

MINUTES OF THE STATE PLANNING BOARD MEETING

HELD ON 07.12.2005

The meeting of the State Planning Board was held on 07.12.2005 under the Chairmanship of His excellency the Lieut. Governor, Lieut. General (Retd.) M.M. Lakhera, in the Conference Hall of the Chief Secretariat to discuss and approve the Draft Annual Plan 2006-07 proposals. Thiru N. Rangasamy, Hon'ble Chief Minister, Thiru E. Valsaraj, Minister (Health), Thiru A. Namassivayam, Minister (Agriculture), attended the meeting. Thiru R.V. Janakiraman, Leader of Opposition and Thiru Malladi Krishna Rao, MLA of Yanam region also participated in the meeting.

Thiru R.S. Chari, Chief Secretary (Retd.), Professor Sham Bhatt, Head of Department of Economics, Pondicherry Central University attended the meeting as non-official members of the Board. Thiru C.S. Khairwal, Chief Secretary, Thiru Ananda Prakash, Development Commissioner, Thiru B. V.Selvaraj, Commissioner-cum-Secretary, other secretaries to Govt., Thiru P.R.Meena, IGP attended the meeting.

At the outset, Chief Secretary welcomed the Chairman, Vice Chairman and the members of the State Planning Board. He informed that the Draft Annual Plan proposals for 2006-07 has been prepared, based on the guidelines received from the Planning Commission and also from the suggestions given at the preliminary meeting of State Planning Board meeting for a total size of Rs.1500 crore. He further informed that Planning Commission has communicated that a meeting is to be held between Deputy Chairman, Planning Commission and Chief Minister on 20.12.2005 to finalise the size of the Annual Plan 2006-07, the Govt. propose to seek financial assistance from HUDCO amounting Rs.553 crore at concessional rate of interest and additional Central Assistance to a tune of

Rs.60 crores for the current financial year and Rs.100 crore in the next year for flood damages assessed by Central team which visited Pondicherry recently.

Director (Planning) made a power point presentation on plan methodology for preparation of plan document, important on going programmes/ new projects for the Annual Plan 2006-07.

His Excellency the Lt. Governor in his inaugural address expressed that this meeting is to accord approval of the Board for the Draft Annual Plan 2006-07 document. He said that the suggestions put forth by the MPs, MLAs and Ministers have been incorporated in the document. Chairman once again stressed the importance of creating assets and infrastructure which would provide employment opportunities in the territory. Then the members were requested to give their views:

The views given by the members during the meeting:

Professor Shyam Bhatt, Head of Department of Economics, Pondicherry Central University

Major role of Government must take into consideration while allocating funds to each sectors on the following criteria:

- i) Based on better utilisation of funds at fuller extent.
- ii) Based on the efficiency performance of the sectors on priority basis.
- iii) By evaluation of performance based on the Tax resources by introduction of VAT like most of the states.

Chief Secretary in turn replied that allocation of funds are based as per the guidelines from Planning Commission; 50% of total allocation are concentrated on social sectors and it is difficult to follow the allocations based on performance basis.

Professor S. Mohan Kumar, Director, IFMR, Chennai

The government should take active steps to develop public sector units by medium term and long term approaches.

Under the medium term approach, the main objective should be how to improve sales and become self-sufficient in terms of working capital requirements. The unit of public sector undertakings may require detailed study on one or more following areas

- i) atleast partial tie-up for marketing so that some bulk sales is possible in the case of textiles.
- ii) Moving up the value chain in the case of sugar industries
- iii) Re-look of product mix and product market possibility of addition of niche products to existing base products.
- iv) Appointment of Professional Chief Executives
- v) Downsizing before attempting modernisation

Under long term approach, the Government can follow the recomandations of Rahavan committee constituted by the Tamilnadu in 1996 reforms and restructuring of State PSUs. Similarly the Public Sector Undertakings may be classified as in 4 categories.

- i) Economic purpose as PSU justified and making profits
- ii) Economic purpose as PSU justified but incurring losses
- iii) Economic purpose as PSU not justified but making profits.
- iv) Economic purpose as PSU not justified and also incurring losses.

Under industrial sectors, emphasis is rightly on non-water intensive and non-intensive polluting units. Efforts to be made to revive its strength as hardware capital (Computers) of India.

Under tourism sector, development of heritage and cultural tourism, extension in terms of eco-tourism and promotion of hospital, medical facilities and educational institutions. Under agricultural sector, increasing slant of horticulture and floriculture, cottage industries by adopting the model of Kerala, coconuts, vanilla and orchids. Under rural sector, development of vegetables, fruits – self reliant dwelling units.

Malladi Krishna Rao, MLA, Yanam

The Govt. is doing commendable work by providing adequate funds for the developmental activities like infrastructure, sanitation, health etc. Some more suggestions in respect of Yanam region for its development :

- Tap connection to each house constructed by BPL families and to the government charges from Rs.100 per year to Rs.25 per year
- Laying CC roads and widening of roads for Rs.5 crore
- For flood control, Rs.20 crore may be provided
- Construction of buildings/ development of infrastructure the required funds may be provided.
- Construction of additional overhead tanks for drinking water purpose at Darialatippa and Kanakalapeta. Financial powers of the regional administrator to be enhanced from 2 lakhs to 10 lakhs.
- Taking up safety measures to gas based projects
- Provision of cycle free of cost to workers like masons, carpenter and painters
- Enhancement of old age pension from Rs.400/- to Rs.500/-
- Filling up of specialists post in G.H.

R.S. Chari, IAS (Retd.)

- The government should charge reasonable tariff from the end users of water supply / sewerage projects for repayment of capital and interest
- The project proposed under the HUDCO Assistance for infrastructure development by the government should satisfy the definition of capital expenditure generally accepted in government parlance.

- The revenue gap is met by Revenue Gap Grant from Govt. of India of capital expenditure met partly as Grant-in-aid and partly as loan.

Thiru R.V.Janakiraman, Leader of Opposition

- Govt. should form committee comprising of MPs, MLAs and non-official members before the utilisation of funds received from the World Bank.
- Perunthalaivar Kamaraj Housing Scheme assistance to be enhanced from Rs.40,000/- to Rs.1.00 lakh.
- Govt. to obtain Rs.500 crore for the flood relief measures in Pondicherry and Karaikal regions.
- The government to project specific infrastructure projects at the time of CM level discussion, so as to get additional funds for these projects.
- Establishment of Chilling plant unit for agriculturists and subsidy to be raised in order to encourage private to participate. Under Animal Husbandry department, subsidy to buy and sell cross-breeds,

Finally after detailed discussion, the Board recommended the Plan outlay of Rs.1500 crores for the Draft Annual Plan 2006-07 as against the approved outlay of Rs.810 crore for the Annual Plan 2005-06 which is about 85% over and above the current year plan outlay.

Chief Secretary thanked Chairman, Vice Chairman and other members of the Board for their valuable suggestions and the meeting came to an end.