



**Meeting of the
State Planning Board on
*Draft Annual Plan (2017-18)***

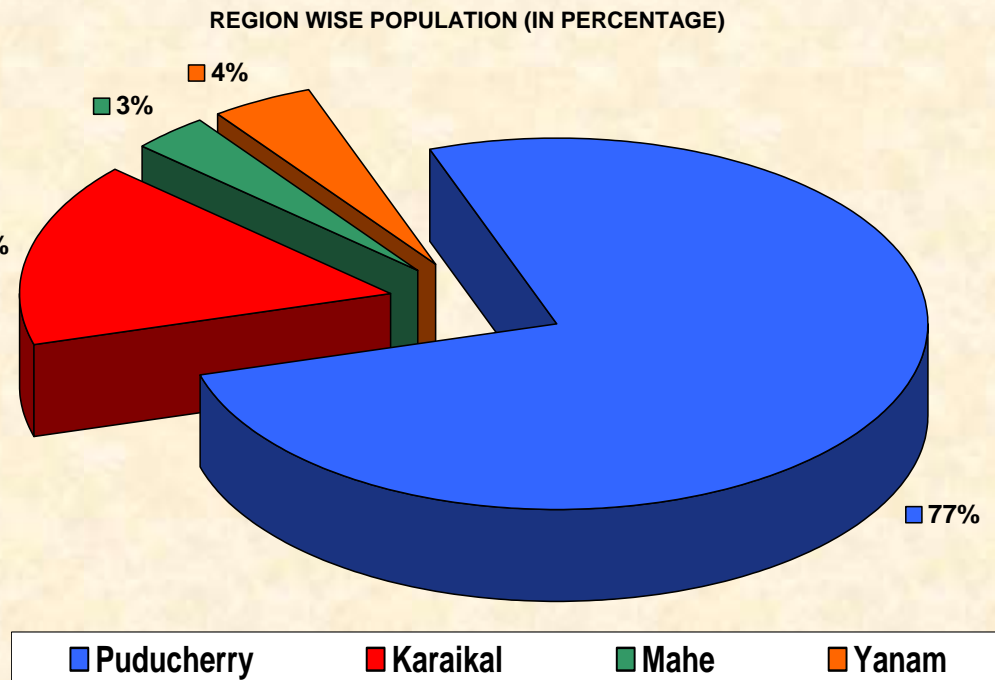
29.04.2017

**WELCOME TO
CHAIRPERSON AND MEMBERS
OF THE STATE PLANNING BOARD**

Puducherry – area & demography

REGION	AREA (Sq.Km)	POPULATION (Census 2011)
Puducherry	294	9,50,289
Karaikal	157	2,00,222
Mahe	9	41,816
Yanam	30	55,626
Total	490	12,47,953

Projected Population 2016	13,16,320
GSDP at Current Prices	29,557 Crores
Per Capita Income (in Rs.)	1,90,384



State Planning Board - Composition

- Hon'ble Lt. Governor - **Chairperson**
- Hon'ble Chief Minister - **Vice-Chairman**

Members

- ❖ All Ministers
- ❖ Member of Parliament (Rajya Sabha)
- ❖ Member of Parliament (Lok Sabha)
- ❖ Leader of Opposition

Official Members

- ❖ Chief Secretary to Government
- ❖ All Secretaries to Government

State Planning Board - Composition Contd...

Non-Official Members

- ❖ One Representative from Madras School of Economics, Chennai
- ❖ One Representative from National Institute of Rural Development, Hyderabad
- ❖ One Representative from Pondicherry Central University, Puducherry
- ❖ One Representative from Indian Institute of Public Administration, New Delhi

Member Secretary

- ❖ Secretary (Planning)

State Planning Board - Role

- ❖ To advise the Government on the formulation and implementation of Development Plan / Schemes for the Territory;
- ❖ To find avenues to augment resources to meet the needs of development planning.
- ❖ Also to ensure the Financial Stability and credit of UT of Puducherry (Implicit Mandate)
- ❖ Last meeting held on 04/07/2016.

FISCAL ROAD MAP (FRM)

- Fiscal discipline of UTP strictly governed by Fiscal Road Map (FRM), as recommended and approved by MHA and MoF respectively.
- FRM lays down targets of receipts, expenditure, borrowings etc. for the period upto 2019-2020
- GoP strictly conforms to FRM targets.
- As advised by MHA, a revised FRM has been prepared and sent to GoI for approval

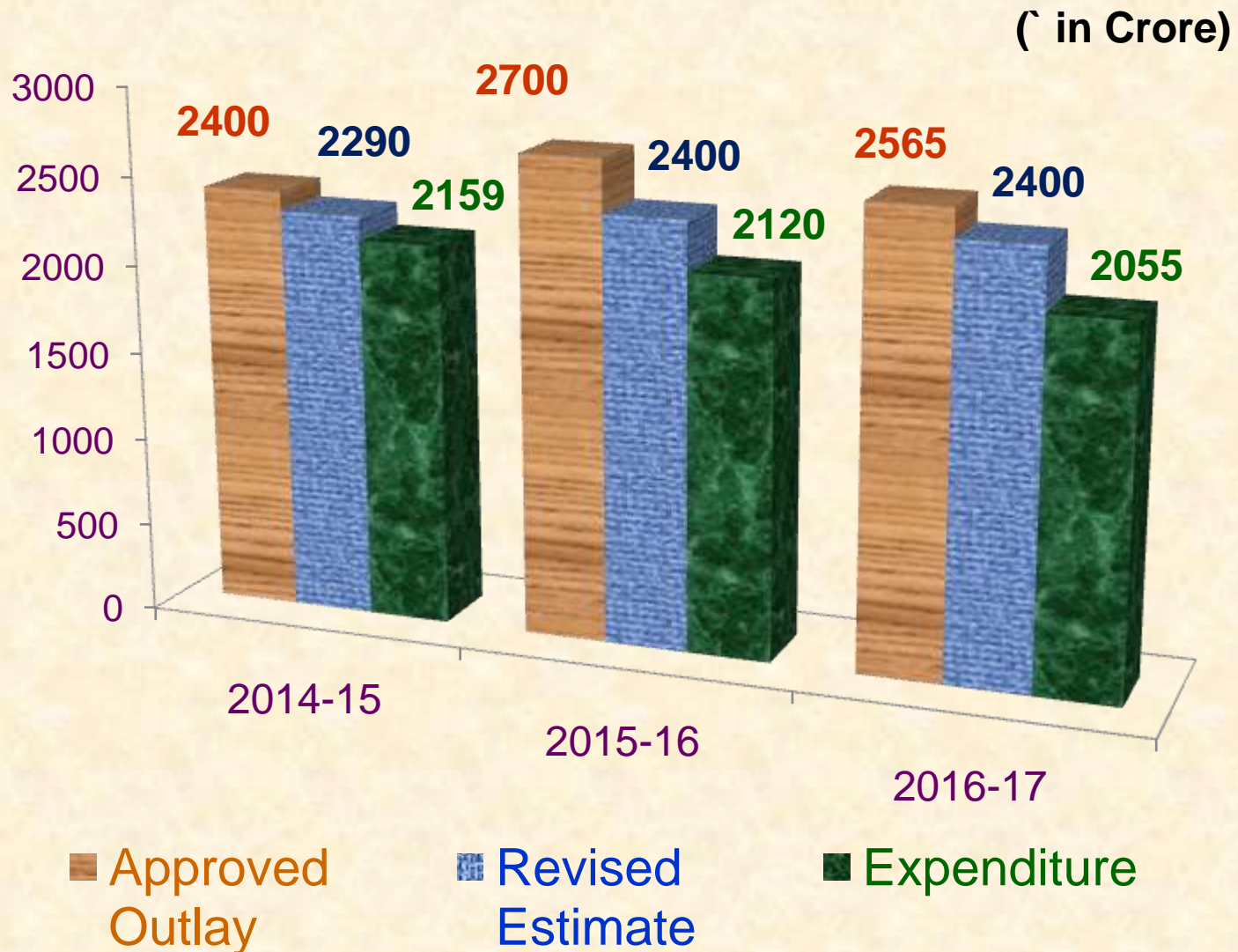
FISCAL ROAD MAP

(` in Crore)

	2015-16 (Actuals)	2016-17 (R.E.)	2017-18 (Revised)
Total Revenue Receipts	5112	5668	6853
Revenue Expenditure	5295	5656	6853
Revenue Deficit	183	-12	0
Revenue Deficit as % of GSDP	0.69	-0.04	0
Total Receipts	5114	5671	6856
Capital Expenditure	624	894	1353
<i>of which Repayments</i>	169	224	585
Total Expenditure	5919	6550	8207
Fiscal Deficit *	636	655	766
Fiscal Deficit as % of GSDP	2.40	2.15	2.20

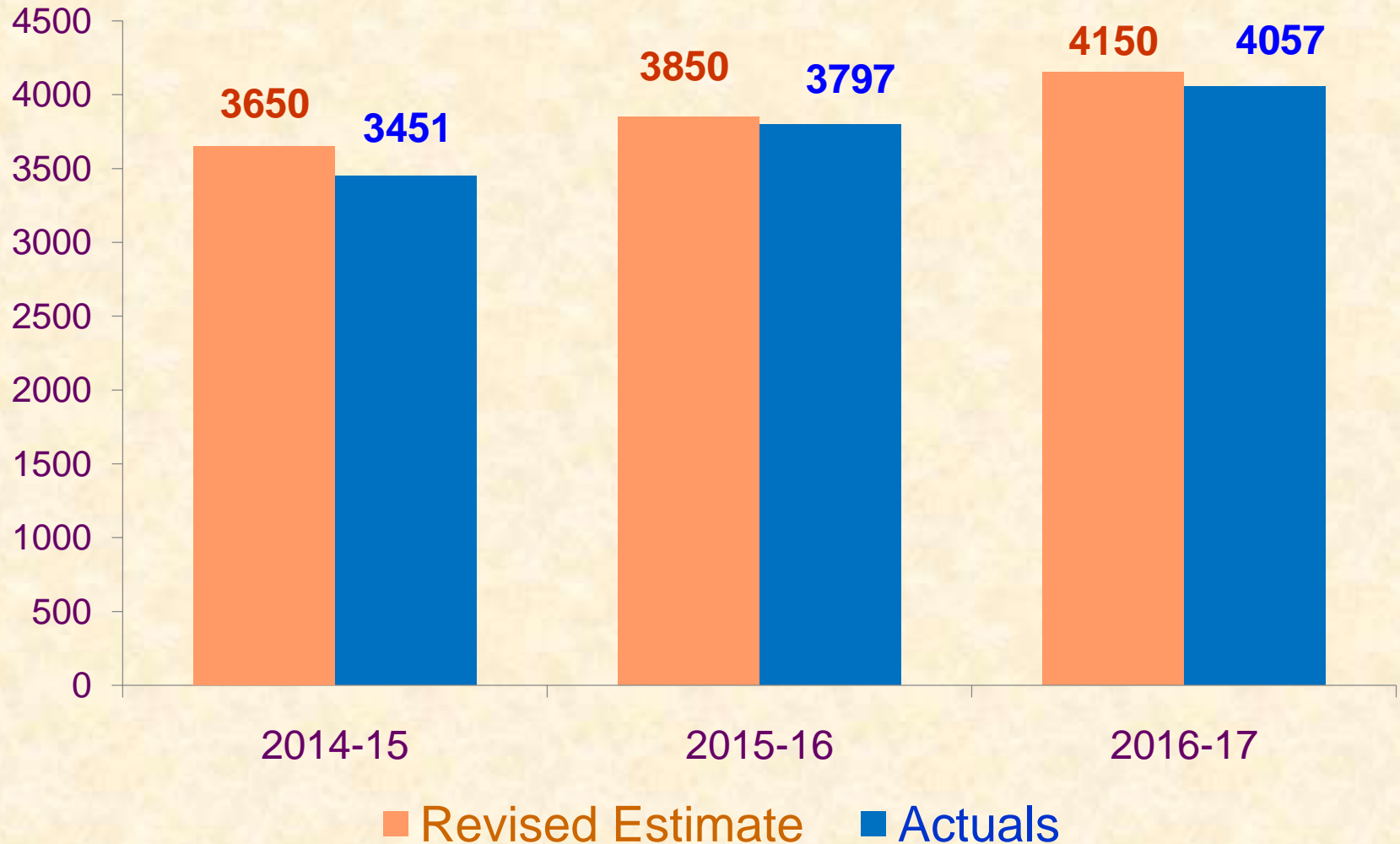
** As per Road Map*

PLAN OUTLAY AND EXPENDITURE DURING THE LAST THREE YEARS



NON-PLAN OUTLAY AND EXPENDITURE DURING THE LAST THREE YEARS

(in Crore)

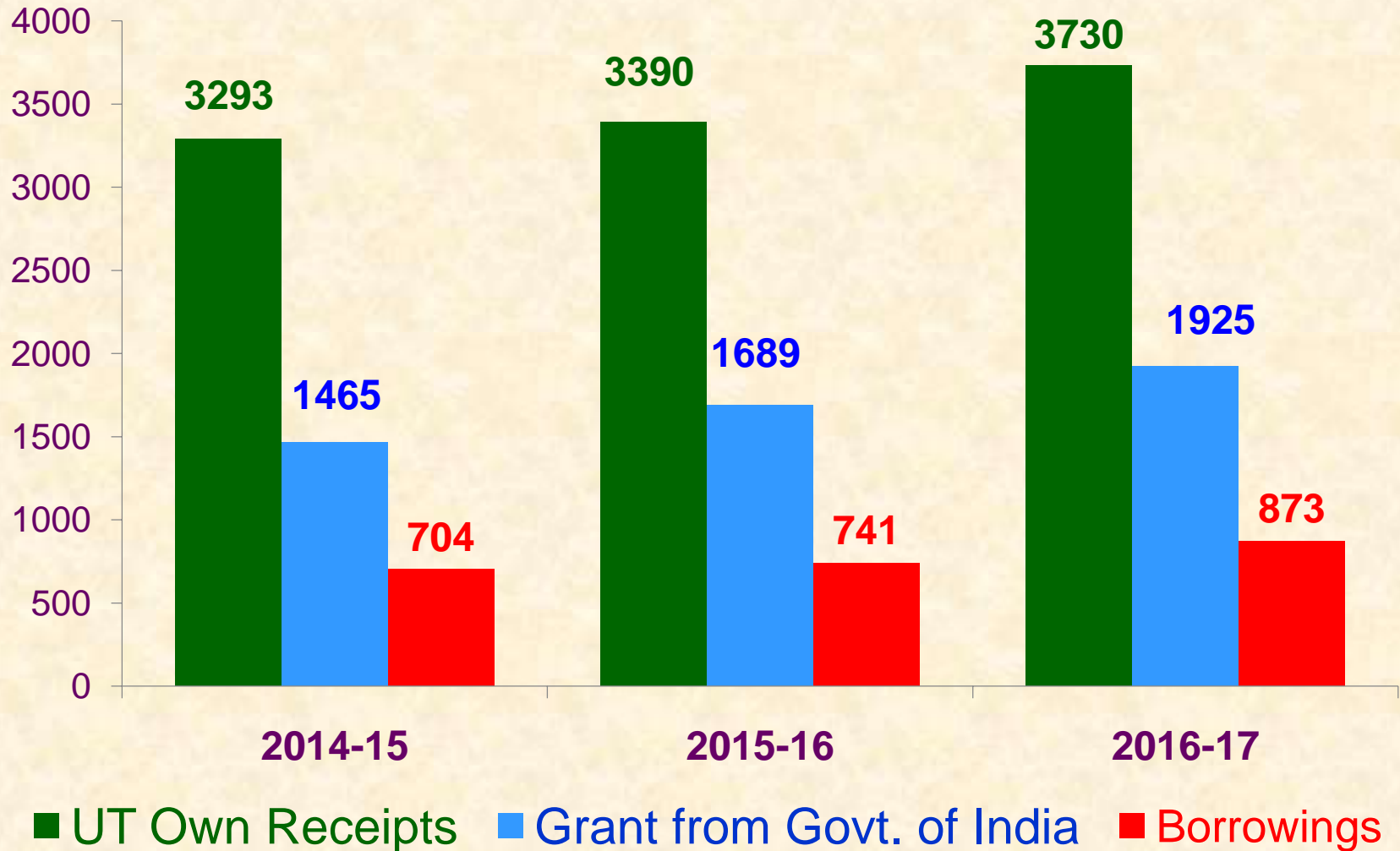


U.T. Finances

- The Finances of U.T. of Puducherry are managed from the following resources.
 1. UT's Own Resources (Tax + Non-Tax)
 2. Grants from Government of India
 3. Borrowing from Financial Institutions

Finances of U.T.

(` in Crore)



UT's Own Resources

- UT's own resources comprises of proceeds from Sales Tax (VAT + CST), State Excise, Stamps and Registration, Transport, Power charges etc.
- During 2016-17, 3570 crore realized as against target of 3730 crore (95.70%) with a shortfall of 164 crore.
- Modest 5% growth in Revenue compared to last year's tax collection of Rs. 3398 crore.
- Revenue growth of 5% achieved in turbulent and uncertain macro economic environment.

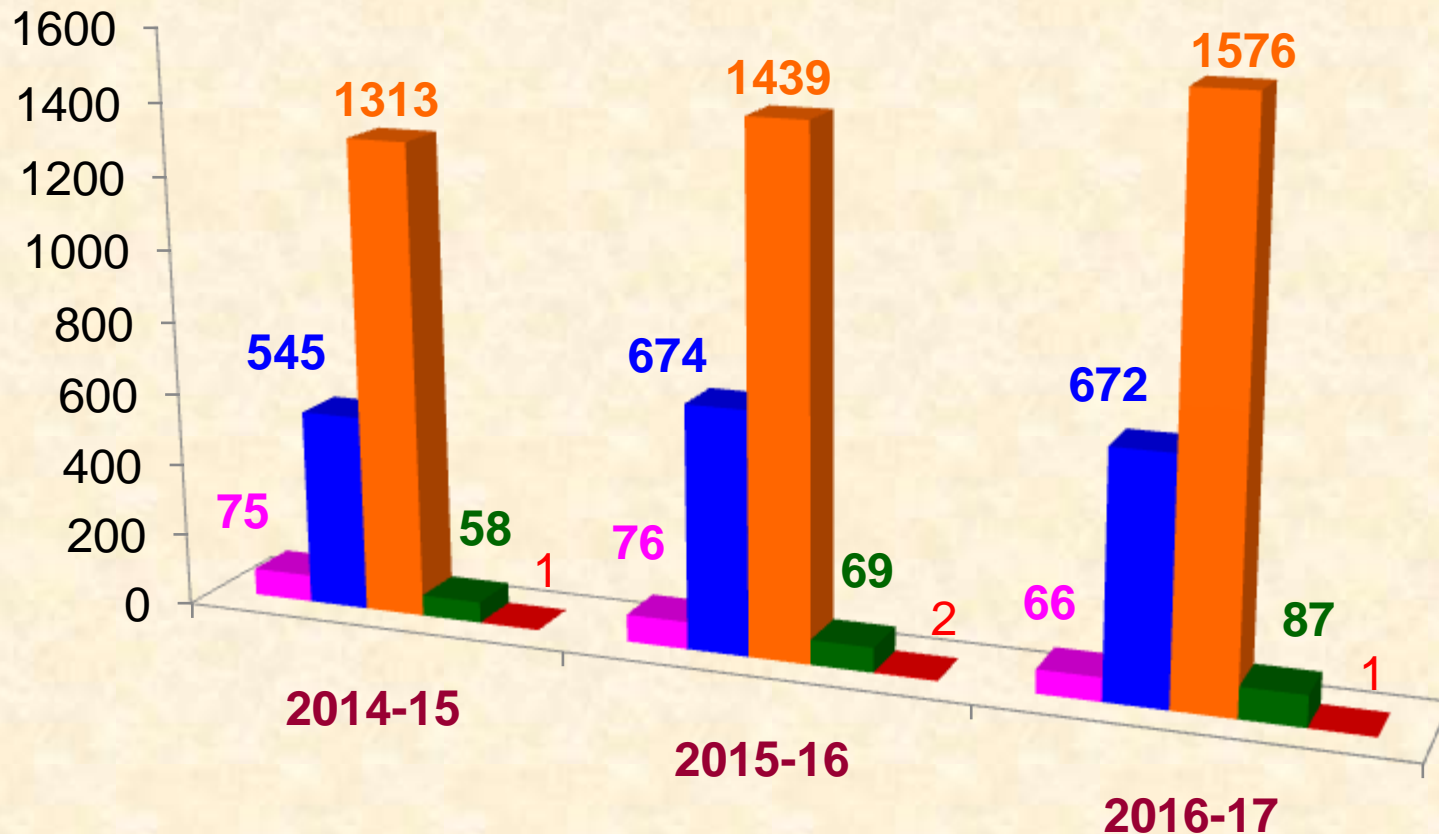
U.T.'s Own Revenue Receipts

(₹ in Crore)

Source	2014-15	2015-16	2016-17 (BE)	2016-17 (Actuals)
Stamps & Regn.	75	76	100 (75)	65.5
Excise	545	674	775 (700)	672.0
Commercial Tax	1313	1439	1600 (1575)	1576.0
Transport	58	69	83 (83)	86.9
Power	1160	991	1200 (1150)	1119.0
Others (Land Revenue & Taxes on other Commodities, etc.)	141	140	172 (147)	117.65
Total	3292	3389	3930 (3730)	3637.05

UT's Own Tax Receipts

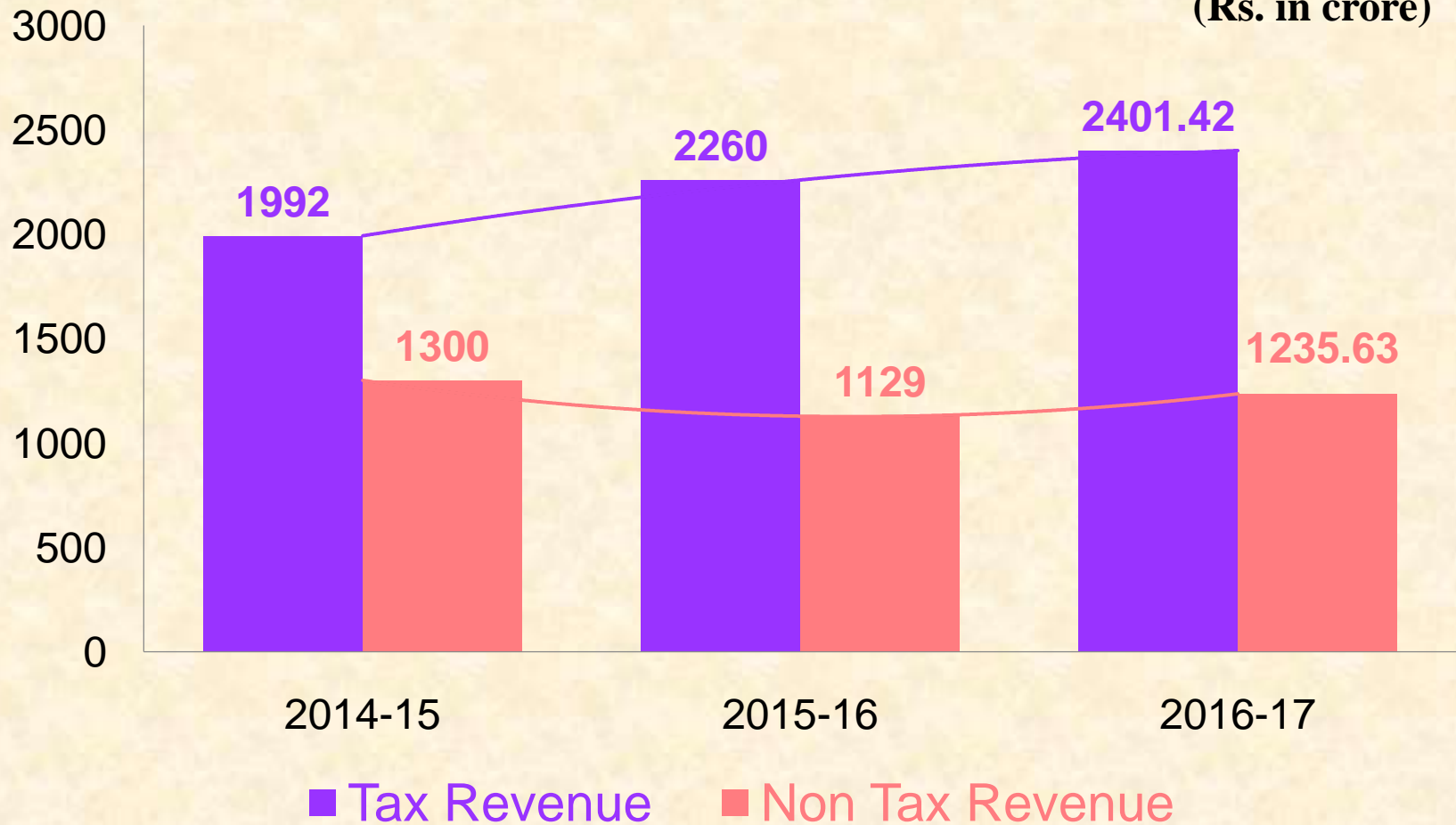
(` in Crore)



- Stamps & Registration
- Excise
- Commercial Taxes
- Transport
- Others (Land Revenue & Taxes on other Commodities)

Revenue Collection (Tax and Non Tax Revenue)

(Rs. in crore)



Reasons for financial stress

- Higher rate of increase in salaries and pension due to 6th & 7th CPC and subsequent hike in DAs not matched with corresponding increase in Non-Plan grants by Gol.
- Increased debt service due to borrowings from 2007.
- Decrease in UT's own resources due to factors beyond our control.
 - Recent Supreme Court's Order on closure of liquor shops along National Highways.
 - Madras High Court's order prohibiting registration of plots in unapproved layouts
 - Transient negative consumption shock due to cash supply and payment disruptions during Q3 & early Q4 of 2016-17

Reasons for financial stress (contd.)

- Reluctance of departments to tap funds from CSS schemes and slow utilization
- Lack of efforts by potential Depts. in generation of resources
- Lack of exercise of financial prudence
- Universalisation of welfare benefits without exclusion criteria

Major Items of Expenditure under Plan /Non-Plan

(` in Crore)

Major Items	2016-17 (R.E.)	Expenditure upto 31.03.2017	%
Grant	1808.00	1660.59	91.84
Negotiated Loans	278.00	196.98	70.85
Central Road Fund (CRF)	20.45	10.07	49.26
Centrally Sponsored Scheme	293.55	187.36 ⁽¹²⁸⁾	63.82
Total (Plan Expenditure)	2400.00	2055.00	85.62
Non Plan Expenditure	4150.00	4057.00	97.75
Grand Total	6550.00	6112.00	93.31

Major Items of Committed Expenditure

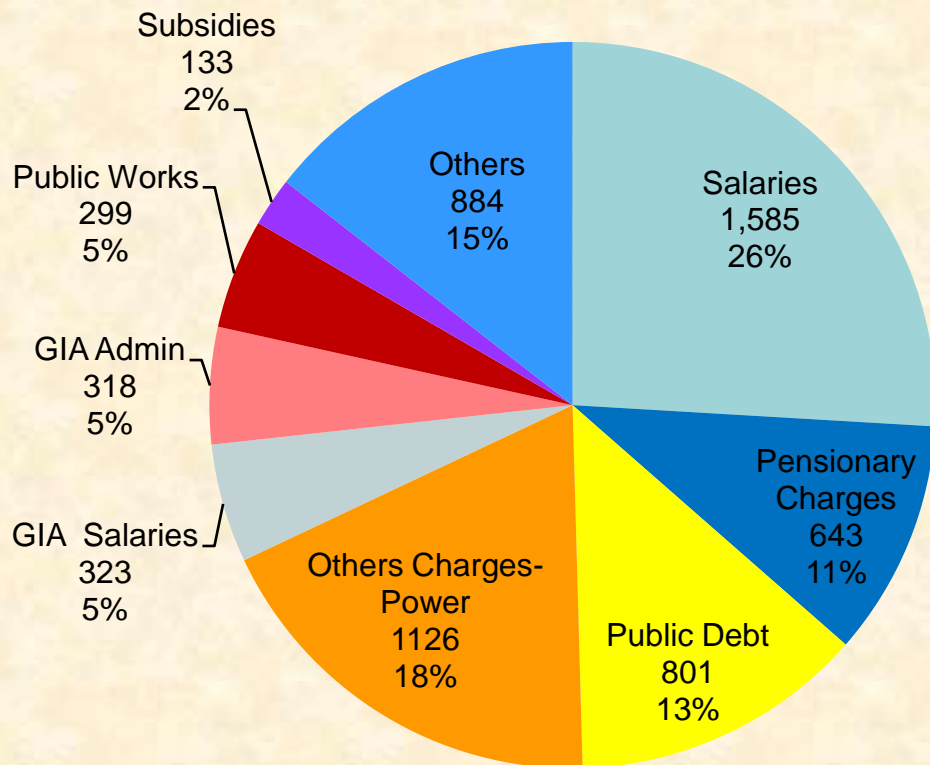
(` in Crore)

Major Items	2015-16	2016-17 (Tentative)
Salaries	1,437	1,558
Wages	12	27
Pension	551	643
Debt Service	718	801
Power	1,010	1,126
Others (Major & Minor works, OC, Suspense, GIA, Schl., Sup. & Mat. OE,)	486	433
Total	4214	4,588

Major Expenditure for the year 2016-17 (Tentative)

(₹ in Crore)

Item	2016-17 (Tentative)	% of Exp.
Salaries & Wages	1,585	25.93
Pensionary Charges	643	10.52
Public Debt	801	13.11
Other Charges-Power	1,126	18.42
Grants-in-aid-Salaries	323	5.28
Grants-in-aid –Admin	318	5.20
Public Works	299	4.89
Subsidies	133	2.18
Others (OAP, Rice, Major & Minor works, OC, Suspense, GIA, Schl., Sup. & Mat. OE, etc.)	884	14.46
Total	6,112	100.00



Resource mobilisation measures

- ❖ Hike in Additional Excise Duty on liquor by 25% (Rs.50 Cr)
- ❖ Increase of VAT on petrol & diesel (Rs. 25 Cr.)
- ❖ Stamp duty on PoA & other instruments (Rs.10 Cr.)
- ❖ Sewerage charges (Rs. 25 Cr.) & water tariff (Rs. 13 Cr.)
- ❖ Fees for issue of various non-statutory certificates for pharmaceuticals (Rs. 30 lakhs)
- ❖ **For Local Bodies** : Increase in Property Tax (Rs. 10 Cr.), Profession Tax (Rs. 4 Cr.), User Charges (Rs. 20 Cr.)
- ❖ Revenue from Road Safety Enforcement measures

Receipts & Expenditure (2016-17) of Centrally Sponsored / Central Sector Schemes

Abstract

(₹ in Crore)

Year	R.E.	Opening Balance	Fresh Receipts 2016-17	Total (col. 2 + 3)	Expr. Upto 31.3.17	Un- spent Amt. (col. 4 – 5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2015-16	256.00	53.64	183.91	237.55	126.76	110.79 46.64%
2016-17	289.55	110.80	194.51	305.31	187.36	117.95 38.64%

Centrally Sponsored Schemes

(` in Lakh)

Department	R.E. 2016-17	Expr. Upto 31.03.17	Unspent Amount	% of unspent
Adi-draavidar Welfare	98.62	72.00	26.62	26.99
Agriculture	309.83	305.68	80.15	25.87
Animal Husbandry	89.56	73.11	16.45	18.37
DRDA	849.74	724.74	125.00	14.71
School Education *	1506.76	1321.34	185.42	12.31
Higher & Technical Education	3523.00	3499.50	23.50	0.67
Forestry	84.38	22.38	62.00	73.48

* Top performer (3)

(` in Lakh)

Department	R.E. 2016-17	Expr. Upto 31.03.17	Unspent Amount	% of unspent
Health *	4423.27	3664.00	759.27	17.17
ISM	170.00	165.89	4.11	2.42
Labour	65.18	26.42	38.76	59.47
Local Administration	--	279.00	--	
Police	61.64	--	61.64	100.00
Fire Services	200.00	--	200.00	100.00
Public Works	3121.14	706.25	2414.89	77.37
Statistics	98.33	69.32	29.01	29.50

* Top performer (1)

(` in Lakh)

Department	R.E. 2016-17	Expr. Upto 31.03.17	Unspent Amount	% of unspent
Social Welfare	1452.34	613.77	838.57	57.74
Welfare of Backward Classes & Minorities	164.31	101.39	62.92	38.29
Survey & Land Records	220.98	150.90	70.08	31.71
Tourism	3083.49	1021.87	2061.62	66.86
Town & Country Planning	2080.34	366.80	1713.54	82.37
Women & Child Development *	3877.64	3041.53	836.11	21.56

* Top performer (2)

Central Sector Schemes

(` in Lakh)

Department	R.E. 2016-17	Expr. Upto 31.03.17	Unspent Amount	% of unspent
Agriculture	258.98	125.83	133.15	51.41
Art & Culture	84.00	--	84.00	100.00
Civil Supplies	171.56	148.39	23.17	13.51
DRDA	35.00	--	35.00	100.00
Fisheries	1053.28	202.82	850.46	80.74
Industries	0.09	--	0.09	100.00

(` in Lakh)

Department	R.E. 2016-17	Expr. Upto 31.03.17	Unspent Amount	% of unspent
Local Administration	2097.72	1239.06	858.66	40.93
P&AR	0.01	--	0.01	100.00
Police	504.33	134.67	369.66	73.30
Public Works	1.08	0.35	0.73	67.59
Town & Country Planning	664.69	633.19	31.50	4.74
Women & Child Development	55.15	25.42	29.73	53.91

Tied & Un-tied Funds for last three years - LAD

(` in Crores)

Name of the Scheme	Annual Plan 2014-15		Annual Plan 2015-16		Annual Plan 2016-17	
	Outlay	Expdr.	Outlay	Expdr.	Outlay	Expdr.
Urban Local Bodies (Municipalities)						
Untied Funds	5.00	5.00	8.50	8.50	7.35	7.35
Tied Funds	23.45	23.37	27.05	26.36	19.14	19.07
Commune Panchayats						
Untied Funds	0.60	0.60	1.10	1.10	2.60	2.60
Tied Funds	3.06	3.03	--	--	2.49	2.49
Transfer Duty to Municipalities & Commune Panchayats	51.29	51.29	47.85	47.85	42.17	42.17
Total	83.40	83.29	84.05	83.81	73.75	73.68

Status of PSUs (Profit Making) - Manufacturing & Financial Sector

(₹ in Crore)

Sl. No.	Name of PSU's	Staff Strength (Nos.)		Accumulated Profit (+) upto 2015-16	Grants-in-Aid released for 2015-16
		Regular	Temp.		
1.	PIPDIC	102	97	(+) 25.23	--
2.	PDL	149	42	(+) 39.13	--
3.	PPCL	124	11	(+) 45.75	--
	Total	375	150	110.11	

Status of PSUs (Loss Making) - Manufacturing , Trading & Service Sector

(in Crore)

Sl. No.	Name of PSU's	Staff Strength (Nos)		Accumulated Loss (-) upto 2015-16	Grants-in-Aid released for 2015-16
		Regular	Temp.		
1.	PASIC	341	210	(-) 14.03	5.00
2.	PAPSCO	346	515	(-) 18.45	2.10
3.	AFT Textile Mills (PTC)	859	67	(-) 486.50	21.26
4.	Swadeshi-Bharathi Textile Mills Ltd. (SBTML)	339	307	(-) 42.79	4.17
5.	PTDC	252	211	(-) 19.93	2.50
6.	PRTC	499	310	(-) 36.89	10.77
	Total	2636	1620	618.59	45.80

Status of PSUs – Financial Service Sector

(` in Crore)

Sl. No.	Name of PSU's	Staff Strength (Nos)		Grants-in-Aid released for 2015-16
		Regular	Temp.	
1.	PADCO	61	45	15.72
2.	Corporation for the Development of Women and Differently Abled Person (PCDWAP)	1417	8	39.43
3.	Backward Classes and Minorities Development Corporation (PBCMDCL)	36	30	4.23
	Total	1514	83	59.38

Status of Co-operative Spinning / Sugar Mills (Loss Making)

(` in Crore)

Sl. No.	Name of PSU's	Staff Strength Nos.		Accumulated Loss (-)	Grants-in-Aid released for 2015-16
		Regular	Temp.		
1.	SPINCO	598	--	(-) 4.14	--
2.	JPCOSPIN, Karaikal	355	--	(-) 4.00	4.25
3.	Co-operative Sugar Mills (PCSM)	180	274	(-) 11.73	19.96
	Total	1133	274	19.86	24.21

Details of the Autonomous Bodies - Boards

(₹ in Crore)

Sl. No.	Name of Autonomous Bodies	Staff Strength (Nos)		Accumulated Profit (+) / Loss (-)	Grants-in-Aid released for 2015-16
		Regular	Temp.		
1.	Khadi & Village Industries Board (PKVIB)	165	4	--	9.08
2.	Housing Board (PHB)	99	--	--	2.00
3.	Slum Clearance Board (PSCB)	99	2	--	4.45
	Total	363	6	--	15.53

Other Autonomous Institutions, Co-operative Sector & Agencies

(₹ in Crore)

Sl. No.	Name of Autonomous Bodies	Nos.	Staff Strength Nos.		Grants-in-Aid released for 2015-16
			Regular	Temp.	
1.	Autonomous Bodies / Institution (in Educational Sector)	15	2236	515	272.35
2.	Agencies / Co-operative Societies	66	521	1382	245.39
	Total	81	2757	1897	517.74

Estimated Resources for B.E. 2017-18

(Rs. in Crore)

Item	Plan	Non-Plan	Total
UT's own Revenue Receipts	205.00	3795.00	4000.00
Normal Central Assistance	855.01	556.00	1411.01
Loan from GOI	--	72.00	72.00
Open Market Borrowings	825.00	--	825.00
Centrally Sponsored Schemes (CSS) (including CRF)	360.99	--	360.99
Negotiated Loan	254.00	--	254.00
Suspense / Loan Recoveries	--	22.00	22.00
Total	2500.00	4445.00	6945.00

U.T.'s Own Resources for 2017-18

(` in Crore)

Source	Target
Stamps & Registration	80.0
State Excise	700.0
Commercial Tax	1725.0
Transport	92.0
Power	1253.0
Others (Land Revenue & Taxes on other Commodities, etc.)	150.0
Total	4000.0

Approval of State Planning Board is sought for

Plan Outlay	2,500 Crore
Non-Plan Outlay	4,445 Crore
Total	6,945 Crore

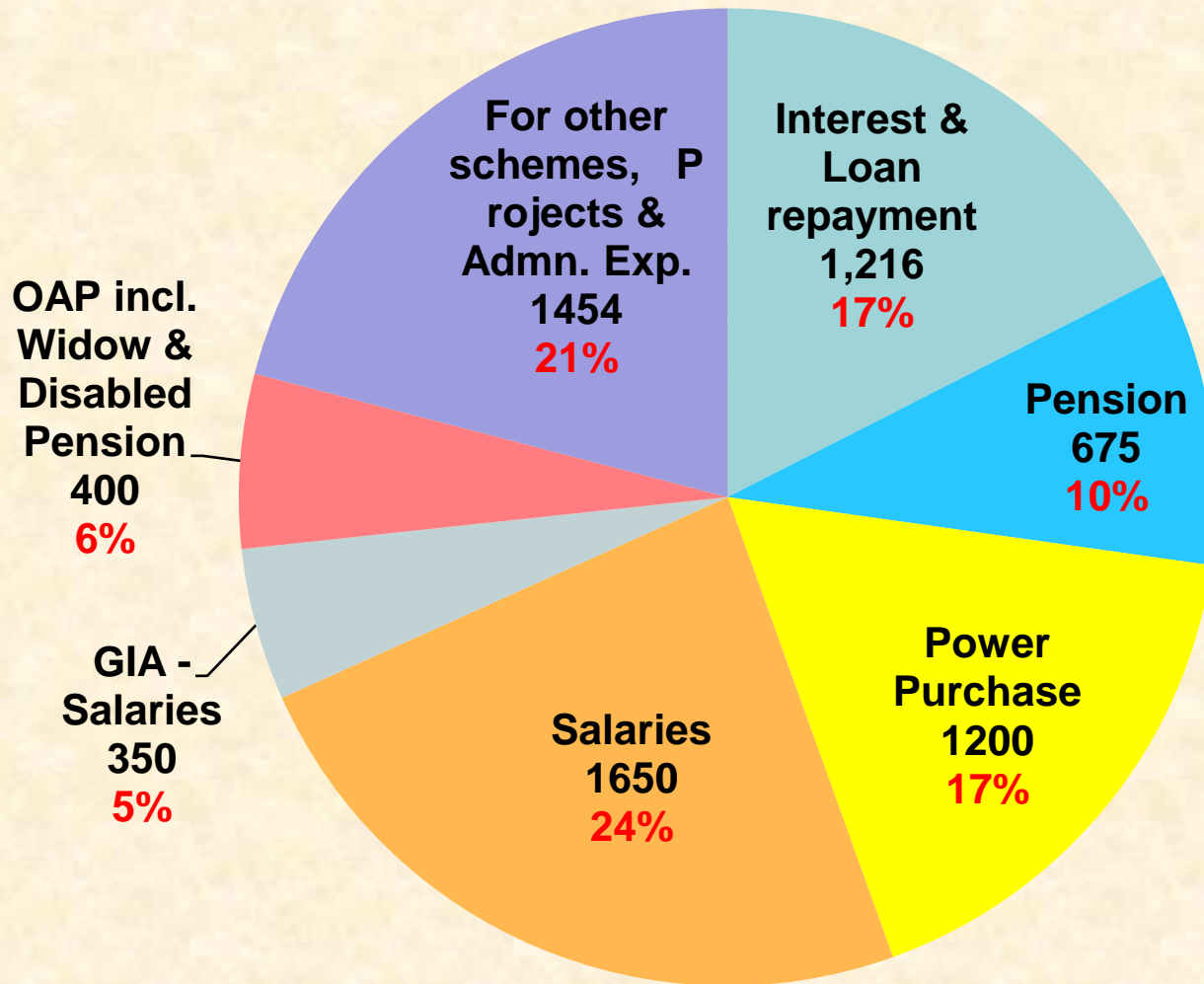
Committed Expenditure in 2017-18

(` in Crore)

1. Interest & Loan repayment	1216 (647+569)
2. Pension	675
3. Power Purchase	1200
4. Salaries	1650
5. GIA – Salaries	350
6. OAP incl. Widow & Disabled Pension	400
	Total
	5491
7. For Other Schemes, Projects & Admn. exp.	1454
	Grand Total
	6945

Committed Expenditure in 2017-18

(` in Crore)



Road Map to deal the impending financial crisis

- ❖ Budget allocations are subject to estimated revenue flow. So, exp. permissible to the extent of revenue income only. Also, phasing of expenditure on quarterly basis
- ❖ Intensify resource mobilization – Roll out of GST w.e.f.01/07/2017, Widen tax net; improve collection efficiency, levy of user charges & fees.
 - ❖ PWD to start collection of Sewerage fees & water charges
 - ❖ Local bodies need to commence collection of taxes at revised rates without delay
 - ❖ Generation of resources from traffic enforcement and road safety
- ❖ Tight expenditure control at Dept. level – Prioritization & rationalization of exp., review of schemes & pruning of exp.

Road Map to deal the impending financial crisis (contd.)

- Decline of budgetary support to State schemes. Depts./Secretaries of Depts. have to take the lead in tapping CSS resources.
- Very difficult to release Grants to PSUs & other institutions. Must operate on professional lines through appropriate Restructuring / Revival / Business plan and augment their own resources.
- No new / additional scheme or increase in scale of assistance for any existing scheme possible without matching savings or additional resource mobilization. No scope for margin of contingency to provision for new subsidies / freebies.

Road Map to deal the impending financial crisis (contd.)

- ❖ PWD & other depts must concentrate on completion of ongoing / old projects. Priority for physical economic infrastructure works / projects. Strict restraint on fresh projects beyond their executing capacity.
- ❖ New recruitments to be curtailed. Requirement to be met by redeployment of surplus staffs from depts, PSUs / other bodies.
- ❖ Expenditure Control (esp. Rev. Exp) & improving quality of spending is the only sustainable & prudent option.

Road Map to deal the impending financial crisis (contd.)

- ❖ Departments should get the fund availability certified from Finance Department before embarking on implementation of works / schemes above Rs. 10 lakhs. No *expost facto* approval will either be granted by FD nor bills entertained by DAT. Secretaries of Administrative Depts have to ensure strict compliance of this provision.
- ❖ Periodic monthly department-wise performance review by FD, bimonthly review of their depts. by Hon'ble Ministers and quarterly review by HCM / HLG
- ❖ Mid-term review by State Planning Board

THANKS