

OFFICE OF THE CHIEF SECRETARY
PUDUCHERRY

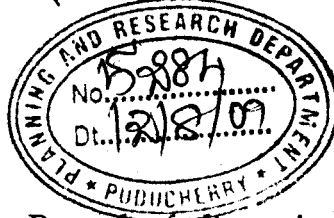
Tapal No. 5517/CM/08

Received on 28/08

Despatched on

7 AUG 2009

No.M-13048/35/PY/2009-SP-S
Planning Commission
(State Plans Division)



OFFICE OF THE SECRETARY
EDUCATION/ ~~POWER~~
PUDUCHERRY

No. 125/Secy. Fin. PA/09

Received.....

Despatched TO AUG 2009

Yojana Bhavan, Sansad Marg
New Delhi-110001
Dated: 30.07.2009

A copy of the Summary Record of discussions between Deputy Chairman, Planning Commission and Chief Minister of Puducherry held on 22.07.2009 to finalise the Annual Plan 2009-10 of Puducherry is circulated.

Sujata Sharma
(Sujata Sharma)
Director SP(S)

Encl: As above

Planning Commission

PMO

Principal Advisers
Advisers
JS (SP)
Head of Divisions

Director (Puducherry)

Ministry of Home Affairs

Ministry of Finance

JS (UTs)

Joint Secretary (PF-I)
Deptt. of Expenditure
North Block, New Delhi

Coordinating Officers of all Central Ministries

(Except Ministry of Defence)

Copy to Private Secretary to:

Deputy Chairman/Minister of State/Members / Secretary

Copy also to:

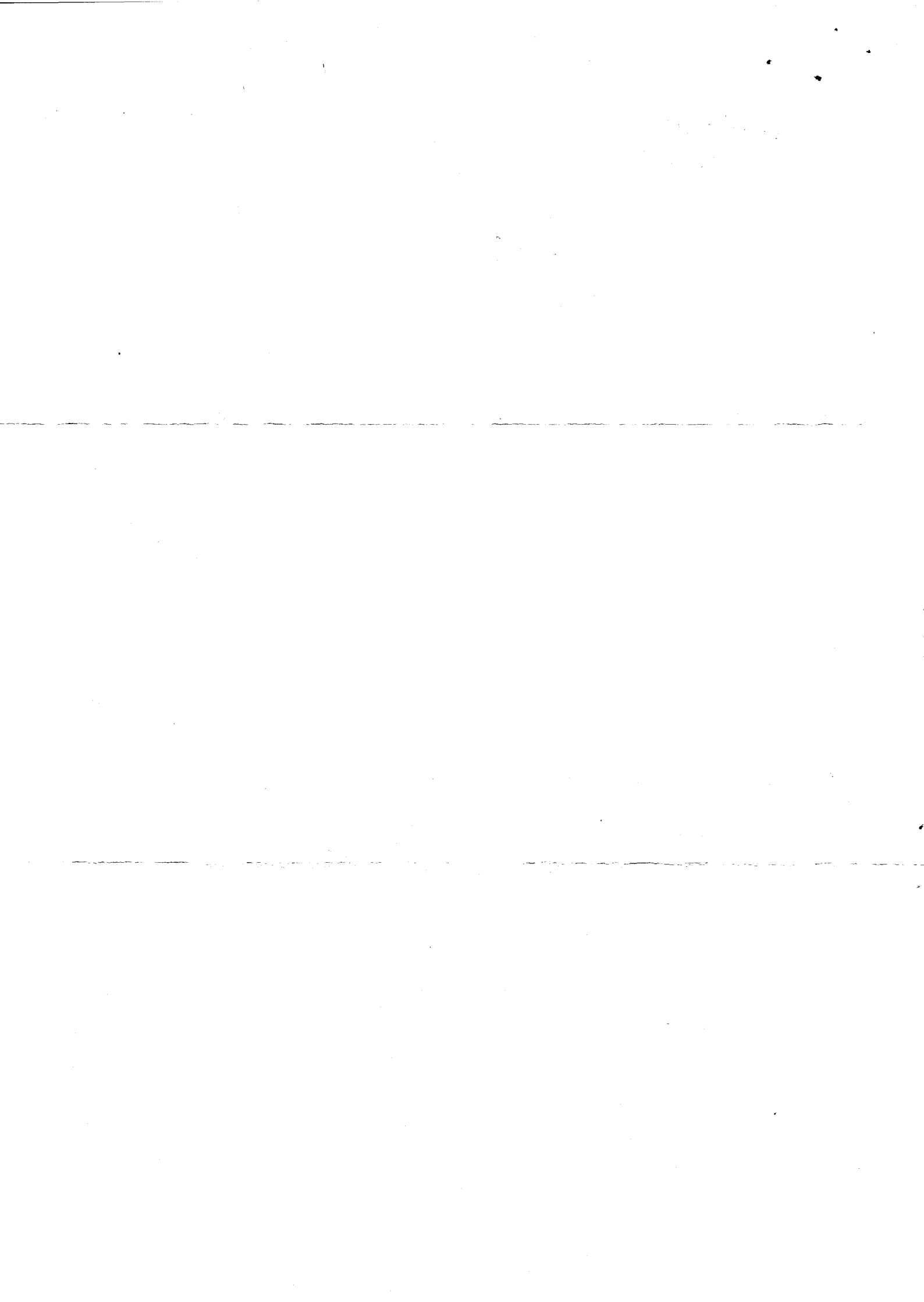
SP-Coordination/ (PC Division)/DA (MLP & Hill Areas)/Information Officer

Copy also to:

- (i) Chief Secretary, Government of Puducherry.
- (ii) Pr. Secretary Finance, Government of Puducherry.
- (iii) Planning Secretary, Government of Puducherry.
- (iv) Resident Commissioner, Government of Puducherry, Puducherry House, New Delhi

8/8
12/8
9/3

15/8



Summary record of the Meeting between Deputy Chairman, Planning Commission and Chief Minister of Puducherry on 22.07.2009 for Annual Plan 2009-10.

- 1) A meeting between the Deputy Chairman, Planning Commission, and Chief Minister of Puducherry for finalization of the Annual Plan (2009-10) was held on 22.7.2009 at Yojana Bhawan, New Delhi. A list of participants is enclosed at Annexure I.
- 2) Welcoming the delegation from Puducherry, the Deputy Chairman Planning Commission desired to discuss the major issues being faced by the UT and requested the Chief Minister of Puducherry to initiate the discussions.
- 3) The Chief Minister of Puducherry informed that Puducherry was facing resource constraints and was already over stressing its tax Department. Inflation during the last two-three years has put immense pressure on the Plan side. Due to limited resources Puducherry was finding it difficult to touch the real problem of development. He stated that some important projects relating to infrastructure development were pending implementation. He pointed out that the work on Puducherry airport's runway was almost complete but some land had to be acquired through the Government of Tamil Nadu for which compensation to the farmers was being demanded at the higher rates prevalent in Puducherry. Therefore, huge funds for investment towards this were required. He also mentioned that the Airports Authority of India was not displaying enough interest in expediting the work.
- 4) From Puducherry side it was stated that a port has come up in Karaikal and two berths were functional. Ex-post facto approval from MHA for transfer of Government land was pending. The same kind of issue was also holding up progress on the Puducherry SEZ, though the Supreme Court had given a favourable ruling on the same issue as far as the Puducherry port is concerned. The Chief Secretary, Puducherry was of the view that the powers of the Lieutenant Governor of the UT needed to be enhanced in such cases.
- 5) Secretary, Planning Commission agreed that there should be a higher delegation of power to the Chief Secretaries and the Lt. Governors of the UTs to prevent procedural delays. He also stated that a formal proposal should be sent to the MHA to increase the delegation of powers.

6) Chief Minister further stated that Puducherry has to arrange market borrowings and loans to support its social sector expenditure on education, drinking water, and for building up its rural infrastructure. For this they have taken loan from NABARD and the UT desires to finish these projects within 2-3 years. He also said that Puducherry was purchasing power from outside at a very high rate of Rs.9 per unit. He stated that the Joint ERC had been approached in April, 2009 for revision of the electricity tariff; however the ERC had declined to allow an interim increase pending the final orders. He added that about 9,000 plan posts created during the earlier Five Year Plans have not been transferred to Non-plan and the salary towards these posts resulted in draining of plan resources.

7) **MOS (P&PA and Culture)** also intervened to say that Puducherry has to concentrate on three areas.

- Tourism
- IT
- Port Development in Karaikal and Puducherry

In the above sectors infrastructure was required to be set up. He also stated that Mid-day meal scheme was one of the best in the country and Puducherry was also leading in implementation of various social welfare schemes. For these schemes the UT would require funds and therefore the Central Assistance should increase. Non-Plan revenue gap grant was almost static and Puducherry was also not getting any assistance under the CRF.

8) **Member (BKC)** pointed out that MHA has put a ceiling of 20% of GSDP for total Debt liability and therefore Puducherry could not avail of HUDCO loan earlier. This ceiling was 28% for the states and this discrimination among the states and the UTs should be removed.

9) **Deputy Chairman** also agreed that this limit should be uniform for all the States and UTs. He was of the opinion that for land acquisition, for the development of Ports and SEZs, PPP mode of funding should be adopted. He stated that the Puducherry Port should be pursued expeditiously since it is stated that this would reduce the distance from Singapore to India.

10) **Secretary, Planning Commission** was of the view that a few items of expenditure of the UT can be shifted to Central side. These were:

- Construction of Medical College.
- Airport-Airport Authority of India should be given the entire ownership of the Puducherry Airport, since the UT would not have the necessary expertise or funds to manage and support it. A strong case

should be made and AAI should be persuaded to take over the Airport.

- Port connectivity - Ministry of Surface Transport should be persuaded to fund the construction of the road to connect the Port to the SEZ.
- Ministry of Education should support the Engineering College.
- For the sick textile mills of Puducherry, Secretary was of the opinion that one time grant should be provided by the MHA for implementing a good scheme of VRS and then the premises of the textile mills should be utilized for development of IT and Tourism related activities.
- A power plant based on imported coal could be thought of for Karaikal; this would also increase the traffic through the port.
- An integrated Tourism plan for Tamil Nadu and Puducherry needs to be drawn up. For this the Ministry of Tourism should be approached.

- 11) Deputy Chairman was of the view that the Puducherry Museum needed to be developed and preserved after getting advice from the experts in this field.
- 12) Member (Dr. K. Kasturirangan) was of the view that Puducherry has acquired the land for building a Planetarium, it should be expeditiously constructed.
- 13) Member (BKC) was of the view that the actual expenditure of Puducherry was around Rs.1000 crore during the last 2 years as against the Approved Outlays of Rs.1455 crore and Rs.1750 crore. Therefore, caution needs to be taken to fix a Plan size at a realistic level. However, anticipating a higher ARM for Puducherry a Plan size of Rs.2250 crore can be fixed for the year 2009-10.
- 14) A copy of the Approved Scheme of Financing for 2009-10 for Puducherry is enclosed at Annexure II and III.
- 15) The meeting ended with the vote of thanks to the Chair.

Annexure - I

Meeting between Deputy Chairman, Planning Commission and Chief Minister of Puducherry for Annual Plan 2009-10 on 22.07.2009 held at 2.30 PM at Yojana Bhawan, New Delhi.

List of Participants

Planning Commission

<u>S. No.</u>	<u>Name</u>	<u>Designation</u>
1.	Shri Montek Singh Ahluwalia	Deputy Chairman
2.	Dr. K. Kasturirangan	Member
3.	Sh. B.K. Chaturvedi	Member
4.	Dr. Subas Pani	Secretary
5.	Sh. R. Sridharan	Jt. Secretary (State Plans)
6.	Shri S. Lakshmanan	Director (FR)
7.	Smt. Sujata Sharma	Director (State Plans-S)

State Government

<u>S. No.</u>	<u>Name</u>	<u>Designation</u>
1.	Shri V. Vaithilingam	Chief Minister
2.	Shri E. Valsaraj	Home Minister
3.	Shri M.O.H.F. Shajahan	Minister for Public Works
4.	Shri Malladi Krishna Rao	Minister for Revenue
5.	Shri M. Kandasamy	Minister for Welfare & Coopn.
6.	Shri A. Namassivayam	Minister for Public Health
7.	Shri R. Chandramohan	Chief Secretary
8.	Smt. Nutan Guha Biswas	Dev. Commissioner/Secretary, Planning
9.	Shri T. M. Balakrishnan	Secretary (Welfare/Health)
10.	Shri Cholleti Prabhakar	Secretary (Revenue/Fisheries)
11.	Shri P. Mathew Sameul	Spl. Secretary (Ind. & Com.)
12.	Shri G. Ragesh Chandra	Collector (Addl. Secretary R&R)
13.	Shri S. Sundaravadivelu	Director (School Edn.)
14.	Dr. Dilip Kr. Baliga	Director (Health)
15.	Shri Chandrapal Singh	Chief Engineer (PWD)
16.	Shri T. Anandhakrishnan	Superintending Engineer (Electricity)
17.	Dr. S. Kangasabai	Director (Planning)
18.	Shri A. S. Vijayalakshmi	Jt. Director (Planning)
19.	Shri K. Satyanarayana	Budget Officer
20.	Shri K. K. Singh	Jt. Resident Commissioner
21.	Shri P. Krishnachandran	Sr. Liaison Officer

ANNEX - II

APPROVED SCHEME OF FINANCING - PUDUCHERRY

Sl. No.	Item	Rs. crore 2009-10 AP
A.	State Government	
1.	State's Own Resources	1016.15
a.	BCR	568.24
b.	MCR (excluding deductions for repayment of loans)	3.00
c.	Plan Grants from GoI (TFC)	---
d.	ARM	444.91
2.	State's Borrowings (I-II)	960.26
(I)	Gross Borrowings (a to h)	1103.50
a.	State Provident Fund (Net)	-
b.	Small Savings	-
c.	Gross Market Borrowings	650.00
d.	Negotiated Loans	321.50
e.	Bonds/Debentures	
f.	Loans portion of ACA for EAPs	-
g.	Loans for EAPs (Tsunami)	60.00
h.	Non Plan loan from GOI	72.00
(II)	Repayments	143.24
3.	CENTRAL ASSISTANCE (grants)	273.59
a.	Normal Central Assistance	96.08
b.	ACA for EAP	0.00
c.	Others	177.51
Total A: AGGREGATE PLAN RESOURCES (1+2+3)		2250.00

DC

Puducherry

ANNEX-II

COMPONENTS OF ADDITIONAL CENTRAL ASSISTANCE (ACA) FOR SPECIAL AND OTHER PROGRAMMES 2009-10 AP

Rs. Crore

Sl. No.	Schemes/Programmes	2009-10 AP (Grants)
1	Roads and Bridges	9.40
2	NSAP	2.64
3	NPAG	0.26
4	JNNURM	52.02
5	NEGAP	4.43
6	RKVY	0.76
7	Tsunami Rehabilitation Programme (TRP)	108.00
	Total	177.51