

Government of Puducherry
Planning and Research Department

No.217/PRD/2017-18/PF


Puducherry, the 17.05.2017.

CIRCULAR

Sub: State Planning Board – Minutes communicated – Reg.

Minutes of the State Planning Board meeting held on 29.4.2017 under the Chairpersonship of Hon'ble Lt. Governor is sent herewith.

/ By Order /


(G. Santhamurthy)
Director (Plg.)

To

The Chairperson and Members of the State Planning Board.

**Minutes of the State Planning Board Meeting held on 29.04.2017 under the
Chairpersonship of Hon'ble Lieutenant Governor**

The State Planning Board Meeting was held on 29.04.2017 under the Chairpersonship of Hon'ble Lieutenant Governor at 11.00 A.M. in the Conference Hall, Chief Secretariat, Puducherry to discuss and finalize the size of the outlay for the Annual Plan 2017-18.

2. The Hon'ble Chief Minister, Hon'ble Minister for Public Works, Hon'ble Minister for Health, Hon'ble Minister for Welfare, Hon'ble Member of Parliament (Rajya Sabha), Member of Parliament (Lok Sabha), Non-Official Member, Chief Secretary, Development Commissioner, Secretary(Planning), Secretary to LG, Secretary(Health), Secretary(DP&AR), Secretary(Industries), Special Secretary, Secretary(Law), Director General of Police and other senior officials participated in the meeting. The list of participants is enclosed as Annexure-A.

3. At the outset, Chief Secretary welcomed the Lt. Governor, Chief Minister, Members of the Board and outlined that the purpose of the current meeting was to discuss and finalise the size of the outlay for the Annual Plan 2017-18 which would be subsequently sent to Ministry of Home Affairs/Finance, Govt. of India, for approval.

4. Hon'ble Lieutenant Governor in her introductory remarks stated that the presentation would clearly bring out the challenges before us during the financial year. Hon'ble LG also informed that the presentation for the first time included special coverage on current financial / performance status of local bodies, PSUs/ Autonomous Bodies and also the performance of Centrally Sponsored Schemes (CSS). LG further instructed the Departments to tap and utilise maximum funds from Centrally Sponsored Schemes to supplement the state resources for completion of ongoing schemes / projects. In view of the financial crisis, LG stressed the importance and need for efficient expenditure management and advised the Departments to work on generation of resources and exercise utmost financial prudence both in sanctioning and execution of schemes / works.

5. Secretary (Planning) made a detailed power-point presentation on the financial position of Puducherry covering the aspects of UT's own resources, Fiscal Road Map, Plan and Non-Plan Outlay and Expenditure during the last three years, U.T. finances, the potential areas for revenue mobilization, Reasons for financial stress, Major items of expenditure under Plan / Non Plan, major items of

committed expenditure, major expenditure for the year 2016-17, Resource mobilisation measures, Receipts and Expenditure 2016-17 of Centrally Sponsored/ Central Sector Schemes, Tied & Un-Tied funds for the last three years and the estimated resources for B.E. 2017-18.

- Secretary (Planning) informed the House that the Fiscal Road Map (FRM) lays down targets of receipts, expenditure, borrowings etc. for the period up to 2019-2020 and that the Fiscal Deficit of the UT as % of GSDP is 2.20 which is well within the FRM level. The presentation also highlighted the following points:
- The administrative Departments of the Public Sector Undertakings/Boards/Societies etc. which are either sick or / and running under loss should closely review their functioning to improve the financial position so that the required funds could be spared for developmental schemes and infrastructure development.
- A road map to deal with the financial crunch was presented such as, to raise the UT's Own Resources by widening of tax net, improving collection efficiency, levy of user charges and fees and collection of revised rates of user charges and fees, water charges, professional taxes by the Departments and Local Bodies and also generation of resources from traffic enforcement and road safety.
- The departments have been advised to take immediate measures for prioritization and rationalization of expenditure, review of schemes & pruning of expenditure and to improve quality of spending.
- The Departments have been directed to generate and tap maximum funds from Centrally Sponsored Schemes to supplement the resources of the U.T.

6. After the presentation, the Member of Parliament (Rajya Sabha) and (Lok Sabha) and Non Official Member made their suggestions which are as follows:

Hon'ble Member of Parliament (Rajya Sabha)

- Concessions on land, power and taxes has to be extended for attracting entrepreneurs, manufacturers, Industrialists.
- A serious thought may be given to Health Tourism, Spiritual Tourism and Historical Tourism for augmenting income.
- Intention of Govt. to implement single window clearances for setting up of new industries is appreciated.

- Building of a bridge between Pondy Marina (Behind lighthouse) and Thengaithittu road for vehicular movement of port operations.
- Enhancement of employability to the educated unemployed youth by imparting Training programmes through various departments viz. DIC, Labour, AD-Welfare, Co-operation, IT etc.
- State of the Art Technology Training Centre should be established for conducting skill development programmes. Such a Centre can be established by pooling the resources from various departments under one roof.
- The Govt. should prepare a road map to attract more investors, especially those from the IT sector, for employment generation.
- The Govt. should extend more incentives to IT sector so that IT corridor is developed in Puducherry
- Under the Digital India Mission, Wi-fi network with high speed connectivity should be extended to the villages on a war footing.
- Wide publicity must be given to the Common Services Centres
- An expert committee may be constituted to look into suitable method for disposal of solid waste.

Hon'ble Member of Parliament (Lok Sabha)

- The financial problems pointed out in the presentation have to be tackled and earnest efforts must be made from now onwards so as to avoid difficulties during the later part of the financial year.
- CSS is one of the areas of focus to get more funds from Central Govt. which will reduce the burden of the Govt.
- Hon'ble LG, CM and Ministers are very experienced and their team work will help to overcome the financial crisis and to achieve the development goals of U.T. of Puducherry.

Representative from IIPA, New Delhi, Non-Official Member

- Transparency, Accountability and Responsibility to be ensured in all departments through IT and e-Governance
- Implementation of Double Entry System in Local Administration and other departments.

- Regulation of taxes in respect of Housing, Industry, Education, Trading, Tourism and General business through e-Governance.
- Necessary training has to be provided to all public servants, stakeholder and general public in order to achieve the above goals.

7. Hon'ble Chief Minister in his address highlighted the following issues / developments:

- Hon'ble Chief Minister outlined the existing financial position prevailing in the state, the measures taken to increase the revenue and the reasons for shortfall of revenue in the fiscal year 2016-17.
 - As recommended in the 13th Finance Commission, the other States are getting 42% as grant but Puducherry Govt. is only getting 27% as Central grant.
 - Due to non-enhancement of grant by Central Govt. the quantum of grant remains almost static over the last few years.
 - Implementation of 7th Pay Commission by Central Govt., has also been committed by this U.T. Government.
 - Following judgement of the Supreme Court, 160 liquor shops in the National Highways were closed which would impact the revenue flow.
 - Stamp duty collections have reduced because of judgement of the High court not to register land in unapproved layouts.
 - Demonetisation as a cumulative factor affected industry and business.
- CM pointed out that the main source of revenue comes from Commercial Taxes, Excise duty, Stamp duty and Power charges. The revised rate of water tax, house tax, sewerage charges etc. have been implemented.
- Industries and Tourism have to be promoted in a major way for employment generation and revenue mobilisation.
- An Expert Committee is to be constituted to study the sick Mills in the U.T. of Puducherry to find a viable solution to run these units so as to protect the interest of the workers.
- The Government is committed to implement the welfare and development schemes promised to the people. The CM listed the free rice, OAP and CENTAC schemes as priority.

- Departmental Heads have to avail 100% grant of Centrally Sponsored Schemes by submitting the Utilisation Certificate and reports within the prescribed time.
- Last year, additional non-plan gap grant could not materialise even after several meetings with MHA/MOF. But this year the Ministry has given assurance to address the request for additional grants to this U.T.
- Govt. had signed MoU with Chennai Port which will provide wider employment generation and revenue to our U.T.
- Air Connectivity will be commenced soon for which an agreement has been signed with Govt. of India
- Smart city proposal submitted for Rs.1850 crore and it is under consideration.
- Steps have been initiated to mobilise additional resources and this will be carried forward.
- Hon'ble Chief Minister concluded his speech by stating that all the stakeholders should work as a team to serve the people of UT of Puducherry.

8. Hon'ble Lt. Governor in her closing remarks stated that under the prevailing circumstances there is no other option except to follow the path of optimal utilisation of available resources through effective resource and expenditure management and effective capitalization of funds from CSSs of Govt. of India. Hon'ble Lt. Governor also suggested that in order to closely monitor implementation and progress of the departments, periodic monthly / bi-monthly and quarterly review at the level of Finance Dept. and Ministers, followed by a mid-term review by the State Planning Board need to be held. The Board also directed the departments to strictly adhere to the measures suggested in the roadmap (listed below) in a time bound manner to deal the impending financial crisis.

- a) As budget allocations to departments are based on estimated revenue flow, expenditure shall be strictly restricted to the extent of revenue income of the Government.
- b) Departments to intensify resource mobilization through widening of tax net, improvement of collection efficiency, levy of user charges and fees.
- c) Departments need to exercise tight expenditure control and financial prudence through prioritization and rationalization of expenditure / schemes and review of schemes.

- d) Departments have to make dedicated efforts to tap CSS funds to the maximum extent for implementation of schemes.
- e) PSUs and other institutions must operate on professional lines through appropriate restructuring / revival / business plan and augment their resources
- f) New / additional scheme or increase in scale of assistance for any existing scheme would be possible only with matching savings or specific additional resource mobilization measures to fund the said proposal.
- g) Project executing departments must concentrate on completion of ongoing / pending projects. Priority to be given for physical economic infrastructure works. Dept. should exercise restraint on taking up fresh projects beyond the executing capacity
- h) Requirement of human resources to be met by redeployment of surplus staff from departments / PSUs / other bodies.
- i) Secretaries & HoDs must ensure quality spending / utilization of funds through due diligence and financial prudence.

9. The Board thereafter recommended an outlay of Rs.2500 Crore under Plan and Rs.4445 Crore under Non-Plan totalling to Rs.6945 Crore for the Annual Plan 2017-18 based on the estimated revenue resources and grants from Govt. of India. The State Planning Board also approved the size of the budget for the Annual Plan 2017-18 as Rs.6945 Crore.

The Meeting ended with vote of thanks to the Chair and all the other participants.

**List of Participants in the meeting of State Planning Board held on
29.04.2017**

Chairperson and Members of the Board

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| 1. | Hon'ble Lt. Governor | - | Chairperson |
| 2. | Hon'ble Chief Minister | - | Vice-Chairman |
| 3. | Hon'ble Minister for Public Works | - | Member |
| 4. | Hon'ble Minister for Health | - | Member |
| 5. | Hon'ble Minister for Welfare | - | Member |
| 6. | Member of Parliament (Rajya Sabha) | - | Member |
| 7. | Member of Parliament (Lok Sabha) | - | Member |
| 8. | Chief Secretary to Govt. | - | Member |
| 9. | Development Commissioner | - | Member |
| 10. | Secretary to Govt.(Finance & Planning) | - | Member Secretary |
| 11. | Secretary to Lieutenant Governor | - | Member |
| 12. | Secretary to Govt. (Health) | - | Member |
| 13. | Secretary to Govt.(Personnel) | - | Member |
| 14. | Secretary to Govt.(Industries & Commerce) | - | Member |
| 15. | Secretary to Govt. (Law) | - | Member |
| 16. | Representative of IIPA, New Delhi | - | Non-Official Member |

Representatives from Outlying regions

1. Collector, Karaikal
2. Sub-Collector, Karaikal
3. Regional Administrator, Mahe

Heads of Departments

- 1) District Collector, Puducherry.
- 2) Special Secretary to Govt.
- 3) Director General of Police, Police Department
- 4) Director, Planning and Research Department
- 5) Director, Directorate of Economics & Statistics
- 6) Director, Information Technology Department
- 7) Director, Backward Classes and Minorities Development Dept.
- 8) Director, Higher and Technical Education Department
- 9) Dy. Collector (Excise), Legal Metrology Department
- 10) Director, Industries and Commerce Department
- 11) Registrar of Co-operative Societies.

- 12) Director, Adi dravidar Welfare Department
- 13) Commissioner, Labour and Labour Welfare Department
- 14) Commissioner, Commercial Taxes Department
- 15) Director, School Education Department
- 16) Senior Town Planner, Town and Country Planning Department
- 17) Commissioner, Transport Department
- 18) Director, Tourism Department
- 19) Executive Engineer, Port Department
- 20) District Registrar, Registration Department
- 21) Project Officer, DRDA
- 22) Director, Animal Husbandry Department
- 23) Director, Fisheries and Fishermen Welfare Department
- 24) Conservator, Forestry and Wildlife Department
- 25) Director, Social Welfare Department
- 26) Director, Women and Child Development Department
- 27) Superintending Engineer-I, Electricity Department
- 28) Chief Engineer, Public Works Department
- 29) Director, Local Administration Department
- 30) Director, Art & Culture Department
- 31) Commissioner, HRI
- 32) Director, Health and Family Welfare Services Department
- 33) Director, Agriculture Department
- 34) Director, Information & Publicity Department
- 35) Divisional Fire Officer, Fire Service Department
- 36) Director, Accounts and Treasuries
- 37) Budget Officer, Finance Department
- 38) Deputy Director (Ways&Means), Finance Department
- 39) Deputy Director, Industries Department
- 40) Deputy Secretary, AR Wing
- 41) Managing Director, PAPSCO.
- 42) Managing Director, PRTC.
- 43) Block Development Officer, Oulgaret.
- 44) Under Secretary (Fin.)-I, Finance Department
- 45) Under Secretary (Fin.)-II, Finance Department
- 46) Under Secretary, Enforcement Cell