (6+7+8)</b>	<b>4,451</b>	<b>4,622</b>	<b>4,393</b>	<b>5,972</b>	<b>6,446</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>3,540(73)</b>	<b>3,222(71)</b>	<b>3,051(72)</b>	<b>4,483(78)</b>	<b>4,800 (74)</b>
(i) Plan	1,221(34)	1,267(39)	984(32)	1,351(30)	1,554 (32)
(ii) Non-Plan	2,319(66)	1,955(61)	2,067(68)	3,132(70)	3,246 (68)

(1)	(2)	(3)	(4)	(5)	(6)
(iii) General Services (including interest payments)	865	968	1,139	1,235	1,417
(iv) Social Services	1,379	1,498	1,252	1,661	1,831
(v) Economic Services	1,292	752	655	1,582	1,544
(vi) Grants-in-aid and contributions	4	4	5	5	8
<b>11. Capital Expenditure</b>	<b>371(8)</b>	<b>375(8)</b>	<b>315(7)</b>	<b>362(6)</b>	<b>614 (10)</b>
(i) Plan	369(99)	381	309(98)	356(98)	601(98)
(ii) Non-Plan	2(1)	(-)6 <sup>&amp;</sup>	6(2)	6(2)	13(2)
(iii) General Services	51	49	54	47	87
(iv) Social Services	103	121	98	108	313
(v) Economic Services	217	205	163	207	214
<b>12. Disbursement of Loans and Advances</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>13. Total (10+11+12)</b>	<b>3,913</b>	<b>3,599</b>	<b>3,367</b>	<b>4,846</b>	<b>5,415</b>
<b>14. Repayments of Public Debt</b>	<b>148(3)</b>	<b>157(3)</b>	<b>189*(4)</b>	<b>204(4)</b>	<b>183(3)</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	Nil	Nil	15	33	48
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	148	157	174	171	135
<b>15. Appropriation to Contingency Fund</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>4,061</b>	<b>3,756</b>	<b>3,556</b>	<b>5,050</b>	<b>5,598</b>
<b>17. Contingency Fund disbursements</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>18. Public Account disbursements</b>	<b>772(16)</b>	<b>795(18)</b>	<b>717(17)</b>	<b>709(12)</b>	<b>845(13)</b>
<b>19. Total disbursement by the UT (16+17+18)</b>	<b>4,833</b>	<b>4,551</b>	<b>4,273</b>	<b>5,759</b>	<b>6,443</b>
<i>Part C. Deficits</i>					
<b>20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)</b>	<b>(-)340</b>	<b>(-)451</b>	<b>(+)95</b>	<b>(-)175</b>	<b>(-) 42</b>
<b>21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)</b>	<b>(-)709</b>	<b>(-)824</b>	<b>(-)218</b>	<b>(-)535</b>	<b>(-)655</b>
<b>22. Primary Deficit (21+23)</b>	<b>(-)378</b>	<b>(-)434</b>	<b>(+)233</b>	<b>(-)58</b>	<b>(-)117</b>
<i>Part D. Other data</i>					
<b>23. Interest Payments (included in revenue expenditure)</b>	<b>331</b>	<b>390</b>	<b>451</b>	<b>477</b>	<b>538</b>
<b>24. Financial Assistance to local bodies etc.</b>	<b>559</b>	<b>444</b>	<b>360</b>	<b>487</b>	<b>661</b>

<sup>&</sup> Minus expenditure is due to value of issue of stock more than the value of purchase;

\* Higher rounding is given to arrive at the correct value of total disbursement made by UT

(1)	(2)	(3)	(4)	(5)	(6)
<b>25. Ways and Means Advances/Overdraft availed (days)</b>	Nil	Nil	Nil	Nil	Nil
Ways and Means Advances availed (days)	Nil	Nil	Nil	Nil	Nil
Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil
<b>26. Interest on Ways and Means Advances/Overdraft</b>	Nil	Nil	Nil	Nil	Nil
<b>27. Gross State Domestic Product (GSDP)<sup>@</sup></b>	<b>13,092</b>	<b>14,661</b>	<b>16,795</b>	<b>21,077</b>	<b>25,819</b>
<b>28. Outstanding Fiscal liabilities (year end)</b>	<b>4,588</b>	<b>5,441</b>	<b>5,880</b>	<b>6,555</b>	<b>7,030</b>
<b>29. Outstanding guarantees (year end) (including interest)</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>29</b>
<b>30. Maximum amount guaranteed (year end)</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>38</b>
<b>31. Number of incomplete projects</b>	<b>110</b>	<b>90</b>	<b>40</b>	<b>23</b>	<b>12</b>
<b>32. Capital blocked in incomplete projects</b>	<b>109</b>	<b>99</b>	<b>105.07</b>	<b>82.88</b>	<b>20.14</b>
<b>Part E: Fiscal Health Indicators</b>					
<b>I Resource Mobilization</b>					
Own Tax revenue/GSDP	0.08	0.09	0.11	0.09	0.08
Own Non-Tax Revenue/GSDP	0.06	0.01	0.01	0.06	0.05
Central Transfers/GSDP	Nil	Nil	Nil	Nil	Nil
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	0.30	0.25	0.20	0.23	0.21
Total Expenditure/Revenue Receipts	1.22	1.30	1.07	1.12	1.14
Revenue Expenditure/Total Expenditure	0.90	0.90	0.91	0.93	0.89
Expenditure on Social Services/Total Expenditure	0.38	0.45	0.40	0.37	0.40
Expenditure on Economic Services/Total Expenditure	0.38	0.27	0.24	0.37	0.32
Capital Expenditure/Total Expenditure	0.09	0.10	0.09	0.07	0.11
Capital Expenditure on Social and Economic Services/Total Expenditure	0.08	0.09	0.08	0.07	0.10
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP	(-) 0.025	(-)0.031	(+)0.006	(-)0.008	(-) 0.002
Fiscal deficit/GSDP	(-) 0.054	(-)0.056	(-)0.013	(-)0.025	(-) 0.025
Primary Deficit (surplus) /GSDP	(-) 0.03	(-) 0.03	(+)0.01	(-)0.003	(-) 0.005
Revenue Deficit/Fiscal Deficit	0.48	0.55	(-)0.44	0.33	0.06
Primary Revenue Balance/GSDP	(-) 0.001	(-)0.004	(+)0.033	(+)0.014	(+) 0.019

@ GSDP figures communicated by the UT Government adopted

(1)	(2)	(3)	(4)	(5)	(6)
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	0.35	0.37	0.35	0.31	0.27
Fiscal Liabilities/RR	1.43	1.96	1.87	1.52	1.48
Primary deficit <i>vis-à-vis</i> quantum spread	6.87	(-)2.25	0.65	(-)0.06	(-) 0.12
Debt Redemption (Principal +Interest)/ Total Debt Receipts	0.52	0.65	1.14	0.86	0.96
<b>V Other Fiscal Health Indicators</b>					
Return on Investment (₹ in crore)	4.84	3.51	1.01	6.30	1.63
Balance from Current Revenue (₹ in crore)	629	466	522.35	528.30	641.00
Financial Assets/Liabilities	0.91	0.87	0.87	0.86	0.86

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

**Appendix 1.4**  
**(Reference: Paragraph 1.1.1; Page 2)**

**Part A: Abstract of Receipts and Disbursements for the year 2014-15**

(₹ in crore)

2013-14		Receipts		2014-15		2013-14		Disbursements		2014-15	
								Non-Plan	Plan	Total	
		<b>Section-A: Revenue</b>									
<b>4,307.61</b>	<b>I</b>	<b>Revenue receipts</b>		<b>4,757.90</b>	<b>4,482.74</b>	<b>I</b>	<b>Revenue expenditure-</b>	<b>3,245.59</b>	<b>1,554.34</b>	<b>4,799.93</b>	<b>4,799.93</b>
1,904.51		Tax revenue	1,992.74		<b>1,234.91</b>		<b>General services</b>	<b>1,362.34</b>	<b>54.18</b>	<b>1,416.52</b>	
					<b>1,661.09</b>		<b>Social Services-</b>	<b>717.46</b>	<b>1,113.79</b>	<b>1,831.25</b>	
1,192.59		Non-tax revenue	1,300.36		584.95		Education, Sports, Art and Culture	370.46	278.79	649.25	
					350.87		Health and Family Welfare	198.92	231.91	430.83	
Nil		State's share of Union Taxes	Nil		240.96		Water Supply, Sanitation, Housing and Urban Development	48.73	202.35	251.08	
1,210.51		Grants-in-aid from GoI	1,464.80		3.01		Information and Broadcasting	1.86	1.36	3.22	
513.50		Non-Plan grants	513.00		152.78		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	15.36	119.95	135.31	
663.69		Grants for UT Plan Schemes	803.44		24.86		Labour and labour Welfare	14.02	10.53	24.55	
					298.38		Social Welfare and Nutrition	64.21	267.11	331.32	
33.32		Grants for Central and Centrally sponsored Plan Schemes	148.36		5.28		Others	3.90	1.79	5.69	
					<b>1,581.97</b>		<b>Economic Services-</b>	<b>1,158.09</b>	<b>386.37</b>	<b>1,544.46</b>	
					257.86		Agriculture and Allied Activities	136.64	120.40	257.04	
					29.67		Rural Development	10.36	21.72	32.08	
					4.63		Special Areas Programmes	Nil	5.07	5.07	
					23.51		Irrigation and Flood control	13.62	11.33	24.95	
					1,115.85		Energy	964.48	5.22	969.70	
					54.83		Industry and Minerals	3.48	139.66	143.14	
					34.92		Transport	15.94	32.17	48.11	
					3.23		Science, Technology and Environment	0.24	2.24	2.48	
					57.47		General Economic Services	13.33	48.56	61.89	
					<b>4.77</b>		<b>Grants-in-aid and Contributions-</b>	<b>7.70</b>	<b>Nil</b>	<b>7.70</b>	
<b>175.13</b>	<b>II</b>	Revenue deficit carried over to Section B		<b>42.03</b>		<b>II</b>	Revenue Surplus carried over to Section B				
<b>4,482.74</b>		<b>Total</b>		<b>4,799.93</b>	<b>4,482.74</b>		<b>Total</b>				<b>4,799.93</b>

Receipts					Disbursements							
Section-B : Others												
1,019.65	III	Opening Cash balance including Permanent Advances and Cash Balance Investment		1,232.06	Nil	III	Opening Overdraft from Reserve Bank of India					Nil
Nil	IV	Miscellaneous Capital receipts		Nil	362.50	IV	Capital Expenditure-	12.68	600.93	613.61	613.61	
					47.37		General Services	Nil	86.96	86.96		
					108.42		Social Services-	Nil	312.44	312.44		
					15.43		Education, Sports, Art and Culture	Nil	12.67	12.67		
					10.02		Health and Family Welfare	Nil	9.66	9.66		
					81.02		Water Supply, Sanitation, Housing and Urban Development	Nil	100.07	100.07		
					Nil		Information and Broadcasting	Nil	Nil	Nil		
					0.55		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	Nil	1.18	1.18		
					0.79		Social Welfare and Nutrition	Nil	0.50	0.50		
					0.61		Others	Nil	188.36	188.36		
					206.71		Economic Services-	12.68	201.53	214.21		
					21.34		Agriculture and Allied Activities	Nil	15.40	15.40		
					Nil		Rural Development	Nil	Nil	Nil		
					Nil		Special Areas Programmes	Nil	Nil	Nil		
					19.28		Irrigation and Flood Control	Nil	44.24	44.24		
					83.56		Energy	12.68	43.74	56.42		
					14.83		Industry and Minerals	Nil	13.63	13.63		
					60.75		Transport	Nil	75.61	75.61		
					6.95		General Economic Services	Nil	8.91	8.91		
3.01	V	Recoveries of Loans and Advances-	2.45	2.45	1.30	V	Loans and Advances disbursed-	1.45	Nil	1.45	1.45	
Nil		From Power Projects	Nil		Nil		For Power Projects	Nil	Nil	Nil		
2.73		From Government Servants	2.25		1.30		To Government Servants	1.45	Nil	1.45		
0.28		From Others	0.20		Nil		To Others	Nil	Nil	Nil		
	VI	Revenue Surplus brought down			175.13	VI	Revenue Deficit brought down					42.03

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		Receipts			Disbursements						
<b>750.37</b>	<b>VII</b>	Public debt receipts-		<b>703.62</b>	<b>203.78</b>	<b>VII</b>	Repayment of Public debt-	117.38	66.00	183.38	<b>183.38</b>
Nil		External debt	Nil		Nil		External debt	Nil	Nil	Nil	
663.40		Internal debt	613.57		32.89		Internal debt	Nil	47.72	47.72	
Nil		Net transactions under Ways and Means Advances	Nil		Nil		Net transactions under Ways and Means Advances	Nil	Nil	Nil	
Nil		Net transactions under overdraft	Nil		170.89		Repayment of Loans and Advances to Central Government	117.38	18.28	135.66	
86.97		Loans and Advances from Central Government	90.05								
Nil	<b>VIII</b>	Appropriation to Contingency Fund	Nil		Nil	<b>VIII</b>	Appropriation to Contingency Fund				Nil
Nil	<b>IX</b>	Amount transferred to Contingency Fund	Nil		Nil	<b>IX</b>	Expenditure from Contingency Fund				Nil
<b>910.80</b>	<b>X</b>	Public Account receipts-		<b>981.76</b>	<b>709.06</b>	<b>X</b>	Public Account disbursements-				<b>844.53</b>
266.34		Small Savings and Provident Funds	289.93		233.54		Small Savings and Provident Funds			238.84	
50.00		Reserve Funds	95.56		Nil		Reserve Funds			Nil	
5.43		Suspense and Miscellaneous	(-) 2.49		(-) 1.43		Suspense and Miscellaneous			23.05	
319.44		Remittance	402.96		287.14		Remittance			352.99	
269.59		Deposits and Advances	195.80		189.81		Deposits and Advances			229.65	
Nil	<b>XI</b>	Closing Overdraft from Reserve Bank of India	Nil		1,232.06	<b>XI</b>	Cash Balance at end-			1,234.89	<b>1,234.89</b>
					Nil		Cash in Treasuries and Local Remittances			Nil	
					0.15		Deposits with Reserve Bank			0.15	
					1.85		Departmental Cash Balance including permanent advances			1.94	
					1,230.06		Cash Balance Investment including investment of earmarked funds			1,232.80	
<b>2,683.83</b>		<b>Total</b>		<b>2,919.89</b>	<b>2,683.83</b>		<b>Total</b>				<b>2,919.89</b>

**Appendix 1.4**  
(Reference: Paragraph 1.9.1 ; Page 22)

**Part B: Summarised financial position of the Government  
of Union Territory of Puducherry as on 31 March 2015**

(₹ in crore)

As on 31 March 2014	Liabilities	As on 31 March 2015	
(1)	(2)	(3)	
<b>3,655.61</b>	<b>Internal Debt -</b>		<b>4,221.46</b>
3,122.06	Market Loans bearing interest	3592.44	
Nil	Market Loans not bearing interest	Nil	
Nil	Loans from Life Insurance Corporation of India	Nil	
533.55	Loans from other Institutions	629.02	
Nil	Ways and Means Advances	Nil	
Nil	Overdrafts from Reserve Bank of India	Nil	
<b>1,902.61</b>	<b>Loans and Advances from Central Government -</b>		<b>1,857.00</b>
Nil	Pre 1984-85 Loans	Nil	
1,687.60	Non-Plan Loans	1,660.27	
214.39	Loans for State Plan Schemes	196.19	
Nil	Loans for Central Plan Schemes	Nil	
0.62	Loans for Centrally Sponsored Plan Schemes	0.54	
<b>0.50</b>	<b>Contingency Fund</b>		<b>0.50</b>
<b>447.94</b>	<b>Small Savings, Provident Funds, etc.</b>		<b>499.03</b>
<b>512.13</b>	<b>Deposits</b>		<b>478.15</b>
<b>123.63</b>	<b>Reserve Funds</b>		<b>219.19</b>
<b>109.96</b>	<b>Remittance Balances</b>		<b>159.92</b>
<b>20.27</b>	<b>Suspense and Miscellaneous Balances</b>		<b>(-)5.27</b>
<b>6,772.65</b>			<b>7,429.98</b>
	<b>Assets</b>		
<b>4,555.16</b>	<b>Gross Capital Outlay on Fixed Assets -</b>		<b>*5,168.76</b>
981.85	Investments in shares of Companies, Corporations, etc.	998.93	
3,573.31	Other Capital Outlay	4,169.83	

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

(1)	(2)		(3)
<b>12.41</b>	<b>Loans and Advances -</b>		<b>11.42</b>
Nil	Loans for Power Projects	Nil	
8.40	Other Development Loans	8.20	
4.01	Loans to Government servants and Miscellaneous loans	3.22	
<b>86.92</b>	<b>Reserve Fund Investments</b>		<b>244.92</b>
<b>0.62</b>	<b>Advances</b>		<b>0.48</b>
<b>1,145.14</b>	<b>Cash -</b>		<b>989.97</b>
Nil	Cash in Treasuries	Nil	
0.15	Deposits with Reserve Bank	0.15	
1.85	Departmental Cash Balance including Permanent Advances	1.94	
1,143.14	Cash Balance Investments	987.88	
<b>972.40</b>	<b>Deficit on Government Account -</b>		<b>1,014.43</b>
(-) 175.13	(i) Revenue surplus(+)/deficit(-) of the current year	(-)42.03	
Nil	(ii) Miscellaneous Deficit	Nil	
(-) 797.44	Accumulated deficit at the beginning of the year	(-)972.40	
0.17	Less: Proforma dropping	Nil	
<b>6,772.65</b>			<b>7,429.98</b>

**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 33)**

**Cases where savings were more than ₹ 50 lakh and 20 per cent of total provision**

(₹ in lakh)

Sl.No.	Grant	Heads of Account					Provision	Expenditure	Savings
(1)	(2)	(3)					(4)	(5)	(6)
1	01	2011	02	800	01	01	170.00	0.00	170.00
2	06	2029	00	800	04	01	346.10	61.77	284.33
3	06	2245	02	101	01	01	100.00	28.73	71.27
4	06	2408	01	102	04	01	500.00	0.00	500.00
5	06	2408	01	789	01	01	100.00	0.00	100.00
6	06	3456	00	001	05	01	472.52	320.50	152.02
7	08	5055	00	800	01	01	150.00	0.00	150.00
8	09	3451	00	091	02	01	334.90	142.96	191.94
9	09	3451	00	091	07	01	900.00	499.99	400.01
10	10	2216	80	800	02	01	303.00	174.13	128.87
11	10	2216	80	800	10	01	3,547.70	0.00	3,547.70
12	10	2216	80	800	12	01	350.95	0.00	350.95
13	10	2217	01	191	01	01	596.20	378.52	217.68
14	10	2217	01	191	01	02	161.10	102.56	58.54
15	10	2217	05	800	03	01	2,244.00	1,584.65	659.35
16	10	2217	80	001	02	01	150.60	98.44	52.16
17	10	2217	80	800	04	01	22,377.58	777.00	21,600.58
18	10	2515	00	101	01	01	334.05	264.68	69.37
19	10	2515	00	101	05	01	98.45	0.00	98.45
20	10	2515	00	101	30	01	137.74	0.00	137.74
21	10	3475	00	108	03	01	100.00	0.00	100.00
22	12	2055	00	115	03	01	691.40	135.73	555.67
23	12	2055	00	115	04	01	775.47	557.00	218.47
24	12	2070	00	107	01	01	536.58	286.03	250.55
25	16	2059	60	051	02	01	350.90	176.46	174.44
26	16	2059	80	051	05	04	394.72	268.60	126.12
27	16	2215	01	789	01	01	200.00	90.00	110.00
28	16	4059	01	051	10	01	1,528.09	415.94	1,112.15
29	16	4059	01	800	02	01	1,100.00	694.75	405.25
30	16	4215	01	102	02	01	400.02	0.00	400.02
31	16	4215	01	800	03	03	500.00	22.22	477.78
32	16	4215	01	800	03	04	500.00	0.00	500.00
33	16	4702	00	800	02	01	1,500.00	990.00	510.00
34	16	4702	00	800	02	03	322.00	29.40	292.60
35	16	4711	03	800	04	01	2,300.00	865.00	1,435.00
36	16	4711	03	800	04	03	399.00	106.98	292.02

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(1)	(2)	(3)					(4)	(5)	(6)
37	16	5054	04	800	09	01	2,800.00	1,650.00	1,150.00
38	16	5054	04	800	09	02	700.00	400.00	300.00
39	16	5054	04	800	09	03	499.00	72.17	426.83
40	17	2202	02	105	01	01	195.00	118.30	76.70
41	17	2202	02	109	14	01	230.00	0.00	230.00
42	17	2202	02	109	14	02	60.00	0.00	60.00
43	17	2202	03	103	04	02	677.01	522.71	154.30
44	17	2202	03	103	15	02	203.47	153.04	50.43
45	17	2202	80	003	01	01	163.25	0.00	163.25
46	17	2205	00	107	08	01	100.00	0.00	100.00
47	17	2225	01	277	01	01	234.00	24.30	209.70
48	18	2210	01	001	02	01	186.86	119.22	67.64
49	18	2210	05	105	11	03	249.99	0.00	249.99
50	18	2210	05	105	11	04	250.00	0.00	250.00
51	18	2210	80	800	06	01	2,390.15	1,437.51	952.64
52	19	3452	80	104	07	01	767.50	491.55	275.95
53	19	3452	80	800	09	01	885.40	485.40	400.00
54	20	2230	03	800	01	01	59.55	0.00	59.55
55	21	2225	01	277	02	01	322.70	222.69	100.01
56	21	2225	01	277	02	02	200.00	116.31	83.69
57	21	2225	01	277	17	01	154.28	26.00	128.28
58	21	2225	01	789	23	02	619.00	394.68	224.32
59	21	2225	01	789	23	04	160.00	82.78	77.22
60	21	2225	01	789	25	02	300.00	184.98	115.02
61	21	2225	01	789	25	04	100.00	45.39	54.61
62	21	2225	01	789	26	01	700.00	400.00	300.00
63	21	2225	01	789	29	01	149.00	0.00	149.00
64	21	2225	03	789	02	01	320.00	244.55	75.45
65	21	2235	02	102	10	01	229.39	166.91	62.48
66	21	2235	02	103	18	01	232.71	0.00	232.71
67	22	2852	08	789	02	01	65.78	0.00	65.78
68	24	2401	00	105	04	01	82.68	0.86	81.82
69	24	2401	00	109	07	01	2,297.00	0.00	2,297.00
70	24	2401	00	109	07	02	528.00	0.00	528.00
71	24	2401	00	119	07	01	186.40	66.85	119.55
72	24	2401	00	789	09	01	158.00	0.00	158.00
73	24	2401	00	789	09	02	72.00	0.00	72.00
74	24	2401	00	800	11	01	755.40	92.66	662.74
75	24	2435	01	101	02	01	527.00	402.00	125.00
76	25	2403	00	800	09	01	76.32	1.78	74.54
77	27	2505	02	101	01	02	612.00	0.00	612.00
78	27	2505	02	101	02	01	437.00	37.02	399.98

(1)	(2)	(3)					(4)	(5)	(6)
79	27	2505	02	101	03	01	665.38	82.38	583.00
80	27	2505	02	101	04	01	233.00	91.47	141.53
81	28	2851	00	789	12	01	96.50	12.27	84.23
82	28	2851	00	800	15	01	96.98	46.88	50.10
83	28	4885	01	190	01	01	60.00	0.00	60.00
84	29	2049	60	101	01	01	327.62	187.07	140.55
85	29	4801	05	800	11	01	282.01	43.31	238.70
86	29	4801	05	800	49	01	397.60	118.44	279.16
87	29	4801	05	800	50	01	1,330.40	278.52	1,051.88
88	30	5051	02	200	06	01	498.00	0.00	498.00
89	32	2056	00	101	01	01	100.00	40.00	60.00
90	32	2205	00	106	01	01	101.00	1.00	100.00
91	32	3452	01	800	01	01	167.00	67.00	100.00
92	32	4210	01	110	04	03	304.00	50.00	254.00
93	32	4210	05	105	01	02	471.40	252.58	218.82
94	32	4235	02	800	01	01	74.20	0.00	74.20
95	32	4401	00	800	01	01	185.00	110.00	75.00
96	32	4405	00	104	01	04	493.33	388.43	104.90
97	32	4405	00	104	02	03	967.50	288.36	679.14
98	32	5452	01	800	28	01	725.00	0.00	725.00
99	32	5452	01	800	28	03	450.00	120.73	329.27
100	32	5452	01	800	28	04	565.00	332.14	232.86
101	32	5452	01	800	30	02	150.00	0.00	150.00
102	32	5452	01	800	32	01	150.00	0.00	150.00
103	33	2048	00	200	01	01	16,100.00	8,050.00	8,050.00
104	33	2049	02	213	01	07	66.00	0.00	66.00
105	33	2049	04	101	01	07	1,391.28	715.70	675.58
106	33	6004	02	101	01	07	3,697.80	1,820.20	1,877.60
<b>Total</b>							<b>95,054.91</b>	<b>30,128.18</b>	<b>64,926.73</b>

**Appendix 2.2**  
**(Reference: Paragraph 2.3.3; Page 34)**

**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	Heads of Account					Provision	Expenditure	Excess
(1)	(2)	(3)					(4)	(5)	(6)
1	06	2039	00	001	01	01	407.60	539.72	132.12
2	08	3055	00	190	01	01	168.00	225.00	57.00
3	10	2216	80	800	04	01	1,001.00	1,363.50	362.50
4	10	2217	05	800	04	01	0.01	278.67	278.66
5	10	2217	80	800	06	01	1,900.00	7,300.00	5,400.00
6	10	2217	80	800	07	01	557.97	848.86	290.89
7	10	2575	60	101	01	01	359.75	520.29	160.54
8	10	3054	04	337	05	01	456.00	990.75	534.75
9	10	3054	04	337	06	01	91.20	209.91	118.71
10	10	3054	04	337	07	01	150.00	229.00	79.00
11	12	2055	00	001	02	01	0.01	57.39	57.38
12	12	2055	00	108	01	01	511.30	634.96	123.66
13	12	2055	00	109	01	03	186.00	270.49	84.49
14	16	4215	01	800	03	02	0.01	125.00	124.99
15	16	4711	01	103	02	04	0.01	1,325.63	1325.62
16	16	5054	04	800	05	01	417.99	2,329.99	1912.00
17	17	2202	01	108	01	03	30.00	94.74	64.74
18	17	2202	01	108	01	04	15.00	77.91	62.91
19	17	2202	80	800	08	01	283.57	725.66	442.09
20	18	2210	01	102	02	01	612.00	786.16	174.16
21	18	2210	01	110	05	04	234.02	301.48	67.46
22	18	2210	03	104	03	02	136.70	187.32	50.62
23	18	2211	00	101	02	01	283.40	357.15	73.75
24	19	2075	00	800	01	01	142.91	366.51	223.60
25	19	3452	80	104	06	01	289.65	456.99	167.34
26	21	2225	01	789	28	02	650.00	813.45	163.45
27	21	2225	03	190	02	01	206.00	306.00	100.00
28	21	2225	03	277	02	01	517.26	767.93	250.67
29	21	2235	02	101	08	01	18.00	70.48	52.48
30	21	2235	02	103	06	02	1.25	109.59	108.34
31	21	2236	02	101	02	01	247.26	711.06	463.80
32	21	2236	02	101	02	02	120.00	182.98	62.98
33	22	2852	08	789	01	01	130.00	195.78	65.78
34	24	2401	00	102	01	02	239.54	306.58	67.04
35	24	2401	00	108	03	01	10.00	200.00	190.00

(1)	(2)	(3)					(4)	(5)	(6)
36	24	2401	00	119	01	01	295.00	380.11	85.11
37	27	2515	00	800	05	01	5.49	80.49	75.00
38	28	4860	01	190	03	01	56.67	116.67	60.00
39	32	5452	01	800	33	04	0.01	79.01	79.00
40	33	2049	01	200	01	07	2,500.00	3,077.67	577.67
41	33	2049	01	200	03	07	300.00	437.59	137.59
42	33	2049	05	105	02	07	100.00	282.91	182.91
<b>Total</b>							<b>13,630.58</b>	<b>28,721.38</b>	<b>15,090.80</b>

**Appendix 2.3**  
**(Reference: Paragraph 2.3.4; Page 34)**  
**Excessive/unnecessary re-appropriation of funds**

(₹ in lakh)

Sl.No	Grant	Heads of Account					Provision	Re-appropriation	Total	Expenditure	Savings
(1)	(2)	(3)					(4)	(5)	(6)	(7)	(8)
1	03	2013	00	104	01	01	291.80	26.16	317.96	243.85	74.11
2	06	2029	00	101	02	03	4.65	6.01	10.66	4.12	6.54
3	06	2235	60	101	01	04	15.00	14.00	29.00	0.00	29.00
4	06	2408	01	102	03	01	8,024.02	605.79	8,629.81	7,915.13	714.68
5	06	3456	00	800	03	01	17.08	8.11	25.19	7.84	17.35
6	06	3456	00	001	05	02	21.65	1.20	22.85	21.46	1.39
7	10	2217	05	001	02	02	37.92	1.31	39.23	36.29	2.94
8	10	2575	60	101	01	02	132.94	40.15	173.09	123.09	50.00
9	16	2059	80	051	05	04	394.72	32.05	426.77	268.60	158.17
10	16	4059	01	051	10	02	0.01	599.99	600.00	0.00	600.00
11	16	4059	01	800	02	01	1,100.00	221.00	1,321.00	694.75	626.25
12	16	4215	01	800	05	04	0.00	3.00	3.00	0.00	3.00
13	16	4702	00	800	02	02	0.00	35.00	35.00	0.00	35.00
14	17	2202	01	101	01	04	390.30	14.93	405.23	383.50	21.73
15	17	2202	01	800	04	01	655.22	58.27	713.49	577.87	135.62
16	17	2202	02	101	03	01	180.30	20.10	200.40	177.20	23.20
17	17	2202	02	109	06	01	12.60	51.97	64.57	8.06	56.51
18	17	2202	03	103	02	01	203.22	4.60	207.82	202.76	5.06
19	17	2204	00	101	01	01	112.80	73.19	185.99	108.35	77.64
20	17	2204	00	102	04	01	14.30	1.18	15.48	5.15	10.33
21	18	2210	01	110	05	02	1,946.70	4.75	1,951.45	1,946.08	5.37
22	18	2210	02	101	01	04	13.43	1.08	14.51	13.31	1.20
23	20	2230	01	111	01	01	0.01	29.99	30.00	0.00	30.00
24	21	2225	01	001	01	01	238.64	3.92	242.56	227.53	15.03
25	21	2225	01	277	04	04	68.50	2.27	70.77	65.57	5.20
26	21	2225	01	789	29	02	0.01	92.99	93.00	0.00	93.00
27	21	2235	02	001	02	01	81.50	13.20	94.70	79.05	15.65
28	21	2235	02	102	03	01	170.30	2.16	172.46	154.04	18.42
29	21	2235	02	789	07	01	1.50	1.50	3.00	1.49	1.51
30	21	2235	02	789	09	02	512.82	42.76	555.58	512.82	42.76
31	21	2236	02	101	01	01	383.05	8.84	391.89	367.47	24.42
32	23	3454	02	800	13	01	9.09	13.00	22.09	3.00	19.09
33	24	2406	01	102	06	01	33.86	14.68	48.54	22.44	26.10
34	25	2403	00	101	08	02	69.10	3.45	72.55	55.51	17.04
35	27	2515	00	102	02	02	97.90	1.90	99.80	83.54	16.26
36	29	4801	05	799	01	01	1,930.40	56.40	1,986.80	1,909.46	77.34

(1)	(2)	(3)					(4)	(5)	(6)	(7)	(8)
37	32	2235	02	800	05	01	0.01	59.99	60.00	0.00	60.00
38	32	2403	00	101	02	02	0.00	20.00	20.00	0.00	20.00
39	32	2403	00	101	02	04	0.00	5.00	5.00	0.00	5.00
40	32	4202	01	800	02	03	50.01	49.99	100.00	44.69	55.31
41	32	4210	01	800	03	02	0.01	49.98	49.99	0.00	49.99
42	32	4210	01	800	03	03	0.01	49.98	49.99	0.00	49.99
43	32	4405	00	104	01	03	0.01	99.99	100.00	0.00	100.00
44	32	4405	00	104	02	03	967.50	5.00	972.50	288.36	684.14
45	32	5452	01	800	34	03	0.00	10.00	10.00	0.00	10.00
46	32	5452	01	800	35	03	0.00	5.00	5.00	0.00	5.00
47	32	5452	01	800	36	04	0.00	2.00	2.00	0.00	2.00
<b>Total</b>							<b>18,182.89</b>	<b>2,467.83</b>	<b>20,650.72</b>	<b>16,552.38</b>	<b>4,098.34</b>

**Appendix 2.4**  
**(Reference: Paragraph 2.3.5; Page 35)**

**Cases of substantial surrenders made during 2014-15**

(₹ in lakh)

Sl.No.	Grant Number	Heads of Account					Provision	Surrender
1	01	2011	02	800	01	01	170.00	170.00
2	08	5055	00	800	01	01	150.00	150.00
3	09	3451	00	091	02	01	334.90	172.78
4	10	2217	80	800	04	01	22,377.58	18,583.95
5	13	2056	00	101	01	03	22.00	11.25
6	16	4059	01	800	02	01	1,100.00	614.00
7	20	2230	03	101	07	01	20.00	20.00
8	24	2245	02	101	01	01	25.00	25.00
9	24	2245	02	101	01	02	45.00	45.00
10	24	2401	00	105	04	01	82.68	80.00
11	24	2401	00	109	07	02	528.00	339.37
12	24	2401	00	119	07	01	186.40	100.00
13	24	2401	00	119	07	02	13.61	13.00
14	24	2401	00	789	09	01	158.00	120.00
15	24	2401	00	789	09	02	72.00	44.00
16	24	2401	00	800	13	01	34.45	34.00
17	24	2401	00	800	13	02	17.95	17.00
18	24	2435	01	789	01	01	48.00	40.00
19	27	2505	02	101	02	01	437.00	390.00
20	27	2505	02	101	04	01	233.00	120.70
21	29	4801	05	800	11	01	282.01	235.00
22	29	4801	05	800	49	01	397.60	270.00
23	32	2056	00	101	01	01	100.00	60.00
24	32	2205	00	106	01	01	101.00	100.00
25	32	2230	03	101	02	01	22.50	18.00
26	32	2235	02	800	01	01	28.00	20.00
27	32	2235	02	800	02	01	58.00	34.00
28	32	2851	00	800	01	01	17.00	13.54
29	32	3452	01	800	01	01	167.00	100.00
30	32	4055	00	211	01	03	40.00	30.00
31	32	4055	00	211	01	04	40.00	30.00
32	32	4210	01	110	04	03	304.00	220.00
33	32	4235	01	800	03	01	50.00	47.00
<b>Total</b>							<b>27,662.68</b>	<b>22,267.59</b>

**Appendix 2.5**  
**(Reference: Paragraph 2.3.6; Page 35)**

**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	09	Secretariat	5.88	1.73	4.15
2	10	District Administration	202.92	185.84	17.08
3	20	Labour and Employment	2.38	1.02	1.36
4	24	Agriculture	45.33	15.32	30.01
5	25	Animal Husbandry	2.70	1.14	1.56
6	27	Community Development	19.40	10.56	8.84
7	29	Electricity	190.05	74.47	115.58
8	33	Public Debt	58.76	44.74	14.02
<b>Total - Revenue</b>			<b>527.42</b>	<b>334.82</b>	<b>192.60</b>
<b>Capital</b>					
9	16	Public Works	32.77	18.59	14.18
10	29	Electricity	16.89	11.56	5.33
11	32	Building Programmes	31.23	8.57	22.66
<b>Total - Capital</b>			<b>80.89</b>	<b>38.72</b>	<b>42.17</b>
<b>Grand Total</b>			<b>608.31</b>	<b>373.54</b>	<b>234.77</b>

**Appendix 2.6**  
**(Reference: Paragraph 2.3.7; Page 35)**

**Details of rush of expenditure during last quarter of the year and during March 2015**

Sl. No.	Grant Number	Head of Account	Total expenditure during the year (₹)	Expenditure incurred (₹)		Percentage to total expenditure	
				During last quarter of the year	During March 2015	During last quarter of the year	During March 2015
1	10	2217 01 191 01 02	1,02,55,743	1,00,40,974	1,00,00,000	97.91	97.51
2		2217 01 191 01 04	42,22,869	40,41,877	40,03,353	95.71	94.80
3	16	3054 04 789 02 02	92,00,000	55,70,087	50,66,017	60.54	55.07
4	21	2235 60 110 01 01	98,47,798	77,74,450	71,93,448	78.95	73.05
5		2236 02 101 02 01	7,11,06,499	5,49,73,001	4,72,34,854	77.31	66.43
6	24	2401 00 113 03 01	84,33,458	78,39,412	71,83,326	92.96	85.18

**Appendix 3.1**  
**(Reference: Paragraph 3.1; Page 39)**

**Details of outstanding Utilisation Certificates**

Sl. No.	Department	Number of certificates outstanding	Amount (₹ in lakh)
1	Adi-Dravidar Welfare	111	4,895.29
2	Agriculture	34	1,056.07
3	Animal Husbandry and Animal Welfare	12	504.06
4	Art and Culture	11	22.96
5	Civil Supplies and Consumer Affairs	10	517.26
6	Co-operation	30	1,624.44
7	Education	23	1,462.43
8	Fisheries and Fishermen Welfare	20	369.62
9	Health	1	584.00
10	Hindu Religious Institutions/WAKF Board	174	550.29
11	Industries	4	142.47
12	Information Technology	2	4.44
13	Labour	3	48.05
14	Local Administration	391	7,201.00
15	Science, Technology and Environment	9	490.84
16	Social Welfare	6	14.35
17	Tourism	1	1,100.00
18	Town and Country Planning	146	3,491.89
19	Women and Child Development	6	146.49
<b>Total</b>		<b>994</b>	<b>24,225.95</b>

**Appendix 3.2**  
**(Reference: Paragraph 3.2; Page 40)**

**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 were due</b>
1	The Indian National Trust for Art, Culture and Heritage	2006-07 to 2012-13
2	Fishermen Co-operative Union, Karaikal	2006-07 to 2011-12
3	Puducherry Municipality	2008-09 to 2013-14
4	Oulgaret Municipality	2008-09 to 2013-14
5	Karaikal Municipality	2008-09 to 2013-14
6	Mahe Municipality	2008-09 to 2013-14
7	Yanam Municipality	2008-09 to 2013-14
8	Ariankuppam Commune Panchayat	2008-09 to 2013-14
9	Villianur Commune Panchayat	2008-09 to 2013-14
10	Bahour Commune Panchayat	2008-09 to 2013-14
11	Mannadipet Commune Panchayat	2008-09 to 2013-14
12	Nettapakkam Commune Panchayat	2008-09 to 2013-14
13	Neravy Commune Panchayat	2008-09 to 2013-14
14	Kottucherry Commune Panchayat	2008-09 to 2013-14
15	T.R. Pattinam Commune Panchayat	2008-09 to 2013-14
16	Thirunallar Commune Panchayat	2008-09 to 2013-14
17	Nedungadu Commune Panchayat	2008-09 to 2013-14
18	Pondicherry Fishing Harbour Management Society	2013-14
19	Pondicherry Medical Relief Society for poor	2013-14
20	Fish Farmers Development Agency, Karaikal	2010-11 and 2011-12
21	Pondicherry Fishermen Welfare Distress Relief Society	2012-13 and 2013-14
22	District Institute of Education and Training	2011-12 to 2013-14
23	Pondicherry Institute of Linguistics and Culture, Puducherry	2013-14
24	Pondicherry Building Centre	2012-13 and 2013-14

**Appendix 3.3**  
(Reference: Paragraph 3.4; Page 41)

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

Sl. No.	Name of the Department	Theft and Loss cases		Misappropriation/ Loss of Government Material		Total	
		Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount
			(₹ in lakh)		(₹ in lakh)		(₹ in lakh)
1	Adi-Dravidar Welfare	2	3.04	1	1.55	3	4.59
2	Agriculture	6	1.89	1	5.15	7	7.04
3	Animal Husbandry	1	0.01	1	41.57	2	41.58
4	Art and Culture	3	0.37	Nil	Nil	3	0.37
5	Education	17	1.01	3	21.86*	20	22.87
6	Electricity	259	4,298.07	2	82.35	261	4,380.42
7	Health and Family Welfare	12	0.89	Nil	Nil	12	0.89
8	Information Technology	1	1.15	Nil	Nil	1	1.15
9	Labour	2	0.60	Nil	Nil	2	0.60
10	Local Administration	4	1.96	1	0.47 <sup>1</sup>	5	2.43
11	Police	Nil	Nil	1	0.30 <sup>2</sup>	1	0.30
12	Public Works	4	0.22*	2	5.02	6	5.24
13	Revenue	1	0.84	Nil	Nil	1	0.84
14	Tourism	1	*	Nil	Nil	1	*
15	Women and Child Development	1	3.75	Nil	Nil	1	3.75
16	Stationery and Printing	1	0.04	Nil	Nil	1	0.04
	<b>Total</b>	<b>315</b>	<b>4,313.84</b>	<b>12</b>	<b>158.27</b>	<b>327</b>	<b>4,472.11</b>

\* Value of one case not available

<sup>1</sup> The amount of ₹ 0.47 lakh has been remitted in full by the official responsible for misappropriation. However departmental action is still pending.

<sup>2</sup> Out of ₹ 0.30 lakh, an amount of ₹ 0.15 lakh has been paid by the official responsible for misappropriation.

### Glossary of terms and abbreviations used in the Report

Terms	Description
GSDP	GSDP is defined as the total income of the Union Territory or the market value of goods and services produced using labour and all other factors of production at current prices.
Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one <i>per cent</i> .
Merit goods	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, road infrastructure etc., Merit goods are commodities that the public sector provides free or at subsidised 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.
Development expenditure	Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure.

Terms	Description
Average interest rate	Average interest rate is defined as the percentage of interest payment made to average financial liabilities of the State during the year i.e., (sum of opening and closing balances of fiscal liabilities /2) x 100
Debt sustainability	Debt sustainability is defined as the ability of the Union Territory to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. It also refers to the sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between the costs of additional borrowings and the returns from such borrowings.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero, positive or moderately negative. Given the rate spread (GSDP growth rate – interest rate) and the quantum spread (Debt X rate spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilize eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising. In case it is positive, the debt-GSDP ratio would eventually be falling.
Primary expenditure	Primary expenditure of the State, defined as the total expenditure net of the interest payments, indicates the expenditure incurred on the transactions undertaken during the year.

<b>Abbreviations</b>	<b>Full form</b>
BCR	Balance from Current Revenue
BE	Budget Estimate
BPL	Below Poverty Line
CAGR	Compound Annual Growth Rate
CSS	Centrally Sponsored Schemes
DDOs	Drawing and Disbursing Officers
FRBM Act	Fiscal Responsibility and Budget Management Act
GIA	Grants-in-aid
GoI	Government of India
GSDP	Gross State Domestic Product
PRIs	Panchayati Raj Institutions
ROG	Rate of Growth
RR	Revenue Receipts
UCs	Utilisation Certificates
UT	Union Territory