



**Meeting of the
State Planning Board on
*Annual Budget 2018-19***

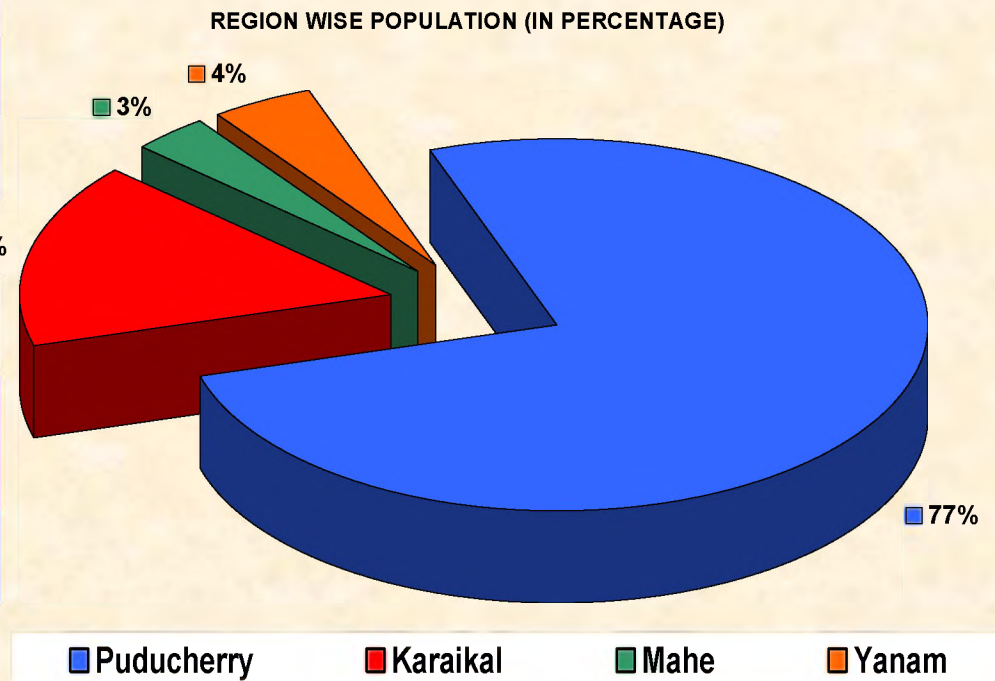
27.04.2018

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

Puducherry – area &

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 2017	13.56 lakh
GSDP at Current Prices	30,845 crore
Per Capita Income (in Rs.)	1,89,124



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 29/04/2017.

FISCAL ROAD MAP (FRM)

- Fiscal discipline of UTP is governed by Fiscal Road Map (FRM), approved by MHA / MoF
- FRM lays down targets of receipts, expenditure, borrowings etc. for the period upto 2019-2020
- GoP conforms to FRM targets.
- Fiscal Deficit for 2017-18 is 1.88% of GSDP; Revenue Deficit -0.03% (Surplus by Rs.10 Crore); Debt to GSDP ratio – 25.38

UT - Debt position (as on 31/3/2018)

(Rs. in crore)

Sl. No.	Description	Outstanding Debt
1	Open Market borrowings	5055.44
2	HUDCO	593.25
3	NABARD	256.31
4	Power Finance Corporation	41.16
5	Rural Electrification Corporation	71.18
6	Non-Plan Loan	555.95
7	Small Savings Collections Loans	949.27
8	Plan Loan	114.20
9	CSS Loan	0.44
10	Other loans	93.00
	Total	7730.20

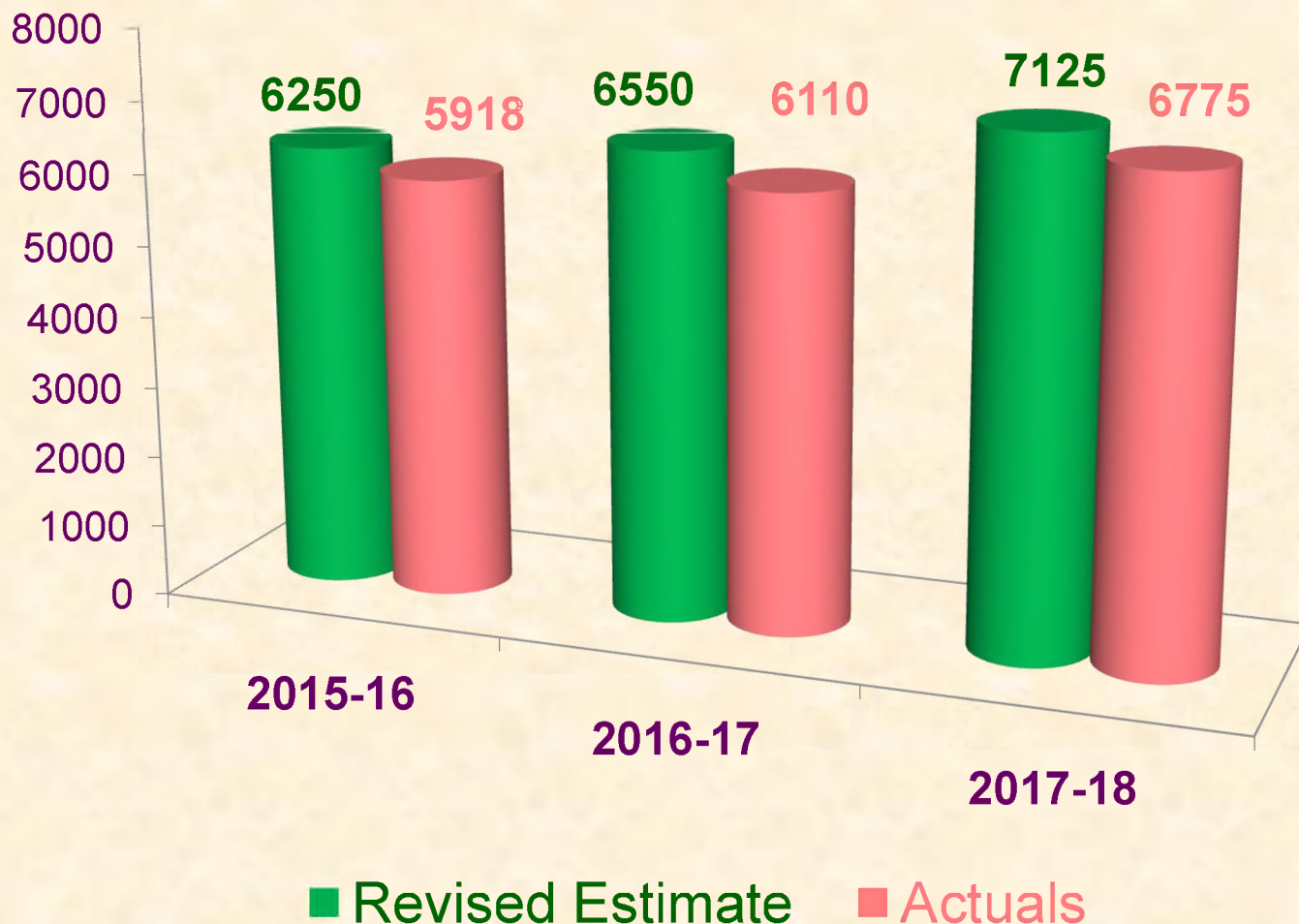
* Per-capita debt: Rs.57,259

Details of Pending Liabilities

S.No.	Description	(Rs. in crore) Amount
1	Payment of arrears on account of revision of pension to the pensioners prior to 1.1.2016	48.00
2	Payment of arrears on account of pay revision due to VII CPC Recommendation (01/01/2016 to 31.08.2016)	120.00
3	Arrears of Pension (01.01.2016 to 31.08.2016)	36.00
4	Revised HRA and other allowances as per the VII CPC (Rs.20 crore /month for 8 months from 01.07.2017 to 28.02.2018)	160.00
5	Payment to contractors for nomination / other work bills	120.00
6	Arrears of salary & DA arrears and other statutory payments to employees of PSUs & other autonomous bodies	201.00
7	Non-payment of legacy loans to Gol	763.59
8	Payment of enhanced compensation for the land acquired for Rajiv Gandhi Women and Child Hospital	89.00
9	Contingent liability due to standing guarantees for PSUs / Autonomous Bodies	51.00
Total		1588.59

Expenditure Vs Total Outlay (2017-18)

(Rs. 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) [61%]
 2. Grants from Government of India incl.CSS [25%]
 3. Borrowings from Open Market & Financial Institutions [14%]

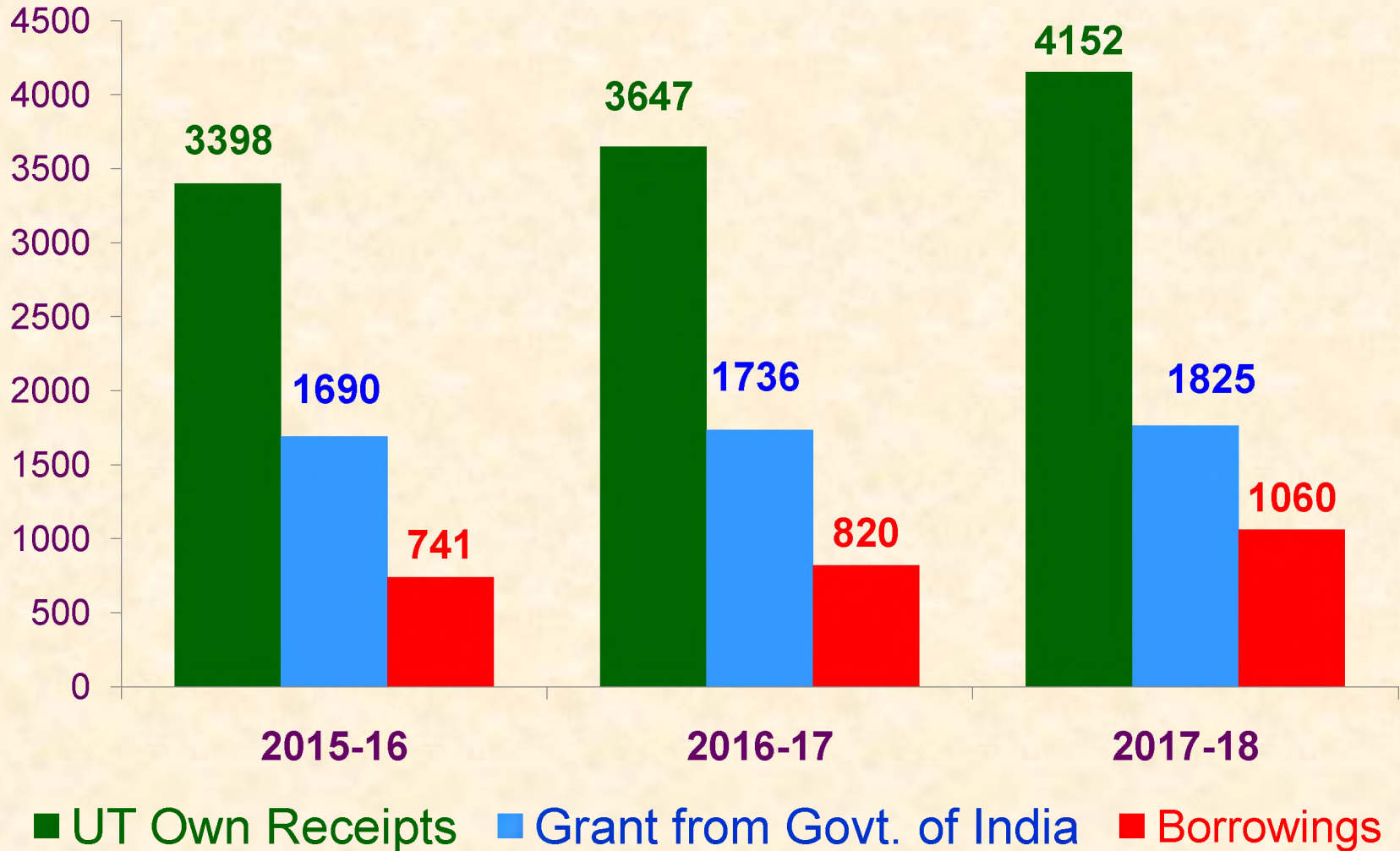
Resources at a Glance 2017-18

₹ in crore

ITEMS	B.E. 2017-18	R.E. 2017-18	Actuals 2017-18
UT's own Receipts	4000.00	4169.00	4152.33
Grants from GOI	1772.00	1805.00	1824.77
Central Assistance	1401.01	1401.01	1400.99
CSS grant	340.54	355.84	383.09
Others (CRF)	20.45	20.45	11.64
Non-Plan (Others)	30.00	57.70	29.05
Borrowings	1151.00	1151.00	1060.71
Negotiated Loan	254.00	204.00	163.71
Open Market Borrowings	825.00	875.00	825.00
Externally Aided Project	0.00	0.00	0.00
Non-Plan Loan	72.00	72.00	72.00
Total	6945.00	7125.00	7037.81

Finances of U.T.

(₹ in Crore)



UT's Own Resources (2017-18)

- Comprises of proceeds from Sales Tax (VAT + GST), State Excise, Stamps and Registration, Transport, Power & other user charges.
- Rs.4152 crore realized as against target of Rs.4169 crore (99.69% of RE & 103% of BE)
- 13.85% growth in Revenue compared to last year's collection of Rs.3647 crore.
- Expenditure growth 17% over last year

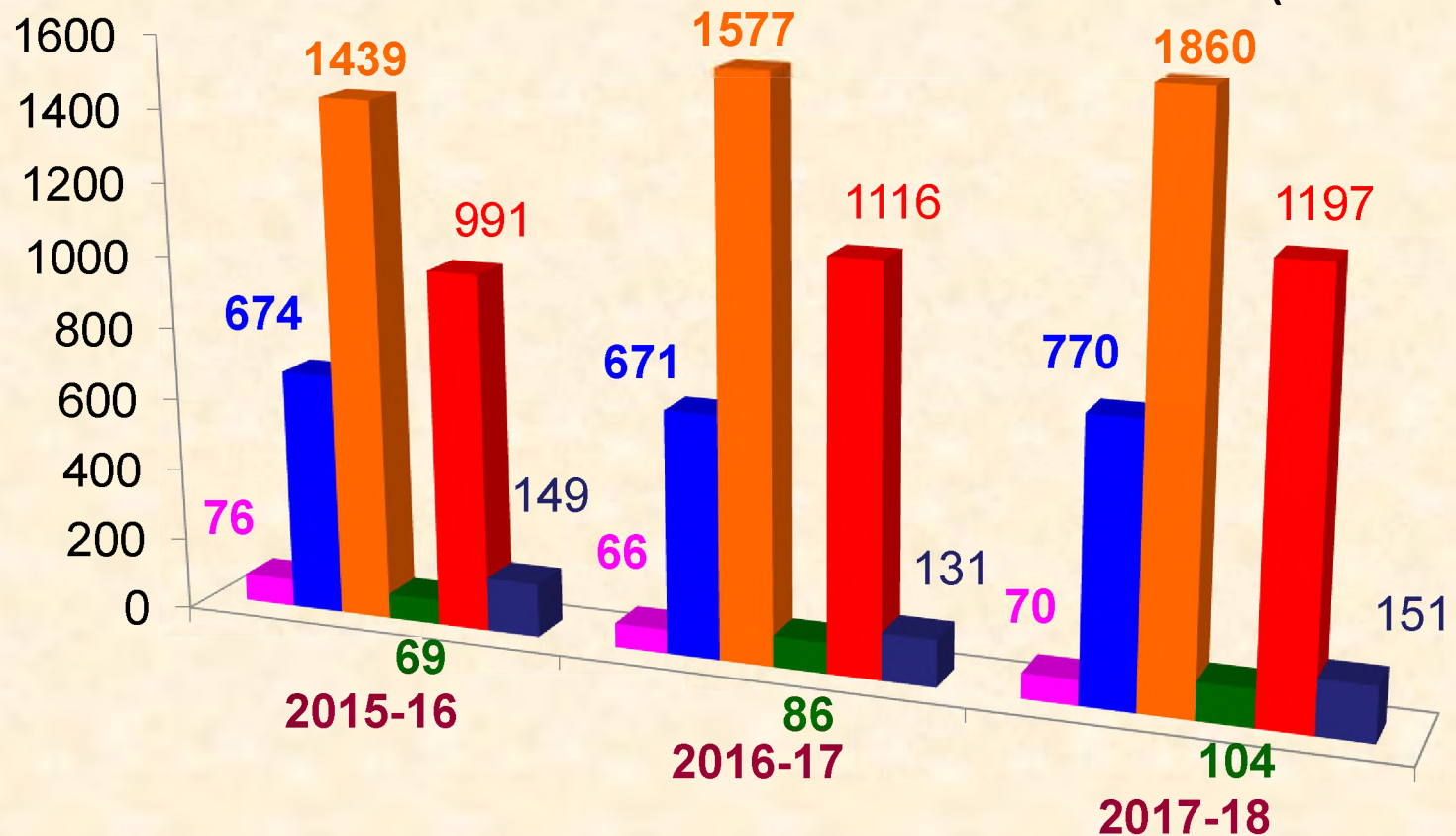
U.T.'s Own Revenue Receipts

(₹ in Crore)

Source	2015-16	2016-17	2017-18		2017-18 (Actuals)
			B.E.	R.E.	
Stamps & Regn.	76	66	80	76	70 (-6)
Excise	674	671	700	741	770(+29)
Commercial Tax	1439	1577	1725	1797	1860(+63)
Transport	69	86	92	105	104 (-1)
Power	991	1116	1253	1253	1197(-56)
Others (Water/User charges, fees & interest earnings) incl Loan / Suspense of Rs.30 Cr.)	149	131	150	197	151(-46)
Total	3398	3647	4000	4169	4152

UT's Own Receipts

(₹ in Crore)



■ Stamps & Registration

■ Excise

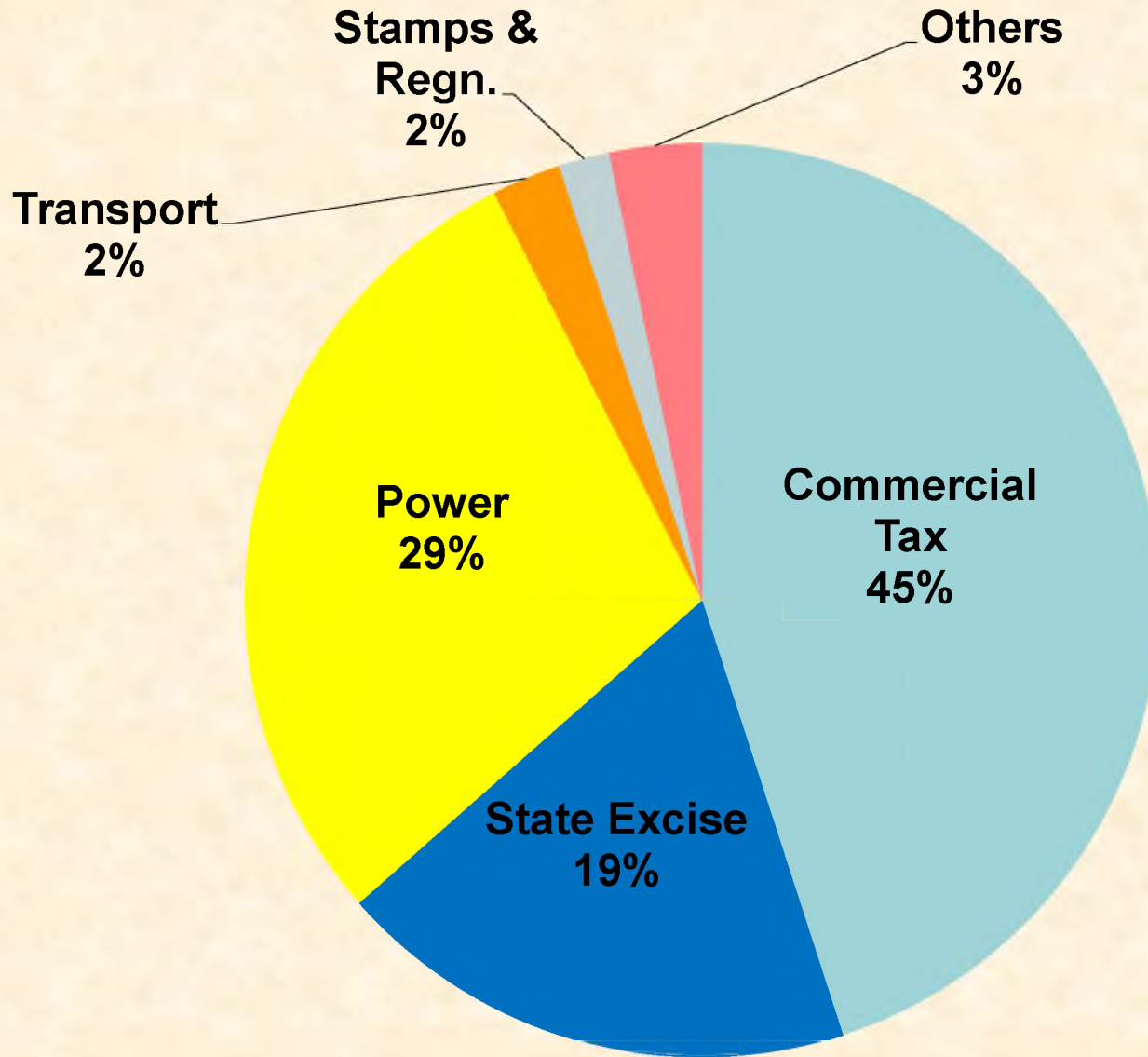
■ Commercial Taxes

■ Transport

■ Power

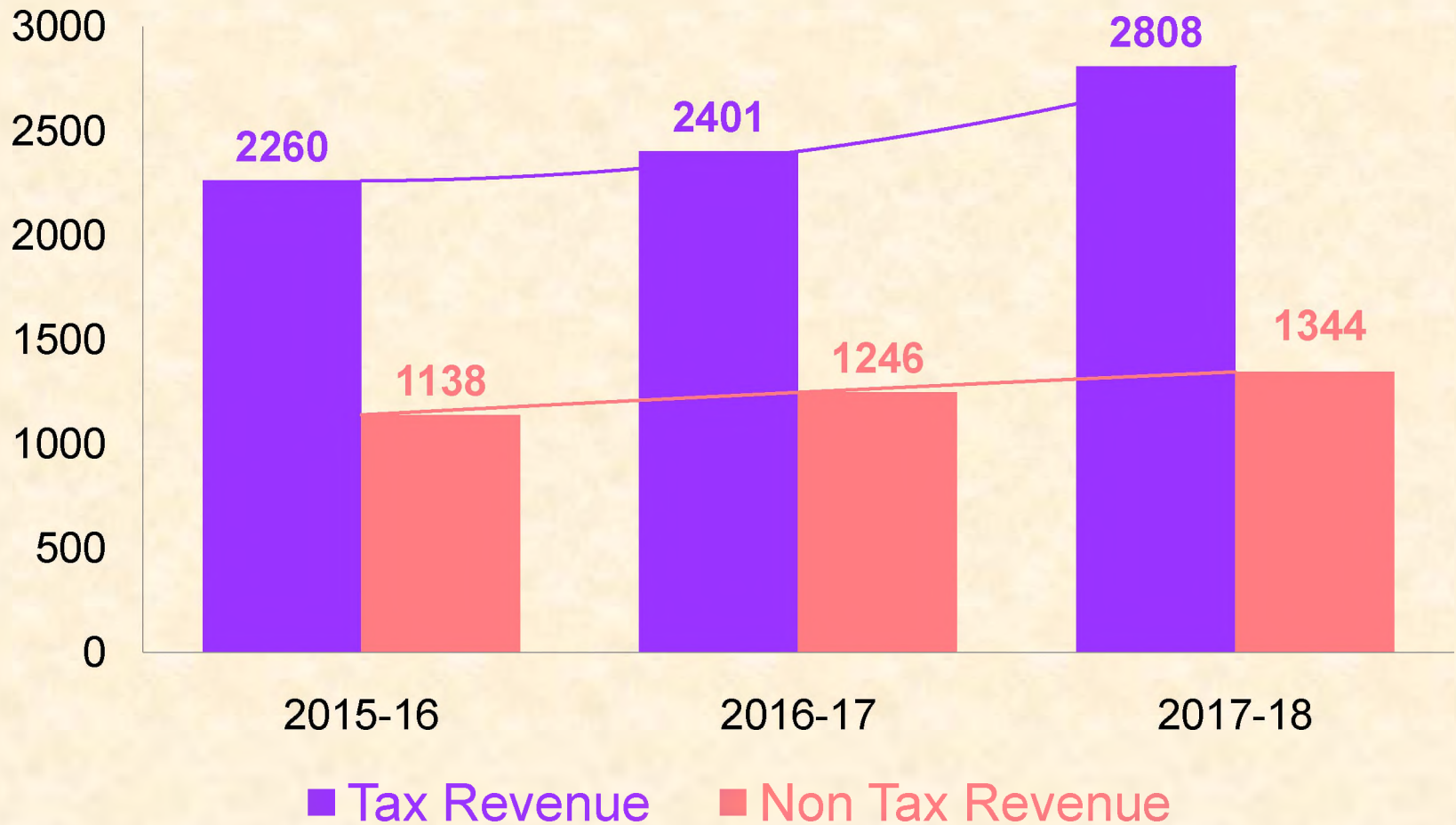
■ Others (Water/User charges, fees & interest earnings)

Contribution of various taxes

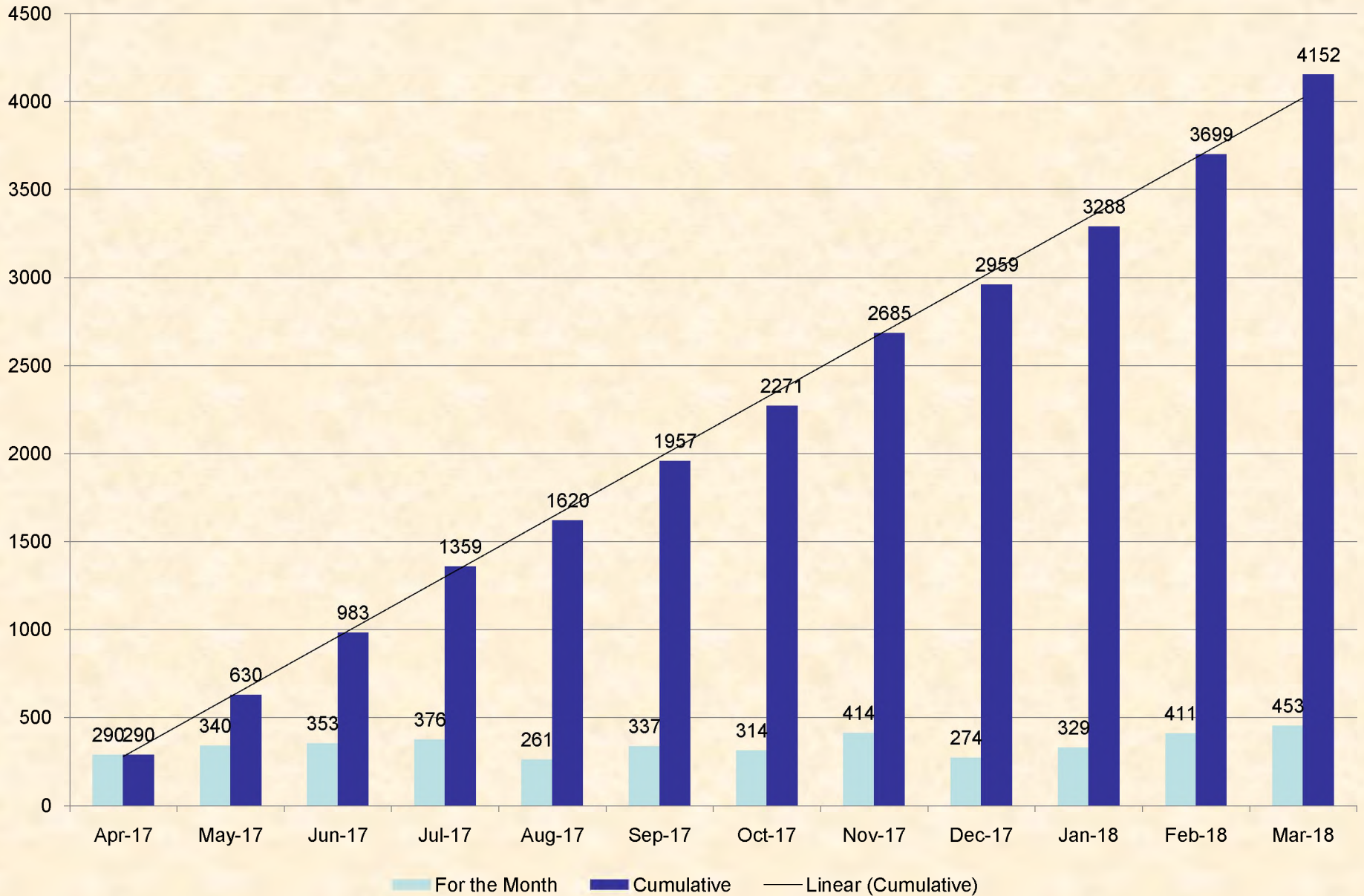


Revenue Collection (Tax and Non Tax Revenue)

(Rs. in crore)



Month wise & cumulative receipts for the year 2017-18



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 grants from Gol.
- Increased debt service due to borrowings from 2007.
- Decrease in UT's own resources
 - Pendency of certain ARM proposal (MV Taxes & fees)
 - Reversal of certain revenue measures by Govt.(Fare hike)
- Too much dependence on State funds, to bypass stringency of Gol norms

Reasons for financial stress –Contd.

- Reluctance of Depts to exercise due diligence & financial prudence
- Universalisation of welfare benefits without exclusion criteria
- Absence of rationalisation of schemes and lack of regular audit
- Sub-optimal collection of revenues from existing avenues by Departments and Local Bodies (Profession Tax, Property Tax, Entertainment tax etc.)

Expenditure under Plan /Non-Plan

(₹ in Crore)

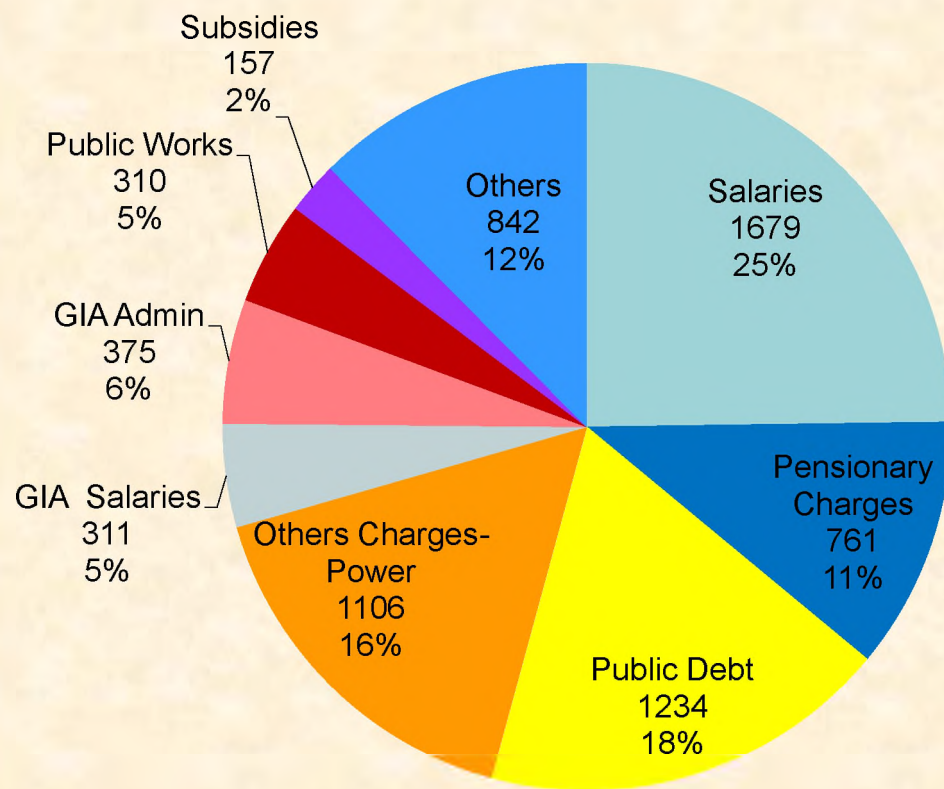
Major Items	2017-18 (R.E.)	Expenditure	%
Centrally Sponsored Scheme	355.84	293.10	82.37
Plan	1978.16	1751.04	88.52
[SCSP *	238.19	222.76	93.52]
Non Plan	4791.00	4730.92	98.75
Grand Total	7125.00	6775.06	95.09

* Excludes amount spent on rice around Rs.20 crore.

Major Expenditure for the year 2017-18 (Tentative)

Item	2017-18 (Tentative)	% of Exp.
Salaries & Wages	1679	24.78
Pensionary Charges	761	11.23
Public Debt	1234	18.21
Other Charges-Power	1106	16.32
Grants-in-aid-Salaries	311	4.59
Grants-in-aid –Admin	375	5.54
Public Works	310	4.58
Subsidies	157	2.32
Old Age Pension	396	5.83
Free Rice	120	1.77
CENTAC	26	0.40
Other (Major/Minor works, OE, Supplies,Schol.)	300	4.42
Total	6775	100.00

(₹ in Crore)



Resource mobilisation measures in 2017-18

Tax Receipts

- ❖ Additional Excise duty on liquor has been hiked by 25% (Rs.47 crore). The actual additional revenue expected to be collected in 2018-19 (Rs.66.16 crore).
- ❖ Due to Increase of VAT on petrol and diesel, Rs.62 crore has been collected during the year 2017-18.
- ❖ Excise duty on liquor has been revised w.e.f 15.9.2017. During 2017-18, Rs.19.76 crore realised and Rs.36 crore is expected during 2018-19) through this revision.
- ❖ Enhancement of Stamp duty on Power of Attorney and other instruments.

Non-Tax Receipts

- ❖ Sewerage charges have been fixed , but not yet collected. min. Rs. 20 Crores
- ❖ Water tariff has been revised. However, during 2017-18, the collection is only Rs. 15 Crores, as against Rs. 30 Crores
- ❖ Regulatory surcharge on the power consumption charges levied from 1.4.2016 to 31.3.2017. An amount Rs.40 Crore has been collected during the year 2017-18.
- ❖ JERC has revised power tariff for the year 2018-19 which is likely to fetch an additional revenue to a tune of Rs.120 crore.

Receipts & Expenditure (2017-18) 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	Balance Funds available
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2016-17	289.55	110.80	194.49	305.28	186.96	118.32 38.76%
2017-18	356.19	118.32	366.37	484.68	290.61	194.07 40.04% *

* Receipts during March, 2018 alone is Rs.90 crore.

Centrally Sponsored Schemes

(₹ in Lakh)

Department	Opening Balance + Fresh Receipts	Expr. Upto 31.03.18	Balance Funds available
Adi-Dravidar Welfare	457.56	57.08	400.48
Agriculture	279.52	148.44	131.08
Animal Husbandry	42.46	39.35	3.11
DRDA	5861.80	2076.76	3785.04
School Education	1748.77	1255.00	493.77
Higher & Technical Education	529.00	378.00	151.00
Forestry	128.72	82.94	45.78

(₹ in Lakh)

Department	Opening Balance + Fresh Receipts	Expr. Upto 31.03.18	Balance Funds available
Health	4083.85	3560.86	522.99
ISM	244.11	204.11	40.00
Labour	298.65	7.65	291.00
Local Administration	0.00	297.00	NIL
Police	339.83	46.23	293.60
Fire Services	200.00	0.00	200.00
Public Works	2414.89	580.73	1834.16
Statistics	88.16	71.41	16.75

(₹ in Lakh)

Department	Opening Balance + Fresh Receipts	Expr. Upto 31.03.18	Balance Funds available
Social Welfare	1226.08	942.90	283.18
Welfare of Backward Classes & Minorities	115.90	60.57	55.33
Survey & Land Records	70.08	36.85	33.23
Tourism	6339.27	1576.92	4762.35
Town & Country Planning	1713.55	1712.58	0.97
Women & Child Development	3227.25	2072.53	1154.72

Central Sector Schemes

(₹ in Lakh)

Department	Opening Balance + Fresh Receipts	Expr. Upto 31.03.18	Balance Funds available
Agriculture	180.48	23.72	156.76
Art & Culture	84.00	11.00	73.00
Civil Supplies	58.92	8.45	50.47
DRDA	935.00	35.00	900.00
Electricity	120.31	0.00	120.31
Fisheries	1008.46	505.03	503.43
Port	1800.00	0.00	1800.00
School Education	109.17	101.33	7.84

Department	Opening Balance + Fresh Receipts	Expr. Upto 31.03.18	Balance Funds available
Labour	37.01	11.98	25.03
Local Administration	11201.66	10866.44	335.22
Police	686.80	122.90	563.90
Public Works	1.13	0.72	0.41
Revenue	103.71	66.99	36.72
Town & Country Planning	2613.39	1991.64	621.75
Women & Child Development	118.62	107.62	11.00

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

(₹ in Crores)

Name of the Scheme	Annual Plan 2015-16		Annual Plan 2016-17		Annual Plan 2017-18	
	Outlay	Expdr.	Outlay	Expdr.	Outlay	Expdr.
Urban Local Bodies (Municipalities)						
Untied Funds	8.50	8.50	7.35	7.35	11.00	2.00
Tied Funds	27.05	26.36	19.14	19.07	29.50	26.04
Commune Panchayats						
Untied Funds	1.10	1.10	2.60	2.60	4.00	1.83
Tied Funds	--	--	2.49	2.49	5.00	0.25
Transfer Duty to Municipalities & Commune Panchayats	47.85	47.85	42.17	42.17	38.95	38.95
Total	84.05	83.81	73.75	73.68	88.45	69.07

PSUs in the Red-----

Total accumulated loss: Rs. 630.50 Cr.

	Name of the PSUs / Accumulated Loss	GIA released Total: Rs.66 Crores	Period of Accounts Pending
1.	PASIC (-14.03 Cr)	1.08	2012-13 to 2016-17
2.	PAPSCO (-18.45 Cr.)	-	2013-14 to 2016-17
3.	PIPDIC (- 3.23 Cr. In 2016-17)	NIL	2016-17
4.	PADCO (-11.91 Cr.)	4.22	2015-16 and 2016-17
5.	Women Corporation(PCDWAP)	38.6	2016-17
6.	Backward Classes Corporation (PBCMDCL)	0.82	2014-15 to 2016-17
7.	Puducherry Distilleries Ltd. (+39.13 Cr)	NIL	2014-15 to 2016-17
8.	Pondicherry Textile Corprn. (PTC) (-486.5Cr)	12.62	2015-16 and 2016-17
9.	Swadeshee-Bharathee Textile Mills (-42.79Cr)	3.08	2010-11 to 2016-17
10	Power Corporation Limited (PPCL)(+45.75Cr	NIL	2016-17
11	PTDC (-19.93 Cr.)	0.75	2015-16 and 2016-17
12	PRTC (-36.89 Cr.)	4.12	2013-14 to 2016-17

Other Autonomous Institutions, Co-operative Sector & Agencies

(₹ in Crore)

Sl. No.	Name of Autonomous Bodies	Nos.	Staff Strength Nos.		Grants-in-Aid released for 2017-18
			Regular	Temp.	
1.	Autonomous Bodies / Institution (in Education Sector)	15	2236	515	266.75
2.	Boards /Agencies / other statutory bodies	63	521	1382	293.09
3	Co-operative Organisations SPINCO/JPCOSPIN/PCSM	3	1133	274	4.50
E.g	PKVIB		165		7.17
	Total	81	3890	2171	564.34

Estimated Resources for B.E. 2018-19

(Rs. in Crore)

Item	Total
UT's Own Resources	4570.00
Normal Central Assistance	1476.00
CSS including CRF	409.00
Open Market Borrowing	825.00
Negotiated Loan	175.00
Externally Aided Project	50.00
Loan Recoveries / Suspense	25.00
Total	7530 .00

SOURCE OF OWN RECEIPTS (2018-19)	Amount (In Crores)
Stamps & Registration	100.00**
Excise	800.00
Commercial Taxes	2025.00
Transport	115.00**
Power	1310.00
PWD (Water & Sewerage charges)	50.00
Others	170.00
Total	4570.00

** Subject to revision of GLR and Stamp Duty

** Subject to revision of motor vehicle taxes /fees

Committed Expenditure in 2018-19

(₹ in Crore)

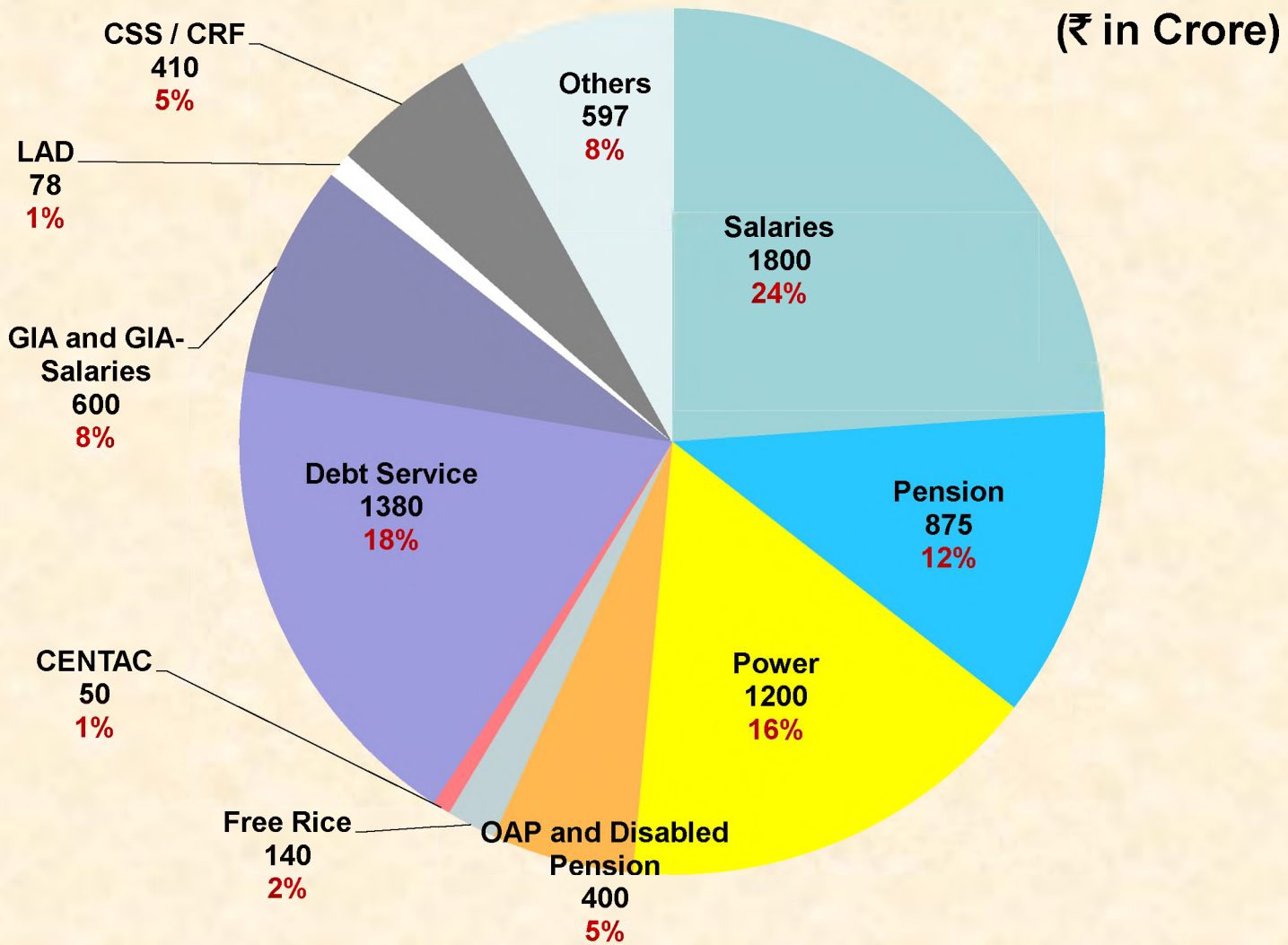
1.Salaries	1800.00
2. Pension	875.00
3. Power	1200.00
4. OAP and Disabled Pension	400.00
5. Free Rice	140.00
6. CENTAC	50.00
7. Debt Service	1380.00
8. GIA and GIA-Salaries	600.00
9. LAD	78.00
10. CSS / CRF	410.00
11. Others	597.00
Grand Total	7530.00

Others

(₹ in Crore)

1. Major Works – PWD & Electricity	302.00
2. Minor Works – Repairs & Maintenance	69.00
3. Purchase of Medicine , medical equipment	45.00
4. Supply of diet & non-diet, uniforms, notebooks, etc.	52.00
5. Scholarship & Stipend	41.00
6. Payment to contract teachers & doctors, & other professional services	40.00
7. Other Administrative Expenses/Schemes	48.00
Total	597.00

Committed Expenditure in 2018-19



Details of Repayment of Principal & Interest in the year 2018-19

(₹ in Crore)

Sl. No.	Name of the Institution	Principal	Interest	Total
1.	Open Market Borrowings through RBI	<u>350.00</u>	443.00	793.00
2.	Negotiated Loans from HUDCO, NABARD, PFC & REC	117.00	124.00	241.00
3.	Repayment of Principal amount of Non-Plan Loan, Small Savings Loans to Gol & Payment of interest for GPF and UTGEGIS	145.00	201.00	346.00
	Total	612.00	768.00	1380.00

Way forward.....

- Continue the fiscal consolidation.
- Existing means of revenue generation to be fully tapped
- Expedite decisions on pending ARM proposals
- Explore Innovative means to raise resources
- Prune down non-productive consumption expenditure
- Periodic review with close monitoring of implementation and strict enforcement
- Education Dept. may revisit 90% funding to Private Aided Schools – to save resources for govt. schools

Way forward.....

- Saving of power fuel, curtailing OTA– reduce OE
- Effectively use the services of RC office in Delhi & VCs for follow-up / coordination with Gol – to reduce Air Travel expenses
- PSUs should operate on commercial & professional lines.
- New schemes or enlarging the scope / coverage of existing scheme shall be subject to additional resource mobilisation only
- CSS schemes must be effectively used early on in FY and other schemes to be identified.

Points of concern

- Repayment of OMB to RBI
 - Rs. 100 Crores in 26/09/2018
 - Rs. 251 Crores on 18/3/2019 along with another Rs. 80 Crores for interest & repayment of other loans
- Payment of land compensation of Rs.89 Crores, as per Supreme Court Order
- Any Arbitration award on works / fresh court order on land acquisition compensation ?
- Continuous drain of resources by PSUs, Boards & other Autonomous bodies
- Proposed 7th CPC implementation in local bodies without resource backup – may destabilize State finances

Money does not grow on trees

Excerpt from former Prime Minister Dr. Manmohan Singh's
address to the nation on Sept.21st , 2012

Approval of State Planning Board is sought for Budget Size of

Capital	1073 Cr.
Revenue	6457 Cr.
Total (Rs.)	7530 Cr.

THANK YOU