

GOVERNMENT OF PUDUCHERRY  
PLANNING AND RESEARCH DEPARTMENT

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CIRCULAR

Sub: PRD – Budget Estimate 2018-19 - Review on progress of expenditure upto November 2018 - Minutes of the meeting held on 03.12.2018 – Communication of - Reg.

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Minutes of the meeting held on 03.12.2018 under the Chairmanship of Hon'ble Chief Minister along with all Hon'ble Ministers in the Conference Hall of Chief Secretariat in connection with the review on progress of expenditure upto November 2018 in the Budget Estimate 2018-19 is sent herewith for necessary action.

  
(G. Santhamurthy)  
Director(Plg.)

Encl: As stated.

To

1. Commissioner/All Secretaries/Special Secretary to Govt.
2. All Heads of Departments
3. Director of Accounts & Treasuries
4. Under Secretary(I & II), Finance Department
5. Budget Officer, Finance Department
6. Deputy Director, Ways & Means, Finance Department

Copy to:

1. Secretary to Hon'ble Chief Minister
2. OSD to Hon'ble Chief Minister
3. P.S. to Chief Secretary
4. P.S. to Development Commissioner
5. P.S. to Commissioner-cum-Secretary(Plg.)
6. P.S. to Director(Plg.)

PROCEEDINGS OF THE MEETING HELD ON 03.12.2018 IN THE CONFERENCE HALL OF CHIEF SECRETARIAT UNDER THE CHAIRMANSHIP OF HON'BLE CHIEF MINISTER TO REVIEW THE PROGRESS OF EXPENDITURE UPTO NOVEMBER 2018 IN THE BUDGET ESTIMATE 2018-19.

A meeting to review the progress of budget expenditure including CSS and Negotiated Loan for the period ending November 2018 in the B.E.2018-19 was held on 03.12.2018 under the Chairmanship of Hon'ble Chief Minister in the Conference Hall of the Chief Secretariat. Hon'ble Ministers, Chief Secretary, Commissioner-cum-Secretary(Finance), Secretary(Co-operation), Secretary(IT), Secretary(Welfare), Secretary(LAD), Secretary(Fisheries), Collector(Puducherry), Special Secretary(PIA), Secretary(Law) and Heads of Department concerned attended the meeting. A list of Heads of departments who attended the meeting is annexed.

2. At the outset, Commissioner-cum-Secretary(Plg.) welcomed all the participants and explained the Pattern of funding for the current financial year and Revenue Receipts (both Tax and Non-Tax). Secretary(Plg.) briefed that out of the B.E. of Rs.7530.00 crore, Rs.4446.25 crore of expenditure has been incurred as on November 2018 which works out to around 60%. Though the percentage of expenditure satisfies the prescribed norms of expenditure booking, certain departments need to pace up the expenditure booking to catch up with the lag.

3. Secretary (Plg.) informed that in the recent Budget Review meeting held in Ministry of Finance, it has been indicated that there is no change in the quantum of central assistance i.e. the B.E.2018-19 has been fixed as Revised Estimate (R.E) 2018-19. The declining trends in Revenue collection and heavy committed expenditure required to be incurred in the coming months will cause heavy financial stress on the Government, which could only be overcome either by increasing the internal revenue mobilization (which is remote as per the recent trends of revenue collection) or by curtailing the expenditure in non-priority areas., Another major financial concern, is the debt obligation which needs to be fulfilled on 18<sup>th</sup> March 2019 by repayment of Open Market Borrowing (OMB) to the tune of Rs.250.43 crore. Similar repayment of OMB of Rs.500.00 crore is to be settled as single payment, which is due on 09.12.2019 i.e. in the end of 3<sup>rd</sup> quarter of the next financial year.

4. Secretary (Plg.) also informed that in these given circumstances, it would not be possible to provide additional fund at the R.E stage and the Departments

have to internally prioritize the expenditure and meet their requirement. Taking these important factors into consideration, prudent financial planning and practice needs to be adopted by all the stakeholders and any misadventure at this crucial juncture may have serious and long-lasting implication on the day-to-day financial administration of the Government.

5. Thereafter, the department-wise detailed review was taken up through the Power Point Presentation and the major points emerged during the course of review are as follows:-

#### **Adi-Draavidar Welfare**

- Director(AD Welfare) stated that 54% of expenditure has been incurred so far and proposals to the tune of Rs.53 crore is in hand which includes Rs.5.00 crore for salaries/wages, Rs.9.00 crore for scholarships, Rs.17.00 crore for block sanction to provide civic amenities, Rs.3.00 crore for compensation under PCR Act, Rs.3.00 crore for purchase of materials and Rs.16.00 crore proposals are at various stages which are in the form of GIA to PADCO for creation of civic amenities etc.
- An amount of Rs.10 crore is additionally required to implement various civic amenities programmes.
- Hon'ble Minister for Welfare opined that loan component shall be used to create assets like Construction of dwelling units, provision of 3 phase electricity connection, creation of civic amenities and renovation of community halls existing in SC habitants.

#### **Agriculture**

- As against the outlay of Rs.8879.34 lakhs, Rs.4999.00 lakhs has been booked as on date and the remaining outlay is mainly for Salaries, Subsidies, etc. which will be utilized in the phased manner.
- While clarifying the reason for low expenditure under CSS programme, Additional Director (Agri) stated that fund is yet to be received from GoI and Rs.5.55 crore is expected under NHM, RKVY and PMKVY programmes and the expenditure will be booked soon after the release.
- Rs.7.10 crore is additionally required for the programmes like free electricity, distribution of inputs and tools, etc.
- As of now, assistance for Manure and Urea are disbursed to the farmers through DBT mode and action has already been initiated to disburse pesticides assistance also.

- Hon'ble CM suggested that as the rate for procurement of paddy and sugarcane is adhered here based on the notification of GoI, necessary republication of the same is to be done particularly to this U.T. whenever notified by GoI.

### **Animal Husbandry**

- In order to augment the Milk production and to reduce the purchase of milk from adjacent States, Hon'ble CM underlined the importance of timely supply of adequate fodder to the farmers.
- As the fund earmarked towards the supply of fodder has already been exhausted, an additional of Rs.2.25 crore is required to meet the fodders expenditure.
- Rs.10.00 crore including the expenditure for supply of fodders is the overall additional requirement in Animal Husbandry for the current financial year.

### **Art & Culture**

- Proposal for the recruitment of Librarian towards the existing vacancy was sent to Secretariat and the posts will be filled shortly.

### **Civil Supplies**

- As against the outlay of Rs.150.13 crore allocated in the B.E. 2018-19, Rs.137.00 crore was earmarked for supply of free rice scheme. Rs.96.30 crore have already been utilized and out of the available balance of Rs.40.70 crore, bills on hand is to the tune of Rs.22.00 crore, will be booked in a week. Free distribution of groceries for Pongal festival (Rs.2.00 crore) and to meet the arbitration charges (Rs.8.00 crore) will be utilized.
- In order to effect distribution of free rice to the ensuing 4 months in the current financial year, Rs.56.00 crore is essentially required over and above the available fund of Rs.8.00 crore in the relevant head.

### **Commercial Taxes**

- The entire allocation in B.E. is mainly meant for Salary component and Rs.64.00 lakhs is the additional requirement and the entire allocation will be utilized in the phased manner.
- Hon'ble Welfare Minister suggested to fill-up the existing vacancies in the department and the requirement of staff after the introduction of GST

have to be examined and the recruitments need to be done so as to improve the effective functioning of the department.

- As a measure to collect the tax from defaulters, the "Samadhaan Scheme" as is implemented in Tamil Nadu may be examined and implemented suitably in this U.T.

### **Co-operation**

- Registrar of Cooperative Societies informed that farmers are demanding payment towards the supply of sugarcane.
- Hon'ble Welfare Minister pointed out that salary to the employees in PDS is not made for several months.
- A proposal to avail negotiated loan to a tune of Rs.5.00 crore has been moved already and the file is returned to the department for want of some clarifications. The file will be resubmitted immediately after attending the remarks.

### **DAT**

- All the releases made in the Headquarters will also be cleared in the outlying regions at the same time, provided the Regional Branches of the Departments submit the bills on-time

### **School Education**

- Deputy Director(Admin), Dte. of School Education requested for additional amount of Rs.42.57 crore towards under the salary head which includes 300 new teachers who will be appointed and posted for schools from January 2019.
- Rs.20.00 crore for Grant of GIA to Govt. aided Private Schools, Rs.9.70 crore for Court compensation settlement (5 cases) and Rs.5.30 crore to meet the enhanced salary expenditure of Milk Boilers are required additionally beyond the B.E.
- Hon'ble Welfare Minister suggested that the Higher Secondary School run by Co-operative Sugar Mills shall be taken over by the Government by considering the welfare of students.

### **Electricity**

- SE-I stated that 80% of outlay will be utilized under Capital Head within December 2018.

- Rs.10.00 crore under negotiated loan component will be booked shortly and Rs.5.00 crore is additionally required in R.E. and the entire fund including the available balance of Rs.15.00 crore will be utilized.
- To meet the revised rate prescribed by CERC, Rs.190.00 crore is needed for payment to NLC (Rs.80.00 crore), Tamilnadu (Rs.40.00 crore) and PPCL (Rs.60 crore).
- Eventhough separate Head of Account is created in every Govt. departments to earmark fund for payment of power consumption charges, most of the departments have not given importance for payment of electricity charges. Out of the total arrear charges of Rs.300.00 crore to be received from Govt. and Govt. aided Institutions, Rs.120.00 crore is pending with PWD.
- As per the existing rules, Electricity department is vested with powers to disconnect the power supply to the defaulters and strict enforcement must be done against the defaulters.

#### **Fire Services**

- The department indicated the need of additional fund of Rs.4.20 crore to carry out machinery repair works and to meet the salary for the newly recruited staff.

#### **Fisheries**

- Director(Fisheries) informed that as on date expenditure to a tune of Rs.30.00 crore has been incurred as against the B.E. of Rs.51.35 crore.
- Available balance of Rs.19.00 crore is utilized for committed expenditure like OAP, boat subsidy, GIA to FFDA/Fishing Harbour.
- To disburse OAP to 1254 new applicants, Rs.98.00 lakhs is additionally required during the current financial year.
- Secretary(Plg.) advised to remit the remaining fund of Rs.2.00 crore of Ban Relief Assistance retained with the Distress Relief Society in the Government Treasury.

#### **Health**

- Hon'ble CM stated that as one third of the population in the U.T. of Puducherry is suffering from diabetics, required insulin medicines needs to be stock adequately and life savings medicines like snake bite anti-venom, etc., are also indispensable.
- Director(Health) requested additional funds for Salaries (Rs.30.00 crore), GIA to NRHM & 3 Medical Educational Institutions (Rs.33.00 crore) and Purchase of Medicines & essential lab items (Rs.13.00 crore).

## **Hindu Religious Institutions**

- Commissioner(HRI) informed that out of Rs.2.71 crore earmarked in B.E. 2018-19 towards the GIA to Wakf Board, Oru Kaala Pooja and for temple renovation programmes, so far Rs.1.26 crore was utilized. Sanctions sent to Government to the tune of Rs.75.00 lakhs for release of GIA. The remaining Rs.60.00 lakhs assigned for temple renovation is inadequate and Hon'ble Public Works Minister requested for allocation of adequate fund for the programme.

## **Industries**

- The major allocation of fund is meant for salary/GIA/subsidy and the expenditure will be booked in the phased manner.
- For the past 4 years, no subsidy was released to industries and applications for subsidy received from various industries amounting Rs.10.00 crore is pending release; whereas Rs.1.30 crore is only available the relevant Head of Account. Hon'ble Industries Minister suggested that based on the availability of fund, the subsidy may be released on chronological basis.

## **Information & Publicity**

- As the fund is allocated for Salaries and Advertisement expenditure, the fund will be utilized in the phased manner.
- Hon'ble CM advised that all the Government functions/events attended by the Hon'ble Ministers should be coordinated with suitable officials of Information and Publicity department.
- Hon'ble Welfare Minister insisted to propagate the initiatives and achievements on public welfare measures done by the Government in the Mass Media extensively.
- Newspaper clippings depicting the important news/messages published in various dailies have to be forwarded to the Hon'ble CM and all Hon'ble Ministers on daily basis in the forenoon of the day concerned as was done in the past.

## **Information Technology**

- Hon'ble IT Minister stated that the specific allocation of 3% of outlay towards the e-governance activities have to be made by every departments; whereas no such fund is earmarked in departments which

should be Mandatory so as to strengthen the e-governance initiatives in all Government departments.

### **Jail**

- Hon'ble CM advised that the inmates of the jail should be engaged in constructive events. They have to inculcate to acquaint various Skill Development Programmes so as to equip themselves to live self sufficiently after their release.
- Chief Superintendent of Jails stated that Skill Development Programmes are being conducted in Jails; However, other constructive events to improve the working behavior of inmates shall be examined and will be implemented in near future.

### **Judiciary**

- Secretary (Law) informed that Rs.2.50 crore is additionally required for salary component.

### **Labour**

- Upto November 2018, 70.1% of expenditure was booked under Revenue Head and the remaining amount will be utilized in the phased manner.
- Under CSS programmes, the available balance amount of Rs.2.55 crore will be booked soon, for which the proposals are in various stages.

### **Local Administration**

- The sanction to utilize the Tied/Un-Tied fund has been sent to Government and after getting the approval, it will be booked.
- Sanctions are in progress for release of fund to Smart City and MLA-LAD programmes. The query raised by Finance Department while processing the proposal of block sanction to the tune of Rs.35.00 crore towards the MLA-LAD release will be attended and re-submitted to Government soon.
- Hon'ble CM opined that as the proposals for MLA-LAD programmes from MLAs are likely to be received on various occasion, waiting for entire proposals from all MLAs may delay the timely execution of works. Therefore, block sanction is essential to obtain well in advance so as to avoid administrative delay in achieving the targets.
- Hon'ble Public Works Minister pointed out that though the declaration made earlier towards the enhancement of limit of MLA-LAD fund as Rs.2.00 crore for every MLA, approval of Competent Authority is yet to be obtained. Hon'ble CM urged the department to submit the file immediately to the Government.



## **Police**

- 74% of Expenditure booked under Revenue Head upto November 2018.
- Rs.13.00 crore is additionally required to meet out the Compensatory pay to the Police personnel for this financial year. Furthermore, fund of Rs.13.00 crore is needed for construction 4 Nos. of Police Stations at Lawspet, Reddiarpalayam, Karikalampakkam, Dariyaldippa of Yanam and to provide uniform allowance.

## **Port**

- Rs.2.00 crore is additionally required for payment to M/s. Marg, Karaikal for the completed dredging work.
- Regarding Sagarmala, IIT, Chennai is conducting Environmental Impact Assessment and after obtaining environmental clearance, tender will be floated. The project will be taken up in the next financial year.
- Bills submitted to utilize the fund under loan component which was revised as Rs.4.56 crore.

## **Public Works**

- Superintending Engineer (PWD) requested for additional amount of Rs.10.00 crore towards salary head and Rs.4.00 crore to provide compensation for acquisition of land for Arumparthapuram bridge.
- Preparation of DPR for various new projects is under progress.
- Most of the main roads as well as internal roads are in damaged condition which requires immediate attention to set-right.
- Hon'ble Public Works Minister informed that pending bills around Rs.120.00 crore are yet to be cleared for the completed works. Hon'ble Minister informed that a Committee would be constituted to identify the works which have been done after compliance of codal formalities as per GFR and with due approval of competent authority, for settling the payment.
- Hon'ble Minister pointed out that most of the bills could not be cleared due to the absence of approval from the Competent Authority and some of the works were executed by oral order. Therefore, henceforth all the works should be taken up only after getting the approval in accordance with the Standard Operating Procedure.
- Hon'ble Welfare Minister told that most of the OHT controlled by LAD are not functioning properly due to various reasons and all of them should be brought under the control of PWD to ensure smooth functioning for which a suitable policy decision has to be taken in Cabinet meeting.

## **Rural Development**

- MGNREGA, SBM(G) and NRLM are the major CSS programmes implemented by Rural Development. The budgeted amount under SBM(G) towards ODF has been exhausted fully.
- Under MGNREGA, so far around 7.00 lakhs mandays were created and due to technical issues involved in accessing the beneficiaries Biometric data, the payment could not be effected and thus it retards the expenditure booking.
- Though the National Average under MGNREGA programme is 40 days, below 30 days are enumerated in so far as the U.T. of Puducherry is concerned.
- Since the inception of MGNREGA, only desilting works are being undertaken; whereas it is found that some of the States have focused on asset creation works like laying of roads, tree plantation, agri related works, etc. Like adjacent States, the department is examining to include some of such works under MGNREGA which will help to increase number of mandays.

## **Social Welfare**

- The representative of SW Dept. requested additional allocation of Rs.2.00 crore for distribution of free rice to the Physically Handicapped and Disabled persons for the last one month i.e., February 2019.

## **Survey & Land Records**

- Hon'ble Public Works Minister informed that due to non-distribution of free house site patta, housing assistance could not be availed under PMAY scheme.
- Director(Survey) stated that the free distribution of house site is being done gradually and sluggishness in the distribution is due to insufficient survey staff.
- Hon'ble Agriculture Minister pointed out that more than 60% of staff strength is vacant in Karaikal branch office.
- Hon'ble CM advised to identify suitable Government land for distribution of free house site and move the relevant file to fill-up the existing vacancy so as to speed up the patta distribution.
- As a stopgap arrangement, retired survey staff may be outsourced to fasten the work.

## **Tourism**

- Director(Tourism) informed that 25 works are in progress under CSS programme.
- As on date, 64% of expenditure was booked and bill on hand to a tune of Rs.5.00 crore will be settled.
- File is in progress to disburse GIA and will be released soon.
- In order to provide Fire Personnel facility to Puducherry Airport, an additional fund of Rs.1.50 crore is required in R.E. 2018-19.

## **Town & Country Planning**

- The unspent fund of Rs.10.00 crore under loan component will be utilized soon.
- Major portion of the outlay under Housing sector will be exhausted within December 2018 and the fund earmarked under Urban Development sector is mainly meant for salaries and will be booked in the phased manner.

## **Transport**

- Transport Commissioner stated that the outlay during the current financial year pertains to Salary component and GIA to PRTC and the same will be booked.
- As against the target of Rs.115.00 crore under Tax Revenue, so far Rs.69.00 crore was collected and the entire target will be achieved including the proposed tax of Rs.12.00 crore for the current quarter.

## **Welfare of Backward Classes & Minorities**

- The outstanding loan amount as on date is Rs.5.00 crore and no repayment is received from the beneficiaries who have already availed loans which retards the getting of further loan/ fund from National Corporation.

## **Women & Child Development**

- Out of 23,000 OAP applications received from the aspirants, 9,000 applications were shortlisted at the first instance for grant of OAP for which Rs.4.95 crore is additionally required so as to disburse the same for the remaining 3 months period in the current financial year. Secretary (Plg.) informed that without additional resource mobilization, it would not

be possible to consider the proposed 9000 additional beneficiaries, as it may lead to shortage of funds in the final months of the financial year for the existing beneficiaries.

- Another Rs.17.71 crore is essentially required for the matching grant to nutrition programme(Rs.3.21 crore) and salaries to Anganwadi Staff(Rs.14.50 crore)

4. While concluding, Hon'ble CM stated that the additional requirements projected by various departments have been taken note of. As the wants are more and the means are scarce, the demands of the departments will be examined with reference to the available existing resources. Though the norms of 60% expenditure upto 3<sup>rd</sup> Quarter has been achieved, the time period available to complete the remaining 40% in the last quarter is hardly 3 months since, it is expected that the Model Code of Conduct will be imposed for the ensuing Parliament General Election in mid of the final quarter. Therefore, all the HoDs have to pay special attention to utilize the entire allocation well-on time . Hon'ble CM reiterated that HoDs have to ensure the work discipline of their sub-ordinates and punctuality in attendance should be strictly ensured.

5. With these, the meeting came to an end with Vote of Thanks to the Chair.

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Annexure

List of participants who attended the expenditure review meeting held on 03.12.2018 in the Conference Hall, Chief Secretariat under the Chairmanship of Hon'ble Chief Minister

1. Director, Accounts & Treasuries
2. Director, Adi-Dravidar Welfare
3. Additional Director, Agriculture
4. Director, Animal Husbandry
5. Director, Art & Culture
6. Director, Civil Supplies
7. Deputy Commissioner, Commercial Taxes
8. Registrar, Co-operatives
9. Deputy Director (Admin), School Education
10. Director, Higher & Technical Education
11. Supdt. Engineer-I, Electricity
12. Divisional Fire Officer, Fire Services
13. Director, Fisheries
14. Conservator, Forestry
15. Director, Health & Family Welfare Services
16. Commissioner, HRI
17. Director, Industries
18. Director, Information & Publicity
19. Director, Information Technology
20. Inspector General of Prisons
21. Chief Superintendent of Jail
22. Commissioner, Labour
23. Secretary, Legislative Assembly
24. Director, Local Administration
25. Supdt. of Police (HQ)
26. Executive Engineer, Port
27. Superintending Engineer, Public Works Department
28. Project Director, Rural Development
29. Project Officer, Rural Development
30. Director, Science, Technology & Environment
31. JAO, Social Welfare
32. Director, Statistics
33. Director, Stationery & Printing
34. Director, Survey & Land Records
35. Director, Tourism
36. Chief Town Planner, Town & Country Planning
37. Commissioner, Transport
38. Deputy Director, Welfare of Backward Classes & Minorities
39. Director, Women & Child Development
40. Under Secretary (Finance - I & II)
41. Budget Officer/Dy. Director(Ways & Means)

