



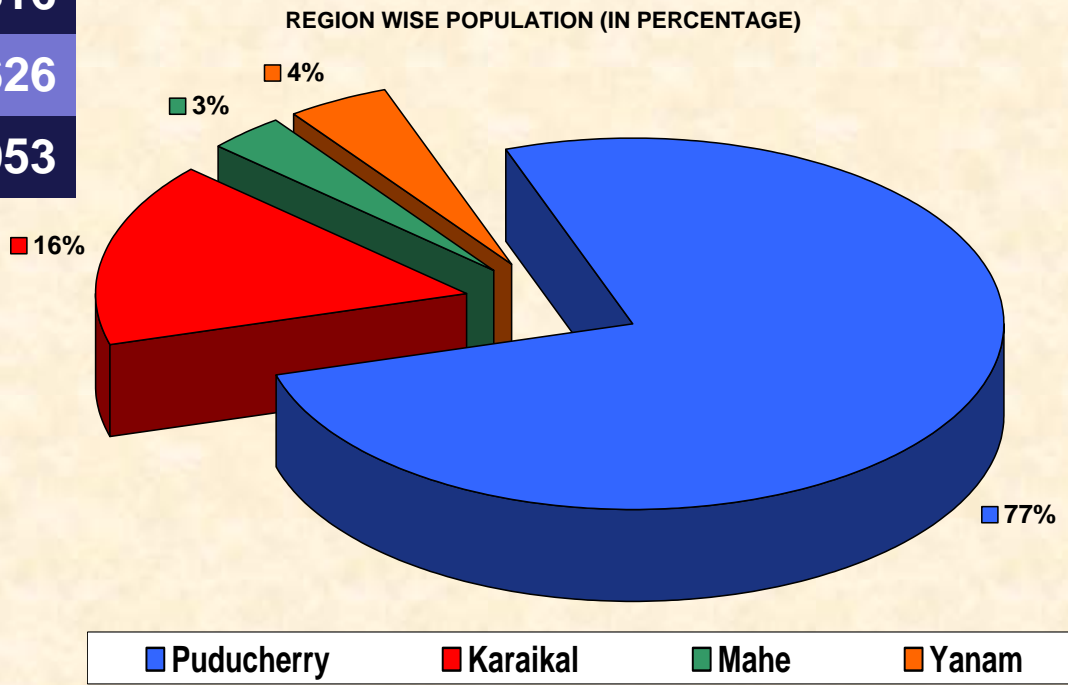
**Meeting of the
State Planning Board on
*Annual Budget 2019-2020***

06.07.2019

**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



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 27/04/2018.

FISCAL ROAD MAP (FRM)

- Fiscal discipline of UT of Puducherry is governed by Fiscal Road Map (FRM), approved by Government of India.
- FRM lays down targets of receipts, expenditure, borrowings etc. for the period upto 2020-2021
- Government of Puducherry conforms to FRM targets.

UT's Position with reference to Fiscal Road Map Norms

Sl. No	Fiscal Indicators	Parameters fixed	Parameters achieved		
			2016-17	2017-18	2018-19
1	Revenue Deficit	0 % of GSDP	0.27	(-) 0.64	0.11
2	Fiscal Deficit	less than 2% of GSDP	1.89	0.64	1.04
3	Interest Payment	less than 10% of Revenue Receipts	576.14	685.11	706.03
			(10.69%)	(11.38%)	(11.01%)
4	Outstanding debt	Less than 25% of GSDP	26.27	25.08	23.69
	GSDP		27586.09	30845.43	35860.00
	Revenue Receipts		5390.28	6018.30	6411.72

UT - Debt position (as on 31/3/2019)

(Rs. in crore)

Sl. No.	Description	Outstanding Debt
1	Open Market borrowings	5505.01
2	HUDCO	539.21
3	NABARD	227.01
4	Power Finance Corporation	33.54
5	Rural Electrification Corporation	62.30
6	Non-Plan Loan	470.80
7	Small Savings Collections Loans	956.30
8	Plan Loan	114.20
9	CSS Loan	0.44
10	Other loans	93.00
	Total	8001.81

* Per-capita debt: Rs.59,010/-

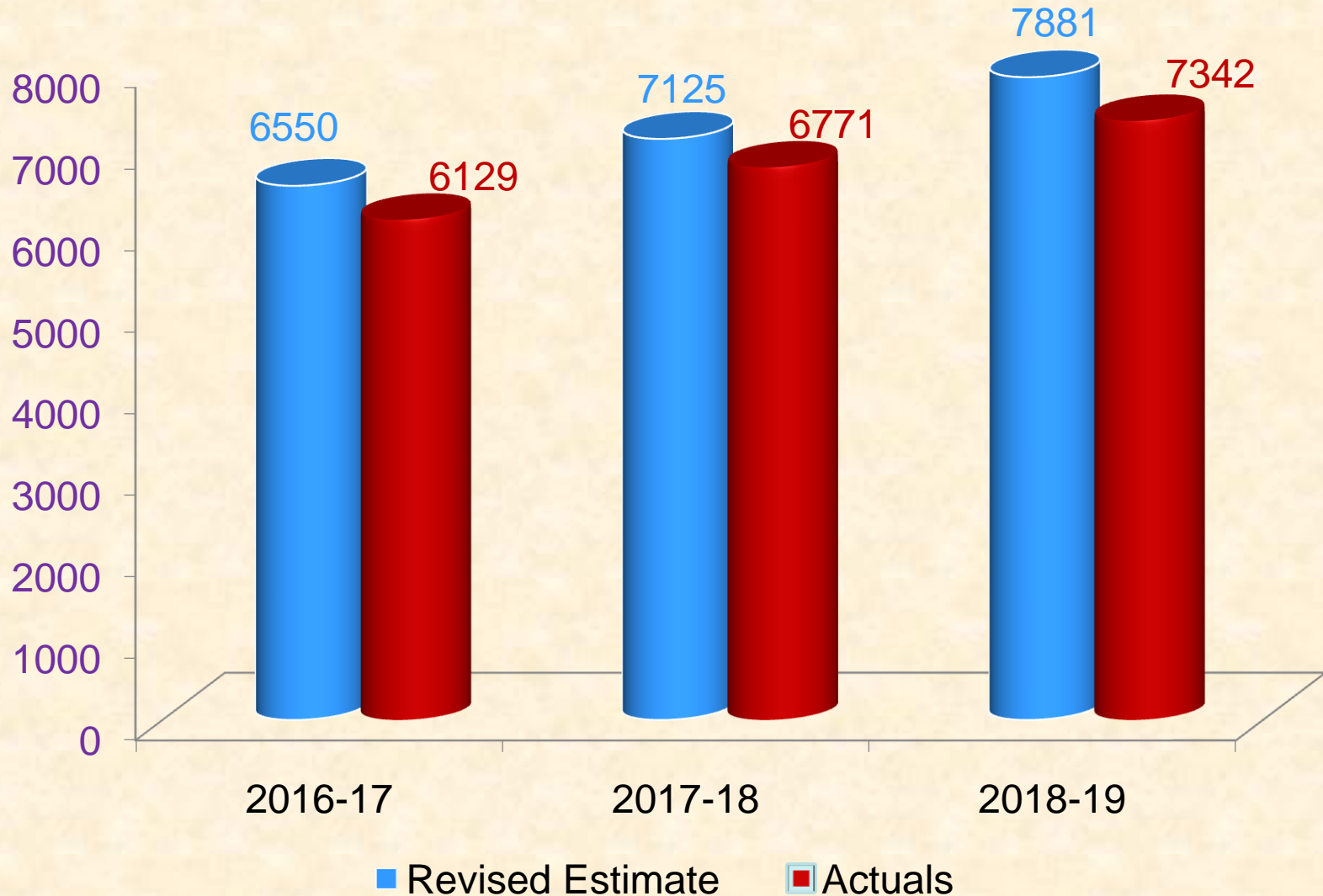
Details of Pending Liabilities not included in the Budget

(in Crore)

S. No	Description	Amount
1	Payment of arrears on account of pay revision due to VII CPC Recommendation (01/01/2016 to 31.08.2016).	120.00
2	Arrears of Pension (01.01.2016 to 31.08.2016).	36.00
3	Payment of arrears on account of revision of pension to the pensioners prior to 01.01.2016.	48.00
4	Revised HRA and other allowances as per the VII CPC (Rs.20 crore / month for 13 months from 01.07.2017 to 31.07.2018).	260.00
5	Dues to contractors for works already executed but not paid for.	120.00
8	Settlement of old dues to Power utilities by Electricity Department for power purchase.	324.00
Total		908.00

Expenditure Vs Total Outlay (2018-19)

(₹ 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) [64%]
 2. Grants from Government of India incl.CSS [22%]
 3. Borrowings from Open Market & Financial Institutions [14%]

Resources at a Glance 2018-19

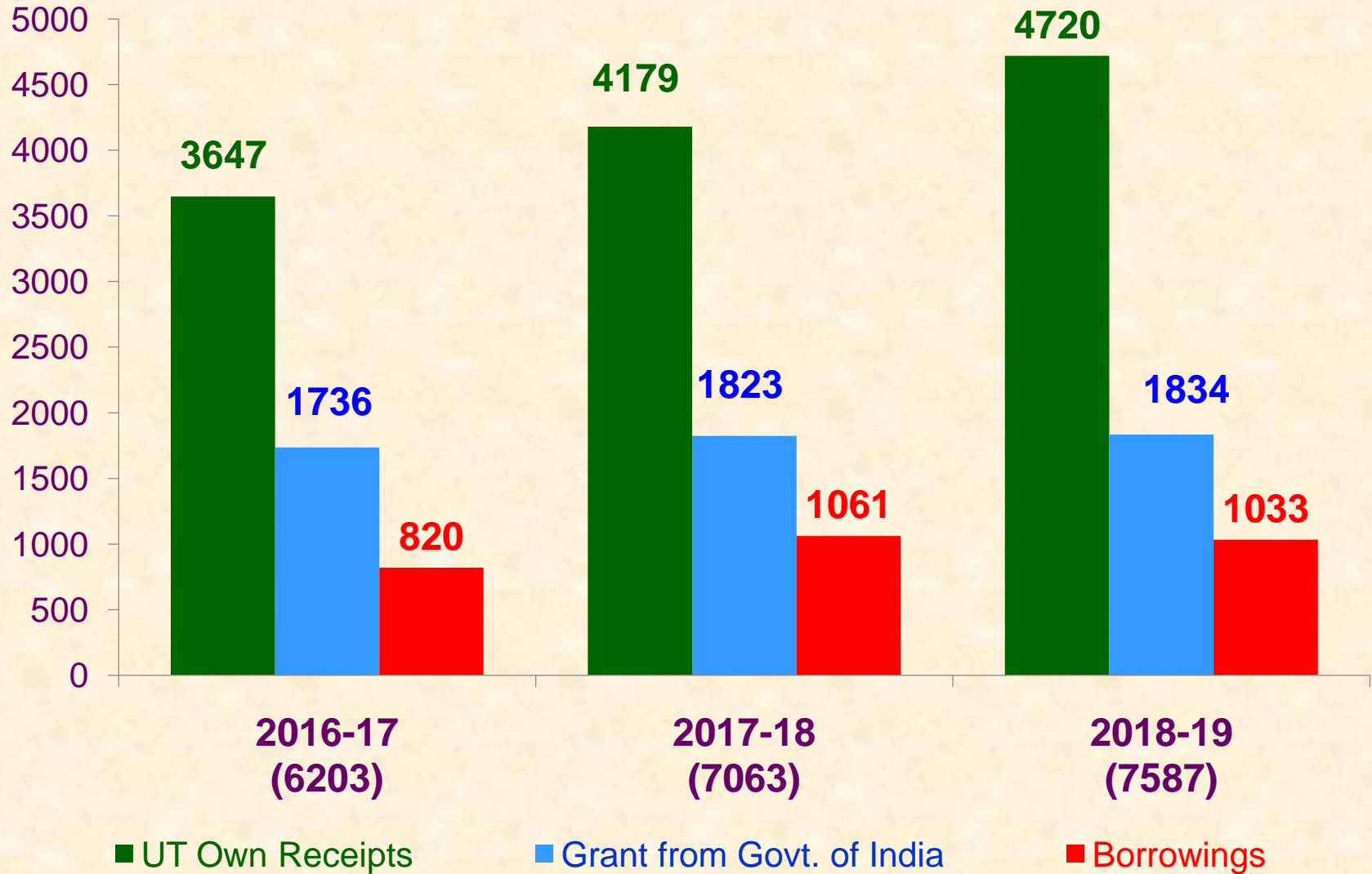
(in Crore)

Sl. No.	ITEMS	B.E. 2018-19	R.E. 2018-19	Actuals 2018-19
A	UT's own Receipts	4570.00	4921.00	4720.21
B	Grants from GOI			
	Central Assistance	1476.00	1476.00	1475.99
	CSS grant	389.00	389.00	★ 357.49
	Others (CRF)	20.00	20.00	-
C	Borrowings			
	Negotiated Loan	175.00	175.00	157.89
	Open Market Borrowings	825.00	825.00	825.00
	Externally Aided Project	50.00	50.00	49.61
D	Others	25.00	25.00	0.91
	Total	7530.00	7881.00	7587.10

★ Includes unspent balance of Rs.205.71 crore

Source of Finances of U.T.

(in Crore)



UT's Own Resources (2018-19)

- Comprises proceeds from Sales Tax (VAT + GST), State Excise, Stamps and Registration, Transport, Power & other user charges.
- Rs.4720 crore realized as against target of Rs.4921 crore (95.92% of RE & 103.28% of BE)
- 12.95% growth in Revenue compared to last year's collection of Rs.4179 crore.
- Expenditure growth 8.42% over last year

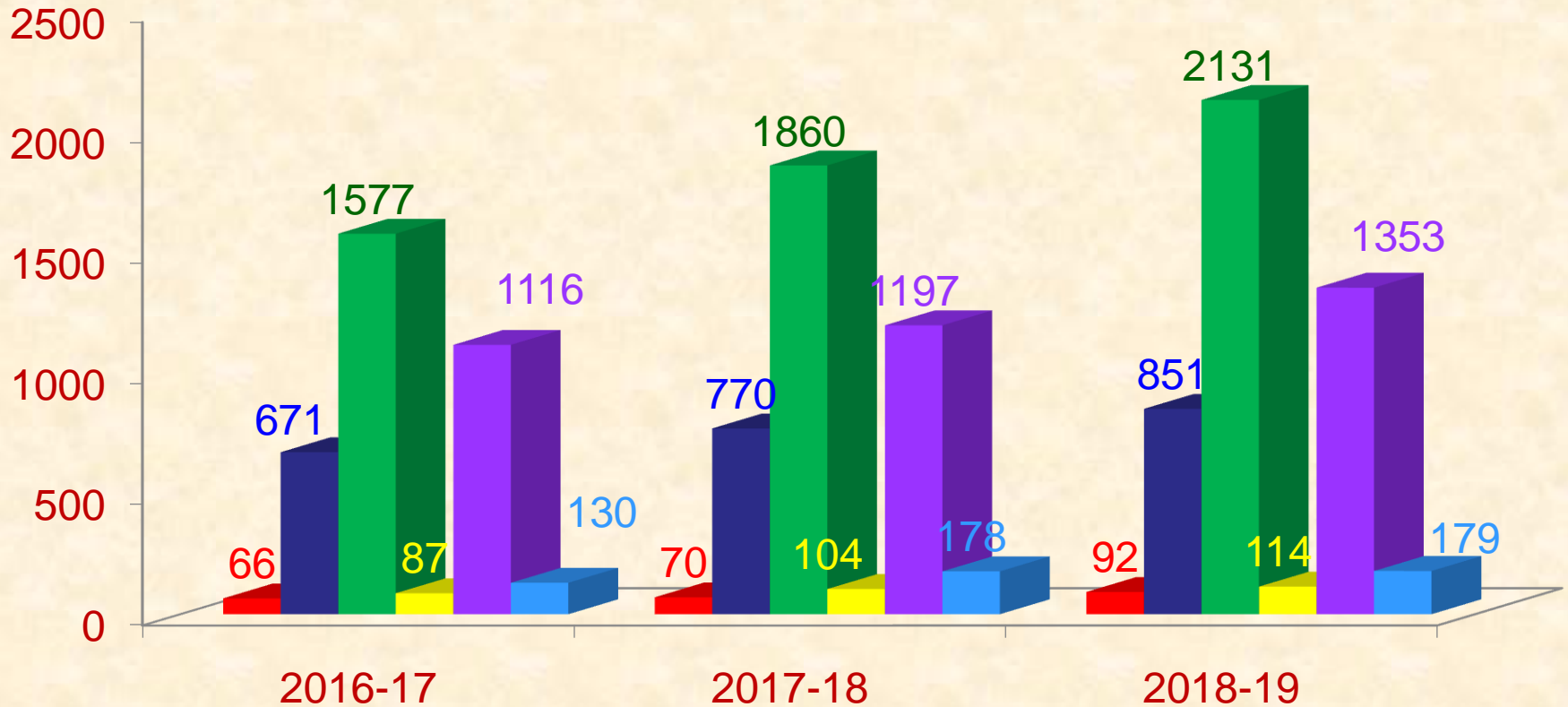
U.T.'s Own Revenue Receipts

(` in Crore)

Sl. No	Source	2015-16	2016-17	2018-19		
				B.E.	R.E.	Actuals
1	Stamps & Registration	66	70	100	100	92
2	Excise	671	770	800	840	851
3	Commercial Tax	1577	1860	2025	2175	2131
4	Transport	87	104	115	125	114
5	Power	1116	1197	1310	1368	1353
6	Others	130	178	220	313	179
	Total	3647	4179	4570	4921	4720

UT's Own Receipts

(₹ in Crore)



■ Stamps and Registration

■ Commercial Tax

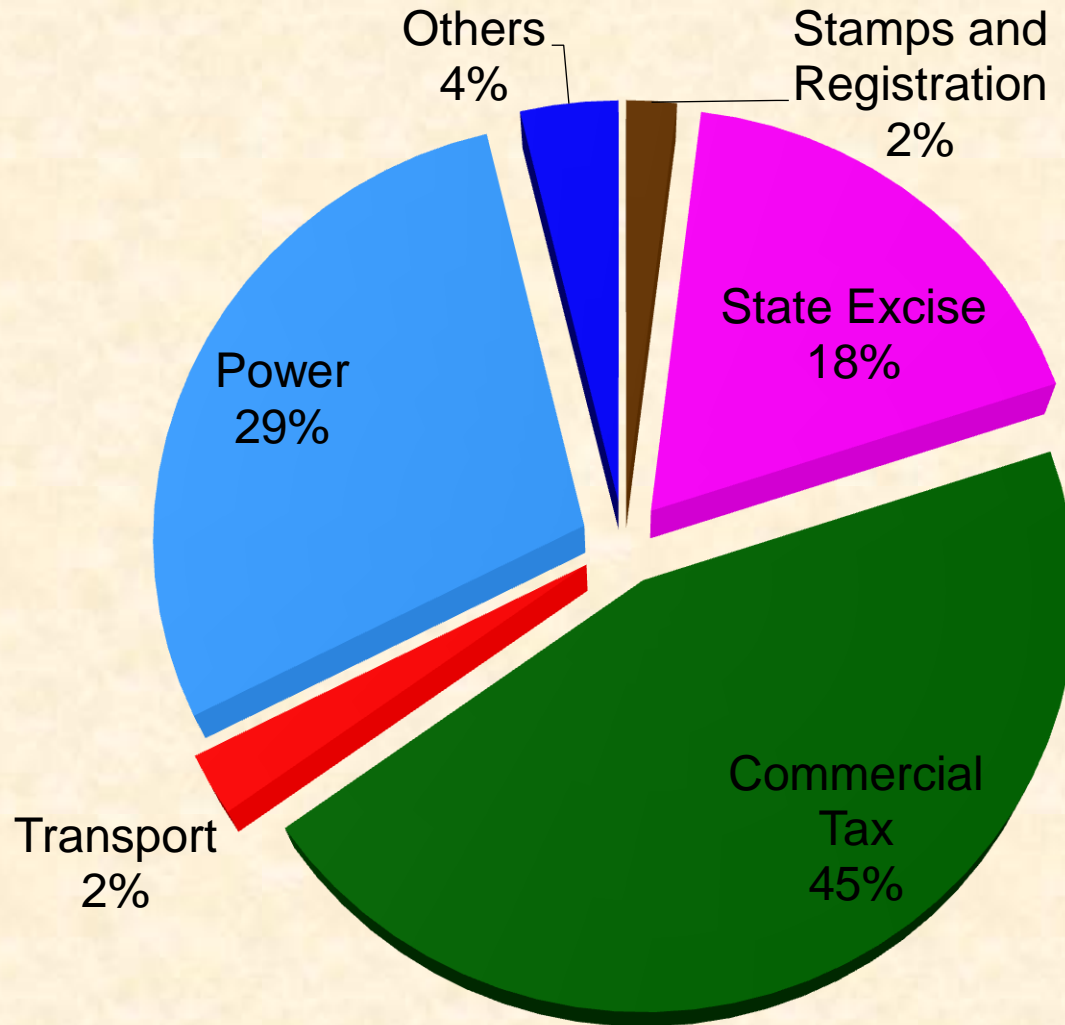
■ Power

■ State Excise

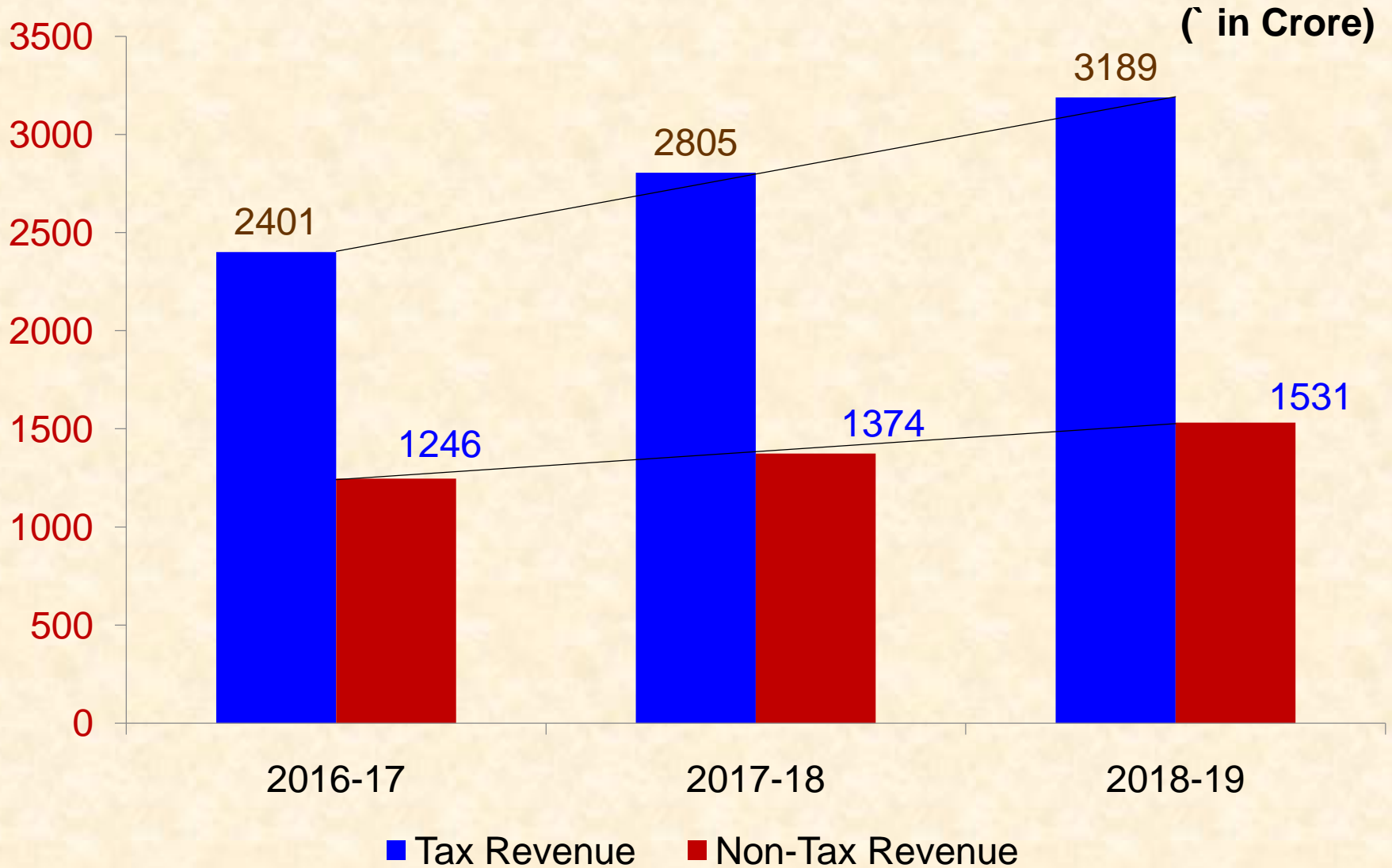
■ Transport

■ Others

Contribution of various taxes 2018-19

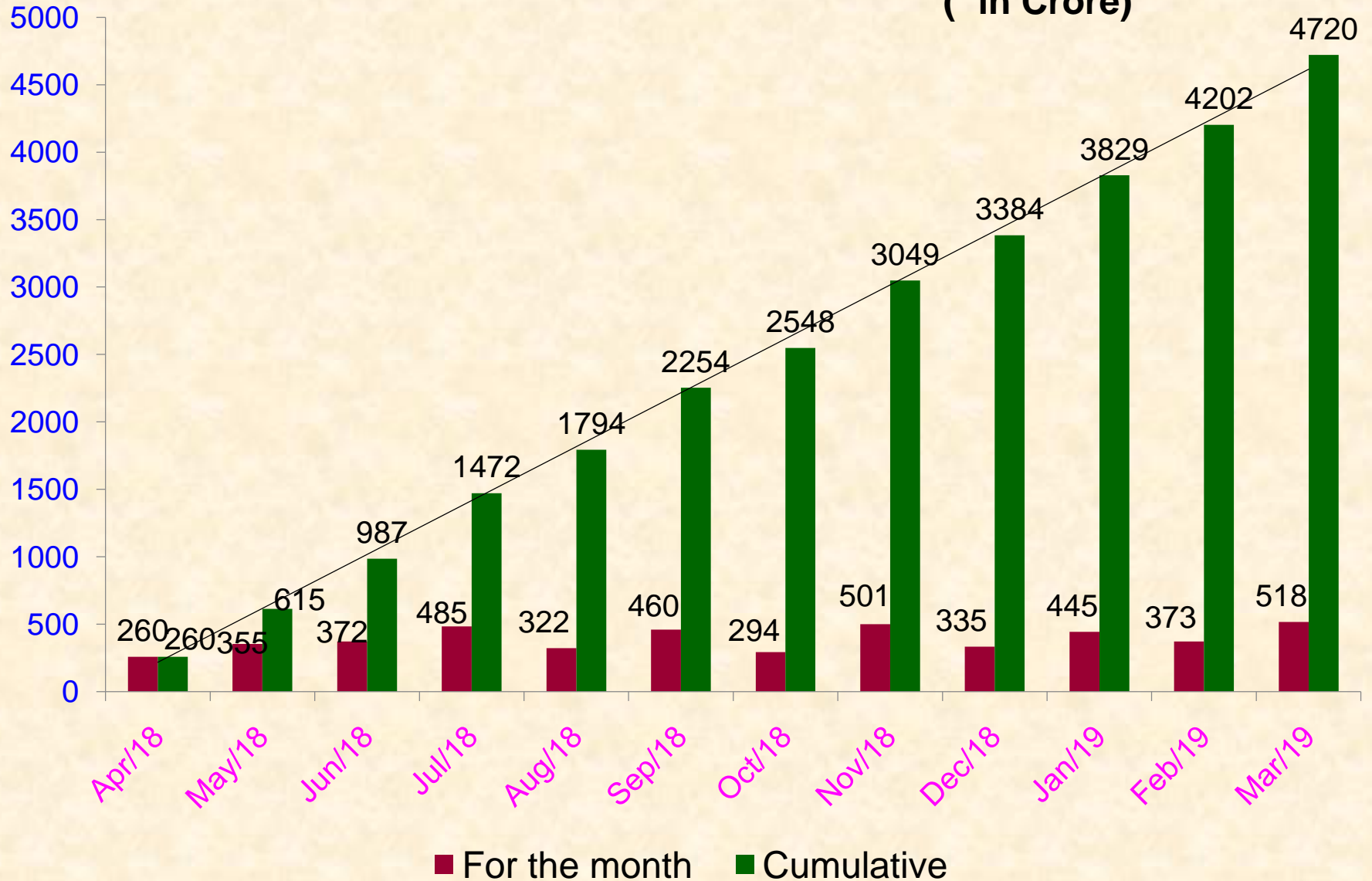


Revenue Collection (Tax and Non Tax Revenue)



Month wise & cumulative receipts for the year 2018-19

(` 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 grants from Gol.
- Increased debt service due to borrowings from 2007.
- Universalisation of welfare benefits.
- UTs own resources increase by 10-15% every year. But, Government of India's grant remains static at 5%.
- Sub-optimal collection of revenues from existing avenues by Departments and Local Bodies (Profession Tax, Property Tax, Entertainment tax etc).
- Enforcement mechanism (surprise checks) by Commercial Tax / Excise to bring arrear revenue. A separate Enforcement cell in each of these two departments viz Commercial Tax / Excise would result in collecting more revenue.

Expenditure for 2018-19

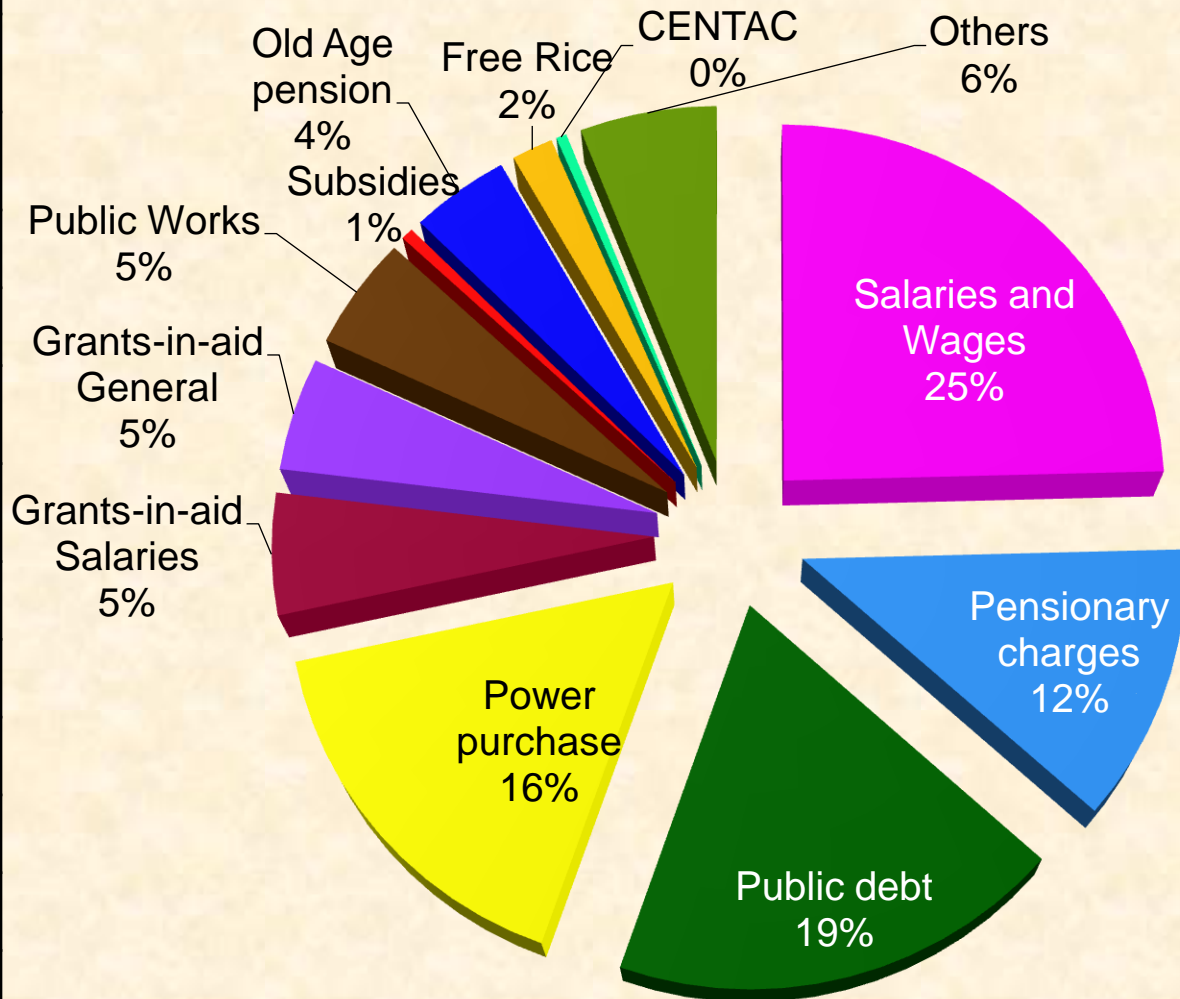
(` in Crore)

Major Items	2018-19 (R.E.)	Expenditure	%
Revenue	6770.78	6386.87	94.33
Capital	1110.22	954.79	86.00
Total	7881.00	7341.66	93.16

Major Expenditure for the year 2018-19 (Tentative)

(` in Crore)

Appropriation unit	2018-19	% of Exp.
Salaries and Wages	1805.55	24.59
Pensionary charges	883.28	12.03
Public debt	1374.73	18.73
Power purchase	1192.65	16.25
Grants-in-aid Salaries	390.99	5.33
Grants-in-aid General	365.07	4.97
Public Works	367.37	5.00
Subsidies	39.26	0.54
Old Age pension	316.61	4.31
Free Rice	133.00	1.81
CENTAC	33.91	0.46
Others	439.24	5.98
Total	7341.66	100.00



Receipts & Expenditure (2018-19) of Centrally Sponsored / Central Sector Schemes

Abstract

(` in Crore)

Year	R.E.	Opening Balance	Fresh Receipts	Total (col. 2 + 3)	Expenditure	Balance Funds available
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2017-18	355.84	118.32	383.06	501.38	295.70	205.67 41.02%
2018-19 (Prov.)	389.00	205.67	153.77	359.44	254.59	102.86 28.62%

Centrally Sponsored / Central Sector Schemes

(` in Lakh)

Department	Opening Balance + Fresh Receipts	Expr. Upto 31.03.19	Balance Funds available
Port	1800.00	0.00	1800.00
Public Works	4393.64	2802.38	1591.26
Health	4449.40	3529.83	919.57
Women & Child Development	3021.32	2208.97	812.35
Fisheries	1651.97	773.57	738.40
Agriculture	1035.90	397.29	579.70
Adi-Dravidar Welfare	772.97	214.99	557.98

(` in Lakh)

Department	Opening Balance + Fresh Receipts	Expr. Upto 31.03.19	Balance Funds available
Local Administration	706.22	164.00	542.22
Police	1028.32	569.66	458.66
School Education	1856.70	1414.55	442.15
Labour	528.97	91.18	437.79
DRDA	6210.78	5891.58	319.20
ISM	509.95	279.48	230.47
Fire Services	200.00	0.00	200.00
Social Welfare	431.16	286.26	173.03

(` in Lakh)

Department	Opening Balance + Fresh Receipts	Expr. Upto 31.03.19	Balance Funds available
Welfare of Backward Classes & Minorities	148.86	63.16	85.70
Civil Supplies	77.79	0.68	77.11
Town & Country Planning	3266.56	3191.43	75.13
Forestry	116.85	43.00	73.85
Art & Culture	73.00	14.00	59.00
Revenue	49.72	11.70	38.02

(` in Lakh)

Department	Opening Balance + Fresh Receipts	Expr. Upto 31.03.19	Balance Funds available
Survey & Land Records	33.23	2.10	31.13
Statistics	86.98	64.86	22.12
Animal Husbandry	31.33	17.02	14.31
Tourism	2383.18	2377.36	5.82
Higher & Technical Education	931.00	930.00	1.00
Electricity	120.31	120.31	0.00

Estimated Resources for B.E. 2019-20

(` in Crore)

Item	Total
UT's Own Resources	5359.00
Normal Central Assistance	1601.00
CSS including CRF	345.00
Open Market Borrowing	900.00
Negotiated Loan	150.00
Externally Aided Project	50.00
Loan Recoveries / Suspense	20.00
Total	8425.00

Tentative Expenditure for Budget 2019-20

(in Crore)

A	Proposed Budget Outlay (2019-20)	8425
B	Committed expenditure (salaries, Pension, OAP, Grants-in-aid to Societies, Municipal Grants, Statutory EPF settlement, Office Expenditure, Power, Water etc.)	7980
C	Balance (A-B)	445
D	Other Expenditure	
	<i>Free rice</i>	<i>160</i>
	<i>Scholarships</i>	<i>41</i>
	<i>Smart City</i>	<i>30</i>
	<i>MLA LAD fund</i>	<i>33</i>
	<i>Subsidies</i>	<i>39</i>
	<i>Public Works</i>	<i>377</i>
	<i>Others</i>	<i>32</i>
	Total (D)	712
	Deficit (C-D)	(-) 267

- *Shortfall to meet above commitments is ` 267 crore*
- *Apart from ` 267 crore, an amount of ` 231 crore is required to pay arrears of VII Central Pay Commission. Measures to mobilise additional resources will be taken to bridge resource gap.*
- *Total budget amount is also banking upon the resources generated department wise*
- *Legacy issues will have to be met from outside the budget, through various other means.*

Details of Repayment of Principal & Interest in the year 2019-20

(` in Crore)

Sl. No.	Name of the Institution	Principal	Interest	Total
1.	Open Market Borrowings through RBI	500.00	445.56	945.56
2.	Negotiated Loans from HUDCO, NABARD, PFC & REC	115.01	84.48	199.49
3.	Repayment of Principal amount of Non-Plan Loan, Small Savings Loans to Gol & Payment of interest for GPF and UTGEGIS	146.51	208.44	354.95
4	Sinking Fund Investment	0	0	50.00
	Total	761.52	738.48	1550.00

Points of concern

- Repayment of Open Market Borrowings to Reserve Bank of India - Rs. 500 Crores in 09/12/2019
- Payment of land compensation of Rs.85 Crores, as per Supreme Court Order
- Continuous drain of resources by PSUs, Boards & other Autonomous bodies
- Settlement of Rs.46 crore to Anglo French Textiles employees before 31.08.2019 as per Hon'ble High Court order.

**Suggestions of State Planning Board
is sought for Budget Size of
Rs.8425 crore**

THANK YOU