

**MINUTES OF THE STATE PLANNING BOARD MEETING HELD ON 21.01.2010
AT 11.30 A.M. IN THE CONFERENCE HALL OF THE CHIEF SECRETARIAT
UNDER THE CHAIRMANSHIP OF HIS EXCELLENCY THE LT. GOVERNOR**

The State Planning Board meeting was held on 21.1.2010 under the Chairmanship of HE the Lt. Governor to discuss on the proposals of the Draft Annual Plan 2010-11. The meeting was attended by the Hon'ble Chief Minister and other Council of Ministers, Prof M. Ramadass, a non-official member, besides Chief Secretary, Development Commissioner, other Secretaries, Collector (Karaikal) and Regional Administrators of the outlying Regions and Heads of Departments concerned.

Development Commissioner extended a warm welcome to the Chairman and Members of the Board.

Director (Planning) made a presentation on various issues pertaining to the Plan Programmes implemented in the UT of Puducherry.

- ❖ The size of the current year Annual Plan 2009-10 is Rs.2250 crores. While fixing the outlay Planning Commission stipulated to raise additional resources of Rs.463.15 crores through ARM measures.
- ❖ As against the overall ARM target of Rs.1016.15 crores, the target was revised to Rs.734 crores as no fresh ARM measures have been initiated.
- ❖ There was shortfall in realizing the ARM because of the estimated loss of Rs.125 crores in Electricity Department.
- ❖ ARM target of Rs.806 crores is estimated in 2010-11.
- ❖ Departments have proposed an amount of Rs.3266 crores for the Annual Plan 2010-11. Based on the resources estimated, the size of the Annual Plan 2010-11 could be pegged at Rs.2017 crores.
- ❖ Departments have been requested by Planning and Research Department that adequate funds may be provided to the respective regions in proportion to the population of the region while formulating the Annual Plan 2010-11.
- ❖ Public Debt of the UT of Puducherry as on 01-04-2009 stood at Rs.2805.93 crores.
- ❖ Because of the increasing debt burden, our annual interest payment reached the level of Rs.260.69 crores during 2008-09 which may go up further during 2009-10.

HE the Lt. Governor

- ❖ Draft Annual Plan size for the ensuing year should be based on past record of resource mobilisation and assessment of the material resources available, possibilities of augmenting resources for the development of territory.
- ❖ Pattern of Plan funding indicates that market borrowings forms major part of the Annual Plan 2009-10.
- ❖ Borrowing should be within the permissible norms and within the fixed percentage of GSDP as prescribed by GOI.
- ❖ Format of Plan document should be modified to indicate the abstract of committed expenditure of Government towards Salaries / arrears, important

- schemes. This would enable to gain an insight into the funds that are available for developmental activities.
- ❖ Planning Commission need to be impressed upon for more funds for the UT of Puducherry besides requesting GOI for waiver of accumulated loan.
 - ❖ Potential segments to generate vital resources are:
 - Marginal increase in rates of VAT on selected goods.
 - Review of user charges
 - House Tax collection
 - Levy of parking fees where tourists frequent.
 - Review of other taxes collected by Municipalities
 - Implementation of Infrastructure projects that would generate returns
 - Puducherry as Tourism Hub needs to be tapped to the maximum.
 - Introduction of sea cruises, water sports will attract tourists and yield revenue.
 - ❖ Review, Evaluation and assessment of projects / schemes for effective implementation of developmental programmes.
 - ❖ Mid-course correction has to be resorted to.
 - ❖ Common database of beneficiaries to be created in prescribed time frame by welfare oriented departments like, Civil Supplies, Social Welfare, Adi-dravidar Welfare, Women & Child Development etc to avoid duplication while extending the benefits.
 - ❖ Monitor the progress of revenue generation. Factual assessment of all sources of revenue and set realistic targets of collection.
 - ❖ Frequent review by the Secretaries with their Heads of Departments.
 - ❖ Grant-in-aid is provided to improve the infrastructure and increase the efficiency of PSUs. PSUs should not burden the Govt. annually.

Prof. M. Ramadass, (Member, State Planning Board)

- ❖ Reducing the outlay in 2010-11 less than 2009-10 size is not desirable. Plan outlay for 2010-11 should be at Rs.2500 crores which is 250 crores more than the current year 2009-10.
- ❖ Borrowing is not desirable from the long term perspective of the economy.
- ❖ Borrowing for the purpose of investing in agriculture, infra-structure growth, tourism sector, fisheries sector, industrial sector are desirable.
- ❖ Borrowing for other purpose like incurring Non-plan expenditure is not desirable.
- ❖ Pondicherry should not end up with a debt trap.
- ❖ At present there is about Rs.2850 crores of debt which is about 30 per cent of the GSDP.
- ❖ Govt. of Puducherry should approach GOI for one time debt waiver.
- ❖ HE the Lt.Governor may lead a delegation and present the case of Puducherry.
- ❖ Stamp duties for the property values need to be raised. Periodical revision of property values should be taken up.
- ❖ Paying more for purchase of electricity and fixing a lower tariff should be discontinued.
- ❖ PSUs in Puducherry need to be evaluated on the basis of sound economic considerations.

- ❖ Public Sector Enterprises should generate their own resources by improving their profitability.
- ❖ Five textile units can be harnessed for more revenue. Government is presently paying wages to sick textile mills with no increase in productivity.
- ❖ In the last 5 years, 220 PSU's in Govt. of India have been converted into profit making units.
- ❖ Govt should appoint MBA graduates in companies by giving autonomy in decision making and fix responsibility so as to improve their profit.
- ❖ The growth rate in agriculture sector which is declining need to be improved.
- ❖ Out of Rs.2250 crores only 13.1% was allocated to Karaikal. Basis of allocation should be on total geographical area and population. Investment in Karaikal has been receding and declining and therefore allocation of outlay for infrastructure should be stepped up.
- ❖ Planning process must be improved by constituting sector-wise working groups with subject experts. Periodical reviews should be conducted by the Working Group.
- ❖ Project Preparation Facility Cell (PPFC) exists in the Planning Commission. Projects prepared by PPFC will be immediately approved by the concerned Ministry / Department.

Thiru A.M.H. Nazeem, MLA and Leader of Opposition

- ❖ Regional Council should be re-constituted and the Regional meeting should be conducted periodically.
- ❖ Western Bye-pass road - through HUDCO for land acquisition Rs.15 crores should be allocated.
- ❖ Kamaraj Engineering College - Out of Rs.40 crores, Rs.10 crores for first-Phase
- ❖ Avvaiyar College- land has been acquired and no building constructed for the last 7 to 8 years - Rs.12 crores required for first phase.
- ❖ For construction of Collectorate Office, Rs. 42 crores - first phase Rs.5 crores.
- ❖ Outdoor stadium
- ❖ Jail complex - Administrative approval requested - Rs.20 crores - Rs. 5 crore for first phase.
- ❖ Jayaprakash Narayanan Spinning Mill - separate Head of Account - funds through NCTC - post management experts. -
- ❖ Tirunallar temple town - Rs.165 crore through HUDCO - Rs.60 crore - for first phase
- ❖ Fishing harbour - Rs. 5 crore
- ❖ Auto sub-station - Rs.115 crores - Rs.30 crore this year.
- ❖ An outlay of Rs.3000 crores should be projected for 2010-2011.

Minister (Welfare)

- ❖ Review meeting once in three months for general programmes
- ❖ Delay in movement of files which causes hardship to the public.

Minister (Public Health)

- ❖ Administrative system should be streamlined.
- ❖ Higher Annual Plan size to the extent of Rs.3000 crores should be fixed.

- ❖ Electricity losses should be reduced by enhancing the tariff to a suitable level from the present low tariff.

Minister (Tourism)

- ❖ Regional allocation should be made on the basis of population / area.
- ❖ Internal Finance Wing within each department may be formed so as to avoid delays in sanctioning schemes.
- ❖ An outlay of Rs.3000 crores may be fixed for the Annual Plan 2010-11.

Minister (Home)

- ❖ Rs.3000 crores may be fixed for the Annual Plan 2010-11.
- ❖ Less staff on the execution side and hence no timely completion of work which leads to cost escalation – (eg) Women and Children Hospital, off-shore breakwater etc.

Chief Minister:

- ❖ Increase in the value of land has been done twice.
- ❖ Local Bodies – trying to enhance tax collections
- ❖ Power Tariff – JERC has not completed the work. Final hearing of JERC by the end of January 2010. After the award, the consumption charges will be increased. Because of various problems no tariff increase was done during the last 7 years. Rs.125 crores loss to the Electricity Department.
- ❖ Officers should be trained for obtaining loan from HUDCO and other Corporations/agencies like NABARD so as to increase our plan expenditure. No department has given proposal for the loan categories. Hence we could not borrow the money. The departments should do some home work to obtain the loans through Institutional sources.
- ❖ Moreover non-plan/plan resources go to the payment of 6thCPC arrears which could not be avoided.
- ❖ Due to the creation of many Societies which are not approved by MHA, pay and allowances have to be paid from our own sources.
- ❖ Societies / corporations like PASIC, PADCO etc are only service oriented and can't make any profit.
- ❖ Proposal to approach Ministry of Home Affairs to increase the non-plan size so as to meet out the pay and allowances of the said societies.
- ❖ Rs.3000 crores may be the size of the Annual Plan 2010-11. The market borrowing may be fixed at Rs.1200 crores.

The meeting came to an end after vote of thanks.
