

OFFICE OF THE SECRETARY  
 No. 1314 | Secy | Fin | P/13  
 Received on: 10  
 16 JUL 2013  
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Most Immediate

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No. M-13048/35(PY)2012-SP-S

Government of India  
 Planning Commission  
 (State Plans Division)

Yojana Bhavan,  
 Sansad Marg,  
 New Delhi-110001.  
 Dated: 10<sup>th</sup> July, 2013

OFFICE OF THE CHIEF SECRETARY  
 PUDUCHERRY  
 No. 4803/1/1/13  
 15/7/13  
 Despatched on: \_\_\_\_\_

16 JUL 2013

**Subject: Minutes of meeting between Deputy Chairman, Planning Commission and Chief Minister, Puducherry to finalize the Annual Plan 2013-14 of the State.**

A copy of the Summary Record of discussions of the meeting between the Dy. Chairman, Planning Commission and Chief Minister, Puducherry held on 27<sup>th</sup> June, 2013 in Planning Commission, New Delhi to finalize the Annual Plan 2013-14 of Puducherry is circulated herewith.

*Enclosures: As above*

*S.M. Meena*  
 10/7/13  
 (S.M. Meena)  
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Planning Commission

Principal Adviser  
 Sr. Advisers/ Sr. Consultant/  
 Advisers/ Consultants  
 JS (SP)  
 Heads of Divisions  
 Director (SP-Coordination)

Ministry of Home Affairs

Joint Secretary (UTs),  
 North Block, New Delhi

Copy to PPS/Private Secretary to:

Deputy Chairman/ Minister of State/ Members/ Secretary, Planning Commission

Government of Puducherry

1. Chief Secretary, Puducherry
2. Secretary (Finance & Planning), Puducherry
3. Resident Commissioner, Govt. of Puducherry, New Delhi

PMO

Director (Puducherry),  
 South Block, New Delhi.

Ministry of Finance

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

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**Planning Commission  
(State Plans Division)**

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**Subject: Minutes of meeting between Deputy Chairman, Planning Commission and Chief Minister, Puducherry to finalize the Annual Plan 2013-14 of the State.**

A meeting was held between the Deputy Chairman, Planning Commission and the Chief Minister, Puducherry in Yojana Bhawan, New Delhi on 27<sup>th</sup> June, 2013 for the finalization of Annual Plan 2013-14 of Puducherry. The list of participants is at **Annexure-II**.

2. The Deputy Chairman, Planning Commission welcomed the Chief Minister and other delegates from the Government of Puducherry to the meeting. He said Planning Commission would help the State in PPP projects as much as possible. Then he requested the UT Government to initiate the discussion.

3. The Chief Secretary of Puducherry highlighted the following points relating to the State in a presentation:

3.1. The 11<sup>th</sup> FYP approved outlay for Puducherry was Rs. 10705.00crore, against which the actual expenditure was Rs. 6762.81crore i.e. 63% only. The achievements made by the State in the 11<sup>th</sup> Five Year Plan are development of rural infrastructure, Improving Quality of Life of women & weaker sections and the Human Development Index of Puducherry. The State has established State Water Resources Data Centre in order to get data related to surface water, ground water & water quality. Govt. Medical College in Pondicherry and Govt. Engineering College & NIT in Karaikal has been set up. Karaikal Port has been established through PPP. State Data Centre (SDC) has been commissioned in Puducherry. Other achievements include strengthening of power distribution & transmission network, digitization of Revenue Records, setting up of Law College, Leprosy Free State and greater emphasis on Tourism sector.

3.2 During 2012-13 the approved plan size of Puducherry was Rs. 3000 crore but the actual expenditure has been only Rs. 1392 crore fallen short of Rs. 1608 crore. The main reason is resources could not materialized as visualized i.e. Additional Resource Mobilization (ARM) did not happened, negotiated loans could not be tied up, ACA from the World Bank did not materialize and some of earlier payments like CST compensation by Government of India were not received. The State has initiated Corporate Social Responsibilities (CSR) Policy and it has been notified. Fishing harbor at Karaikal has been operationalized by the State. The airport at Puducherry is operationalized and air service has started. In order to further expand the airport more land is required which is physically available with Tamil Nadu. Therefore, the State seeks support from Planning Commission to pursue the matter either with the Airport Authority of

India (AAI) or Tamil Nadu Government. Coastal Police stations have been established in the State. The Riverside walkway work (Phase-I) in Mahe and Beach promenade at Pondicherry has been completed. Some of the e-initiatives of Puducherry include starting of State Services Delivery Gateway & State Portal (SSDG&SP) and operationalizing 28 e-forms from five departments. 56 Common Service Centre are in operation and e-stamping has been introduced in Sub-registrar offices. In order to bring efficiency and transparency, e-procurement system has been adopted for procurement goods, services.

3.3 The Tax revenue receipt is projected to have a YoY growth rate of 23.7% in 2013-14. The Non-Tax Revenue receipt is also expected to achieve a growth rate of 24.5% during 2013-14. He mentioned that the revenue received from the trading of electricity has been included in the Non-Tax Revenue receipt. He said that the Annual Plan 2013-14 proposal has been prepared on the basis of Central Assistance ceiling of Rs. 1185 crore to Puducherry for 2013-14 as communicated by the Ministry of Home Affairs. The proposed resources for 2013-14 is Rs. 2000 crore for Plan and Rs. 2535 crore for Non-Plan.

3.4 The New Industrial Policy 2013 has been approved by the State Cabinet recently. The State is giving emphasis to PPP projects and lot of ground work has been done in this respect. Around 20 Public Private Partnership (PPP) projects worth over Rs. 2000 crore is lined up in the State in sectors like Tourism, Health, and Renewable Energy etc. and it was requested for support from Planning Commission for PPP projects. Technical assistance was requested from Planning Commission for such projects. It is also planned to take up works under JNNURM & RKVY during 2013-14. The State is revamping the Power Generation Plant at Karaikal. In Renewable energy good projects are also being initiated which comprises co-generation and ethanol generation. During 2013-14 power distribution and transmission network will be strengthened and improved. It is proposed to connect Karaikal with National Grid, which is not connected at present. Other new initiatives to be taken up during 2013-14 are setting up of Industrial Estate at Pondicherry, revitalizing the Growth Centre at Karaikal, revitalizing groundwater supply by pond regeneration and redevelopment and giving big thrust to Tourism.

3.5 Puducherry is performing better than the Financial Roadmap lay out by Ministry of Finance in the year 2010 and this has been supported by an audit by Government of India. The performance of the State is better in terms of interest payment to revenue receipts, Tax to GSDP ratio and Fiscal Deficit. Despite this, Puducherry is not getting resources from the Government of India and not considered under devolution formula of the Central Finance Commission, which is causing severe financial strain. Further, Puducherry is not treated at par with the other Union Territory with Legislature i.e. Delhi in allocation of resources. The GoI audit supports the cause of Puducherry and has recommended for an Empowered Group which will take initiatives on the basis of the recommendations of the XIII Finance Commission for allocating resources to Puducherry till the amendment

of the constitution. The audit also suggested the GoI to decide early on consolidation of loans, resources of Panchayats and Municipalities and support to compensate outgo due to VI Central Pay Commission (CPC).

3.6 Secretary, Planning Commission said in order to ensure better implementation of PPP projects which are being taken up by the State, it is advised to create a PPP cell with in the State Government employing regular staff for capacity building for Public Private Partnerships. On the five year fiscal road map, she requested the State to submit a detailed note to Planning Commission to pursue the matter with MHA and MoF and to discuss the next 5 years fiscal road map for Puducherry. Chief Secretary also raised the Cauvery water issue and said that despite a good monsoon in the current year the State is not getting its share of water from Tamil Nadu.

4. Deputy Chairman asked about the progress made by the State in reviving the Swadeshi Cotton Mill and Anglo-French Mill (AFT) which were incurring continuous losses. Chief Secretary said that one part of the Swadeshi mill has all modern equipment but another portion of the Mill requires lot of intervention. There is proposal to reduce the work force by introducing VRS scheme and also selling the idle land available with the Mill. The State is not getting resources in CRF/NCCF assistance, VI CPC arrears and resources of municipalities and panchayats which are genuine cases. Chief Secretary mentioned that since the state is performing better than the financial roadmap laid out by GoI, financial support from the GoI is required. Member (SC) suggested the State to revive the loss making Textile mills on PPP mode. Chief Secretary said that there are proposals to revive these mills under PPP. It is planned to use the idle portion of the mill for other purposes such as generation of solar power, using for housing complexes etc. DCH appreciated the efforts made by the State in PPP project. He wanted to know the number of tourist arrived to Puducherry at present. It was informed that around 9.7 lakh domestic tourist and 55,000 foreign tourists arrived to the State last year. The Chief Secretary mentioned that the figure would be much higher if religious tourism is taken in to account. Around 3 lakh people visit to the Sani temple every week.

5. Member (AS) said there are lots of welfare schemes being run by the State and it is also increasing. He asked whether considerable parts of resources are funded from the revenue side or non-revenue side for these welfare schemes and how it affects the State budget and subsidy. Chief Secretary responded that the allocation for all the social sector schemes constitutes 47% of the plan size and some of the welfare schemes are funded under the non-plan side. The state is taking number of initiatives to ease the burden of subsidy.

6. Member (SC) said there is an old gas based power plant (PPCL) in Karaikal which produce 32 MW of power. It can produce 50 MW of power with the existing amount of gas received. There is a need to revamp the plant since it is running inefficiently. He advised the

state to take it up as a PPP project also. Ground water is over exploited in Puducherry. Being a coastal area, saline water drains into the water bodies. The State is distributing RO kits to houses but it is suggested to look into desalination plant as a potential for providing drinking water. Focus must be given on recharging of ground water. It is appreciated that the State has planned shift from Paddy to other crops using drip irrigation. It was advised to use SRI method as adopted by Tamil Nadu. He expressed concern over the resource projection by the State from power sales for 2013-14 by taking the existing tariffs and assuming cost will not escalate. The actual resources may come down in case tariffs are not revised but there is cost escalation. Chief Secretary responded that the State will look into the suggestions relating to setting up of desalination plant and initiative for ground water augmentation. He informed that the old gas plant PPCL in Karaikal will be taken up under PPP project and will be developed as a 300 MW power plant. The State is in talk with GAIL to get gas for 30 years for the mega plant. Member (SC) also inquired about the progress on LNG terminal in the State. Chief Secretary informed that the LNG terminal project is a private initiative and the State Government will be a passive investor by providing the land for this. The developer is in talk with some of the international suppliers for long term supply of gas.

7. Member (BKC) said that the domestic tariff is Rs. 1.14 per unit and consumption in this category is about 20% in Puducherry. He asked whether the State is looking in to revision of tariff. The losses in power utilities are increasing due to non-payment of dues by Government Departments. The T&D losses in Puducherry have reduced to 13.13% in 2012-13 which is commendable but it requires to be reduced further. There is a large revenue arrear pending of about Rs. 190 crore from the Government department and from large industries. The State Government should take measures to recover the arrear. On the Old gas power plant in Kariakal, he suggested the State to take up that in PPP mode and run more efficiently. At present share of central sector projects for Puducherry is 249.37 MW and during 12<sup>th</sup> Plan more central power projects will come up in the State. The Chief Secretary highlighted the issue concerned to private Greenfield airport at Karaikal and requested for help of Planning Commission. He mentioned that it is the first fully private Greenfield airport being developed by Super Airport Infrastructure India Ltd. It got the license on the subject to conditions of minimum length of run way for operation and starting time. But at present the developer has acquired lesser amount of land where it can operate smaller ATR flight. Chief Secretary said that the private operator is requesting to allow operation of smaller ATR in the acquired land. Member (BKC) asked the State to send details on this issue.

8. DCH asked about the heritage buildings occupied by Government offices and old museums in the State and suggested to upgrade into a tourist complex or resort. Chef Secretary said that PPP initiatives are being taken here. So as to be informed of the current status of Child Malnutrition in the State, DCH suggested that an Independent survey on this be done as being

done by some other States. Member (AS) advised the State to use the technology developed by IIT Chennai in the field of power and water sector which is being piloted by Tamil Nadu.

9. Secretary, Planning Commission announced that the aggregate plan size of Puducherry for the Annual Plan 2013-14 has been agreed at Rs. 2000 crore which includes Central Assistance of Rs. 783 crore. In addition, Rs. 100 crore is likely to be provided under the Centrally Sponsored Schemes to Puducherry during 2013-14. The detailed Scheme of Financing (SoF) for the Annual Plan 2013-14 of the State is enclosed at **Annexure-I**.

The meeting ended with a vote of thanks to the Chair.

Annexure-I

**Scheme of Financing (SoF) the Annual Plan 2013 - 14 of Puducherry**

(Rs. in Crore)

S. No.	Item	Annual Plan 2013-14 Approved
1	2	3
<b>A.</b>	<b>UT Government</b>	
<b>1.</b>	<b>UT's Own Resources (a to g)</b>	<b>605.32</b>
	a. Balance from Current Revenues	599.90
	b. MCR (excluding deductions for repayment of loans)	5.42
	c. Plan Grants from GoI (12th/13th FC)	-
	d. ARM	-
	e. Reimbursement of CST Collection	-
	f. Adjustment of Opening Balance	-
	g. Recoveries	-
<b>2.</b>	<b>UT's Net Borrowings (i-ii)</b>	<b>611.48</b>
	<b>(i) Gross Borrowings (a to g)</b>	<b>741.80</b>
	a. State Provident Fund (Net)	-
	b. Small Savings	26.80
	c. Gross Market Borrowings	535.00
	d. Negotiated Loans (HUDCO) / NABARD	180.00
	e. Bonds/Debentures	-
	f. Loans portion of NCA	-
	g. Non-Plan Loan	-
	<b>(ii) Repayments (a to e)</b>	<b>130.32</b>
	a. Small Savings	59.23
	b. Plan Loan	42.72
	c. NABARD	16.56
	d. HUDCO	11.72
	e. C.S.S. Loan	0.09
<b>3.</b>	<b>CENTRAL ASSISTANCE</b>	<b>783.20</b>
	<b>Total A: UT Govt's Budgetary Resources (1+2+3)</b>	<b>2000.00</b>
<b>B.</b>	<b>Resources of Public Sector Enterprises</b>	-
<b>C.</b>	<b>Resources of Local Bodies</b>	-
<b>D.</b>	<b>AGGREGATE PLAN RESOURCES (A+B+C)</b>	<b>2000.00</b>

#details in Appendix to Annexure-I

**Appendix to Annexure-I**

**Components of Central Assistance to State Plan for 2013-14  
(Consolidated Fund Route)**

(Rs. in Crore)		
Sl. No.	Items	Annual Plan 2013-14 Approved
1	2	3
<b>(a) Normal Central Assistance (NCA)</b>		
1	Normal Central Assistance	587.49
	<b>Sub-total of (a)</b>	<b>587.49</b>
<b>(b) Flagship ACA Schemes</b>		
2	National Social Assistance Programme (NSAP)	9.99
3	Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	60.00
4	Rashtriya Krishi Vikas Yojana (RKVY)	15.00
	<b>Sub-total of (b)</b>	<b>84.99</b>
<b>(c) Other ACA Schemes</b>		
5	Roads and Bridges	10.72
6	National E-Governance Action Plan (NEGAP)	-
7	ACA for EAPs	100.00
	<b>Sub-total of (c)</b>	<b>110.72</b>
	<b>Total: (a+b+c)</b>	<b>783.20</b>



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Annexure-II

LIST OF PARTICIPANTS IN THE MEETING OF ANNUAL PLAN 2013-14 BETWEEN DEPUTY CHAIRMAN, PLANNING COMMISSION AND CHIEF MINISTER OF PUDUCHERRY ON 27.06.2013 AT 3.00 A.M. IN ROOM NO. 122, YOJANABHAVAN, NEW DELHI

PLANNING COMMISSION		
S. No.	Name	Designation
1	<b>Sh. Montek Singh Ahluwalia</b>	<b>Dy. Chairman</b>
2	Dr. Saumitra Chaudhary	Member
3	Sh. B.K. Chaturvedi	Member
4	Prof. Abhijit Sen	Member
5	Ms. Sindhushree Khullar	Secretary
6	Sh. T.K. Pandey	Adviser (FR) & JS (SP)
7	Smt. Renu S. Parmar	Adviser (Industry & SP)
8	Sh. Ashok Kumar Jain	Adviser (RD & WR)
9	Sh. P.R. Meena	Director (HRD)
10	Sh. S. Lakshmanan	Consultant (FR)
11	Dr. Sharad Pant	Director (SP-Co-ordination)
12	Sh. S.M. Meena	Director (SP-W)
13	Ms. Kusum Mishra	Director (FR)
14	Sh. S. Talukdar	Statistical Officer (SP)
15	Sh. R.R. Behera	YP (SP-W)
16	Ms. Julie Singh	YP (FR)
17	Sh. D. Meher	YP (WCD)
18	Ms. Tanya Kapoor	Intern
19	Ms. Shruti Gopinath	Intern
20	Sh. Nikhil Goyal	Intern
21	Sh. Monil Singhal	Intern
GOVERNMENT OF PUDUCHERRY		
22	<b>N. Rangaswamy</b>	<b>Hon'ble Chief Minister, Puducherry</b>
23	Sh. Chetan B. Sanghi	Chief Secretary
24	Sh. T. Sreekanth	Secretary (Local Administration)
25	Sh. P.R. Meena	Secretary (Power/ PWD)
26	Sh. M. Sekar	PS to CM
27	Sh. W.V.R Murthy	Secretary (Finance & Planning)
28	Sh. D. K. Mishra	Secretary (Revenue)
29	Sh. S. Sundaravadivelu	Special Secretary (Town Planning)
30	Sh. E. Vallavan	Director (School Education)
31	Dr. K.V. Raman	Director (Health & FW)
32	Sh. S.K. Panneerselvan	Director (SC Welfare Deptt.)
33	Smt. A.S. Vijayalakshmi	Director (Planning)
34	Sh. V. Ponnusamy	Budget officer
35	Sh. P. Kandasamy	Dy. Director (Ways & Means-Finance)
36	Sh. S. Manohar	Chief Engineer (PWD)
Others		
37	K.B. Thampi	Technical Expert (NRAA)

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