सत्यमेव जयते

Union Territory Finances Audit Report of the Comptroller and Auditor General of India

for the year ended March 2020

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

Government of the Union Territory of Puducherry

Report No. 1 of 2021

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of the
Comptroller and Auditor General of India

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PREFACE

1. This Report has been prepared for submission to the Lieutenant Governor of the Union Territory of Puducherry under Section 49 of the Government of Union Territories Act, 1963.

2. Chapter I provides an overview of structure of Government accounts, budgetary processes, macro-fiscal analysis of key indices and UT's fiscal position including the deficit/surplus.

3. Chapters II and III of this Report contain audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts of the Government of Union Territory of Puducherry for the year ended 31 March 2020.

4. Chapter IV on 'Quality of Accounts and Financial Reporting Practices' provides the status of the Union Territory Government's compliance with various financial rules, procedures and directives during the current year. Information has been obtained from the Government of Union Territory of Puducherry, wherever necessary.

5. Chapter V contains summary of financial performance of Government Companies and also deals with CAG's mandate to conduct supplementary audit.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Profile of the Union Territory

The Union Territory (UT) of Puducherry is located on the East Coast of India and extends over an area of 490 sq.km. UT consists of four regions namely, Puducherry, Karaikal, Mahe and Yanam, geographically separated from each other. As per 2011 census, UT's population was 12.47 lakh, which recorded a decadal growth rate of 28.1 *per cent* as compared to 2001 census. UT's Gross State Domestic Product (GSDP) in 2019-20 at current price was ₹ 38,253 crore.

(Paragraph 1.1)

Overview of Government Account

Snapshot of Finances: The Revenue receipts (₹ 6,781 crore) of the UT during 2019-20 increased by ₹ 381 crore over the previous year. However, the same was lesser than the revenue expenditure of ₹ 6,836 crore which resulted in revenue deficit of ₹ 55 crore as against the revenue surplus during 2018-19. The Capital expenditure showed a marginal increase from ₹ 316 crore in 2018-19 to ₹ 327 crore in 2019-20. The fiscal deficit increased from ₹ 302 crore in 2018-19 to ₹ 381 crore in 2019-20.

(Paragraph 1.4.1)

Snapshot of Assets and Liabilities: The Internal Debt of the UT increased by 6.55 *per cent* from ₹ 6,486 crore in 2018-19 to ₹ 6,911.07 crore in 2019-20. However, the loans and advances from GoI decreased by 9.62 *per cent* from ₹ 1,569.50 crore in 2018-19 to ₹ 1,418.50 crore in 2019-20. The Gross Capital Outlay increased by 4.83 *per cent* from ₹ 6,760.19 crore in 2018-19 to ₹ 7,086.80 crore in 2019-20

(Paragraph 1.4.2)

Resources of the Union Territory

Revenue receipts: Revenue receipts increased by ₹ 381 crore (5.95 *per cent*) in 2019-20 over the previous year. Buoyancy of revenue receipts to GSDP decreased from 0.92 in 2018-19 to 0.54 in 2019-20.

(Paragraph 2.3.2.1)

Own resources: The annual growth rate of own tax revenue decreased by 22.37 *per cent* during 2019-20 over the previous year. This was mainly due to wrong booking of GST compensation under UT GST during 2018-19 instead of under Grants-in-aid.

The arrears of revenue as on 31 March 2020 under the principal heads of revenue amounted to ₹ 1,101.41 crore, of which ₹ 517.44 crore were outstanding for more than five years.

(Paragraph 2.3.2.2)

Grants-in-aid: The Grants-in-aid from GoI increased by ₹ 1,040 crore in 2019-20 over the previous year. The Grants-in-aid from GoI constituted 26.63 *per cent* of the revenue receipts excluding GST compensation of ₹ 862 crore.

(Paragraphs 2.3.2.3 and 2.3.4)

Application of resources

Total expenditure: The total expenditure increased from ₹ 6,703 crore in 2018-19 to ₹ 7,163 crore (6.86 *per cent*) in 2019-20. The expenditure on General, Social and Economic Services constituted 32.58 *per cent*, 36.30 *per cent* and 31.12 *per cent* of the total expenditure respectively.

(Paragraph 2.4.1)

Revenue expenditure: During 2019-20, the Revenue expenditure increased by ₹ 449 crore (7.03 *per cent*) over the previous year. Revenue expenditure constituted 95.43 *per cent* of the total expenditure. However, as a percentage of GSDP, it declined from 18.55 in 2018-19 to 17.87 in 2019-20. The buoyancy of Revenue expenditure with reference to Revenue receipts during 2019-20 was 1.18.

(Paragraph 2.4.2)

Committed expenditure: The committed expenditure constituted 59.21 *per cent* of Revenue expenditure and 59.70 *per cent* of Revenue receipts during 2019-20.

(Paragraph 2.4.2.2)

Subsidies: Implicit subsidies to the tune of ₹ 33 crore were provided during the current year.

(Paragraph 2.4.2.3)

Capital expenditure: Capital expenditure was on a decreasing trend. As against the Capital expenditure of ₹ 439 crore incurred during 2015-16, the expenditure incurred during 2019-20 was ₹ 327 crore which constituted only from 4.57 *per cent* of total expenditure.

(Paragraph 2.4.3)

Incomplete projects: An amount of ₹ 151.53 crore was blocked in 74 incomplete projects by Public Works and Electricity Departments.

(Paragraph 2.4.3.3)

Expenditure priorities

The percentage of aggregate expenditure to GSDP declined from 21.51 *per cent* in 2015-16 to 18.73 *per cent* in 2019-20. In respect of General Category States, it was 16.97 *per cent* in 2015-16 and 15.15 *per cent* in 2019-20. Expenditure on Education, Sports, Art and Culture decreased from 12.07 *per cent* in 2015-16 to 11.65 *per cent* of the aggregate expenditure in 2019-20 and it was also less than the General Category States in both the years.

(Paragraph 2.4.4)

Debt management

Debt profile: The outstanding debt (including Public Account liabilities) though increased from ₹ 7,754 crore in 2015-16 to ₹ 9,449 crore in 2019-20, the rate of growth decreased from 10.30 *per cent* to 3.41 *per cent* during the same period. Out of the total debt receipt of ₹ 1,043 crore during 2019-20, an amount of ₹ 762 crore (73.06 *per cent*) was utilised for repayment of debt leaving a balance of ₹ 281 crore available for capital spending.

(Paragraph 2.6.1)

Maturity profile: The Maturity profile of Public debt indicated that nearly 72.51 *per cent* of the total Public debt was repayable within the next seven years.

(Paragraph 2.6.3)

Interest burden: The burden of interest payments decreased from 11.05 *per cent* in 2018-19 to 10.18 *per cent* of Revenue receipts during 2019-20.

Debt repayment: The debt repayment to debt receipts which was 22.81 *per cent* in 2015-16 increased to 53.72 *per cent* in 2017-18 and went upto 73.06 *per cent* in 2019-20.

(Paragraph 2.7)

Budgetary Management

Summary: The total provision authorised by the UT legislature including original and supplementary budget was ₹ 8,888.26 crore, out of which an expenditure of ₹ 7,939.74 crore was incurred resulting in savings of ₹ 948.52 crore.

(Paragraph 3.1.1)

Expenditure without budget provision: An amount of ₹ 3.39 crore was re-appropriated under five heads without any original or supplementary budget provision and expenditure of ₹ 3.28 crore was incurred therein.

(Paragraph 3.3.1.1)

Unnecessary supplementary provision: In respect of 11 cases under five grants, as against the original provision of ₹ 71.95 crore, the total expenditure was only ₹ 61.35 crore. However, a sum of ₹ 20.03 crore was also provided in the supplementary grant which proved wholly unnecessary in view of the total savings of ₹ 30.63 crore.

(Paragraph 3.3.4)

Unnecessary/excessive re-appropriation: In 74 sub-heads, unnecessary provision of more than ₹ 10 lakh were made by re-appropriation to the tune of ₹ 50.44 crore wherein the expenditure incurred was ₹ 416.10 crore under these heads which was within the total provision of ₹ 517.42 crore. Out of these 74 sub-heads, no expenditure was incurred under 17 sub-heads.

(Paragraph 3.3.5)

Anticipated savings not surrendered: In respect of 22 grants/appropriations with saving of ₹ 895.07 crore (saving of ₹ one crore and above), ₹ 565.73 crore (63.20 *per cent* of savings) was not surrendered and in respect of 17 grants/ appropriations with a savings of ₹ 378.59 crore, no amount was surrendered.

(Paragraph 3.3.6.1)

Grants having huge savings: Out of total 33 grants, there was savings of ₹ 596.27 crore (62.86 *per cent* of total savings of ₹ 948.52 crore) in 13 grants exceeding ₹ 10 crore in each case (above ₹ 50 crore in three grants). In

122 sub-heads, savings exceeded ₹ 50 lakh in each case and by more than 50 *per cent* of the total provision wherein out of total provision of ₹ 613.82 crore, savings amounted to ₹ 528.62 crore (86.12 *per cent*).

(Paragraph 3.3.6.3)

Persistent savings: Out of 33 grants, savings of more than ₹ 50 lakh was noticed persistently under 20 grants during the last five years.

(Paragraph 3.3.6.4)

Rush of expenditure: In respect of 39 sub heads, expenditure exceeding ₹ 50 lakh and by more than 50 *per cent* of the total expenditure for the year was incurred in March 2020.

(Paragraph 3.4.4)

Financial Reporting

Funds kept outside Public Account: The service charge of ₹ 6.70 crore received by the Transport Department for driving licence, registration certificate, taxation and permit were kept outside the Government Account.

(Paragraph 4.1)

Non-inclusion of clear cut liabilities: Though the Public Works Department had a committed pending liability of ₹ 32.04 crore as of March 2019 towards payment to contractors, no allocation was made in the Budget for 2019-20 for settlement of dues.

(Paragraph 4.2)

Funds transferred directly to implementing agencies: During 2019-20, GoI transferred ₹ 172.02 crore directly to various implementing agencies in the UT of Puducherry for implementation of Schemes of GoI. As funds are not routed through the UT budget, Finance Accounts do not capture the flow of these funds or the related expenditure.

(Paragraph 4.4)

Utilisation Certificates: The Utilisation Certificates in 653 cases amounting to ₹ 449.36 crore were outstanding. Of this, 172 cases amounting to ₹ 23.10 crore were pending for more than nine years.

(Paragraph 4.5)

Temporary advance: 1,456 temporary advances amounting to ₹ 114.62 crore drawn by various DDOs, remained unadjusted. Of this, 265 advances amounting to ₹ 15.75 crore remained unadjusted for more than 10 years.

(Paragraph 4.6)

Indiscriminate use of Minor Head 800: During 2019-20, under six Major Heads, expenditure aggregating to ₹ 1,395.18 crore (88.97 *per cent* of the total expenditure of ₹ 1,568.12 crore under these heads) were classified under the minor head '800 - Other Expenditure'. Similarly, under 10 major heads, revenue receipts aggregating ₹ 55.07 crore (87.38 *per cent* of the total receipts of ₹ 63.02 crore under these heads), were classified under minor head '800 - Other Receipts'.

(Paragraph 4.7)

Non-submission of accounts: The annual accounts of 53 out of 71 Bodies/Authorities due up to 2018-19, were not received by Audit. The pendency was more than five years in respect of 15 Bodies/Authorities.

(Paragraph 4.8)

Misappropriation and losses: The UT Government reported 317 cases of misappropriation, loss, theft and defalcation upto March 2020 involving Government money of ₹ 27.88 crore in various Departments. FIRs had been lodged against all the 317 cases. Out of the above, 24 cases were awaiting departmental and criminal investigation. In 21 cases departmental action was initiated and not finalised / pending in Courts of Law. In 272 cases, recovery or write-off orders awaited.

(Paragraph 4.9)

Union Territory Public Sector Undertakings

Nature of PSUs and Investments: As on 31 March 2020, there were 13 Government Companies (Public Sector Undertakings - PSUs). Out of which, there are 12 working companies and one non-functional Government Company in the Union Territory of Puducherry. The total investment (Equity and Long term loans) in PSUs was ₹ 728.36 crore.

(Paragraphs 5.3 and 5.5)

Dividend declared: The UT Government had not formulated any policy for payment of minimum dividend on the share capital contributed by it. The return

in the form of dividend on the aggregate investment of ₹ 712.39 crore of UT Government in the PSUs was a meagre 0.16 *per cent*.

(Paragraph 5.6.2)

Rate of Real Return: Since the PSUs incurred overall loss during 2019-20, the Rate of Real Return on Government Investment calculated on historical value was negative at 9.72 as compared to present value which was also negative and worked out to 4.25 *per cent.*

(Paragraph 5.8.3)

Profit earned: Out of 12 working PSUs, six PSUs earned a profit of ₹ 28.05 crore and six PSUs incurred a loss of ₹ 52.37 crore, leading to overall loss of ₹ 24.32 crore.

(Paragraph 5.9.1)

Timeliness in preparation of accounts: Accounts of all the 12 Government Companies were in arrears for various reasons. These companies submitted their 15 arrear accounts (pertaining to various financial years) during 2020-21.

(Paragraph 5.10.2)

Revision of Auditors Report: As a result of supplementary audit of the financial statements of the five companies selected for review, by the CAG, the statutory auditors of one Government Company *viz.,* Swadeshee Bharathee Textile Mills Ltd., revised their report based on the observations of CAG.

(Paragraph 5.12.1)

Non Compliance of Accounting Standards: The statutory auditors reported that two companies did not comply with mandatory Accounting Standards.

(Paragraph 5.12.2)

CHAPTER I

OVERVIEW

CHAPTER I: OVERVIEW

1.1 Profile of the Union Territory

Geographical profile: The Union Territory (UT) of Puducherry is located on the East Coast of India and extends over an area of 490 sq.km. UT consists of four regions namely, Puducherry, Karaikal, Mahe and Yanam geographically separated from each other. UT is administered under the provisions of the Government of Union Territories Act, 1963.

Population profile: As per 2011 census, UT's population was 12.47 lakh, which recorded a decadal growth rate of 28.1 *per cent* as compared to 2001 census. The population projection as per National Commission on Population was 15.68 lakh during 2019-20 in UT of Puducherry. The percentage of population below the poverty line was 7.70, which was lower than the all India average of 21.90. UT's literacy rate increased from 81.24 *per cent* (as per 2001 census) to 85.80 *per cent* (as per 2011 census).

Economic profile: UT's Gross State Domestic Product (GSDP) in 2019-20 at current price was ₹ 38,253 crore. The revenue receipts of the UT was ₹ 6,781 crore and revenue expenditure was ₹ 6,836 crore leading to revenue deficit of ₹ 55 crore. During 2019-20, the total receipts of UT of Puducherry was ₹ 7,825 crore and total disbursements was ₹ 7,925 crore.

1.1.1 Gross State Domestic Product of the UT of Puducherry

Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP is an important indicator of the UT's economy as it denotes the extent of changes in the level of economic development of the UT over a period of time.

Changes in sectoral contribution to the GSDP is also important to understand the changing structure of economy. The economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to the Agriculture, Industry and Service sectors. The trends in the annual growth of India's Gross Domestic Product (GDP) and UT's GSDP at current prices are indicated in **Table 1.1**.

The terms and abbreviations used in this Report are listed in the Glossary at Page No.155

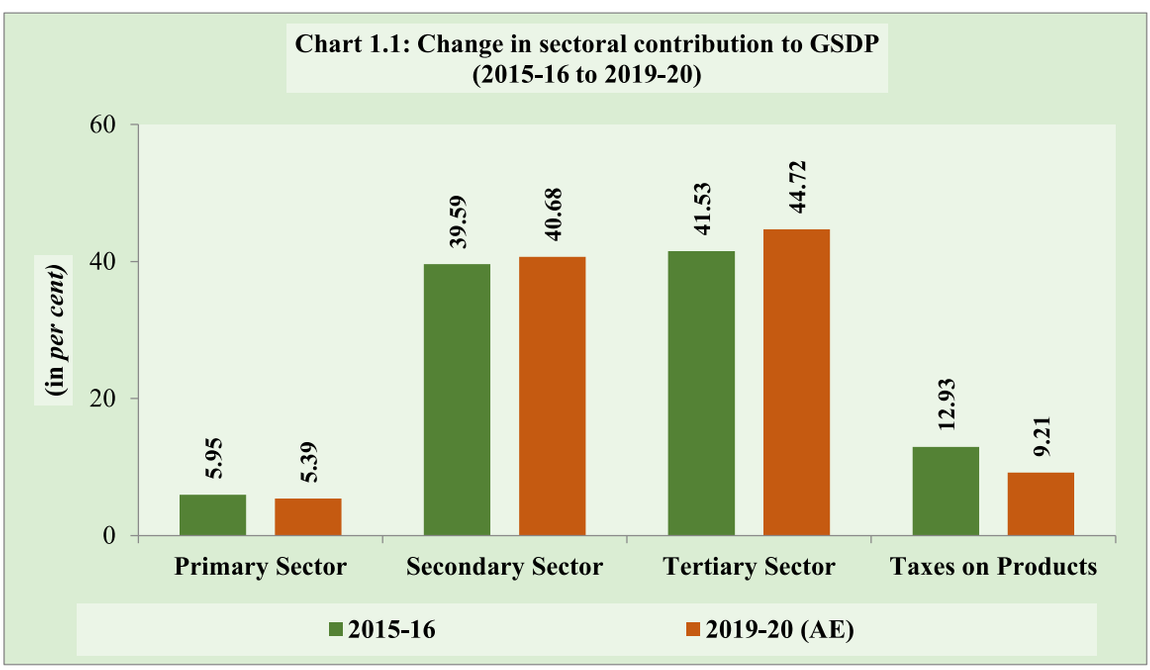
Table 1.1: Trends in GSDP compared to the National GDP

(₹ in crore)

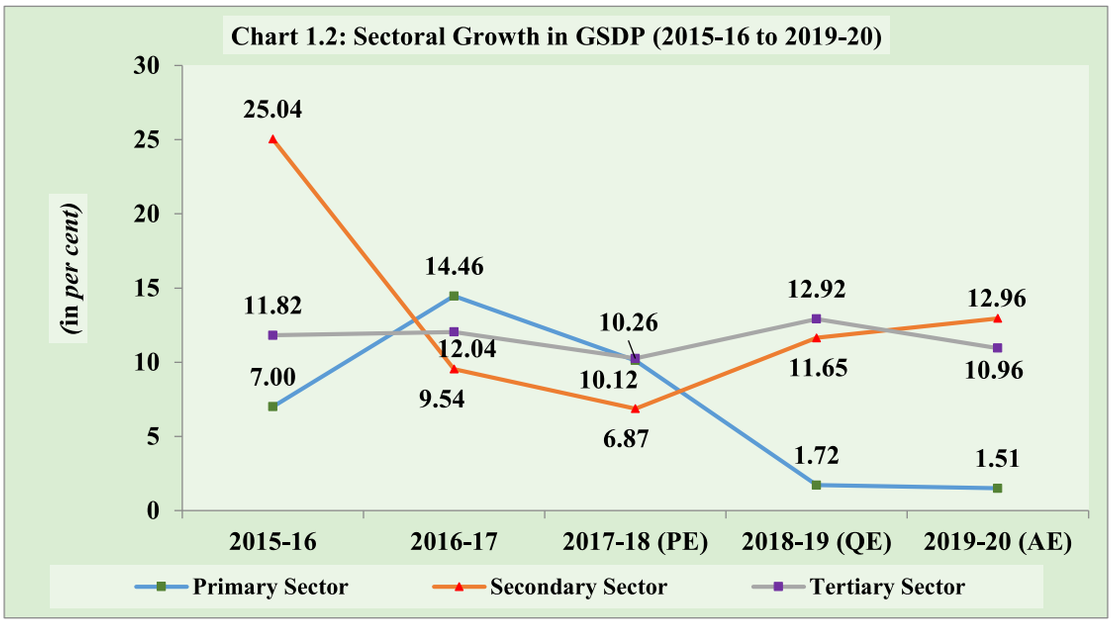
Year	2015-16	2016-17	2017-18	2018-19	2019-20
National GDP (2011-12 Series)	1,37,71,874	1,53,91,669	1,70,98,304	1,89,71,237	2,03,39,849
Growth rate of GDP over previous year (in *per cent*)	10.46	11.76	11.09	10.95	7.21
UT's GSDP (2011-12 Series)	26,617	29,573	32,129	34,433	38,253
Growth rate of GSDP over previous year (in *per cent*)	17.91	11.11	8.64	7.17	11.09

(Source: GSDP in Puducherry-Directorate of Economics and Statistics, Puducherry; India's GDP-Information from Ministry of Statistics and Programme Implementation)

The changes in sectoral contribution to GSDP and sectoral growth in GSDP is given in **Chart 1.1 and 1.2** respectively.



(Source of data: Department of Economics and Statistics, UT Government)



(Source of data: Department of Economics and Statistics, UT Government)

1.2 Basis and approach to Union Territory Finances Audit Report

In terms of Section 49 of the Government of Union Territories Act, 1963 (UT Act, 1963), the Reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a Union Territory (UT) are to be submitted to the Lieutenant Governor of the UT, who shall cause them to be laid before the Legislature of the UT. The UT Finances Audit Report (UTFAR) is prepared and submitted under Section 49 of the UT Act, 1963.

The Director of Accounts and Treasuries prepares the Finance Accounts and Appropriation Accounts of the UT annually from the vouchers, challans and subsidiary accounts rendered by the offices and departments responsible for keeping of such accounts functioning under the control of the UT Government and the statements received from the Reserve Bank of India. These accounts are audited independently by the Accountant General (Audit-II), Tamil Nadu and Puducherry and certified by the CAG.

Finance Accounts and Appropriation Accounts of the UT constitute the core data for this report. Other sources include the following:

- Budget of the UT: For assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;

- Results of audit carried out by the Office of the Accountant General (Audit-II), Tamil Nadu and Puducherry;
- Other data with Departmental Authorities;
- GSDP data and other UT related statistics;
- Various Audit Reports of the CAG of India; and
- Fiscal Road Map (FRM) based on the principles of Government of India's Fiscal Responsibility and Budget Management (FRBM) Act.

The analysis is also carried out in the context of Fiscal Road Map, best practices and guidelines of the Government of India (GoI). The draft report has been sent to Government in March 2021. Reply has not been received.

1.3 Report Structure

The UTFAR is structured into the following five Chapters:

Chapter - 1	**Overview** This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of Government accounts, budgetary processes, macro-fiscal analysis of key indices and UT's fiscal position including the deficit/ surplus.
Chapter - II	**Finances of the UT** This chapter provides a broad perspective of the finances of the UT, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2015-16 to 2019-20, debt profile of the UT and key Public Account transactions based on the Finance Accounts of the UT.
Chapter - III	**Budgetary Management** This chapter is based on the Appropriation Accounts of the UT and reviews the appropriations and allocative priorities of the UT Government and reports on deviations from provisions relating to budgetary management prescribed in the Government of UT Act, 1963 and GFR 2017.
Chapter - IV	**Quality of Accounts and Financial Reporting Practices** This chapter comments on the quality of accounts rendered by various authorities of the UT Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the UT Government.

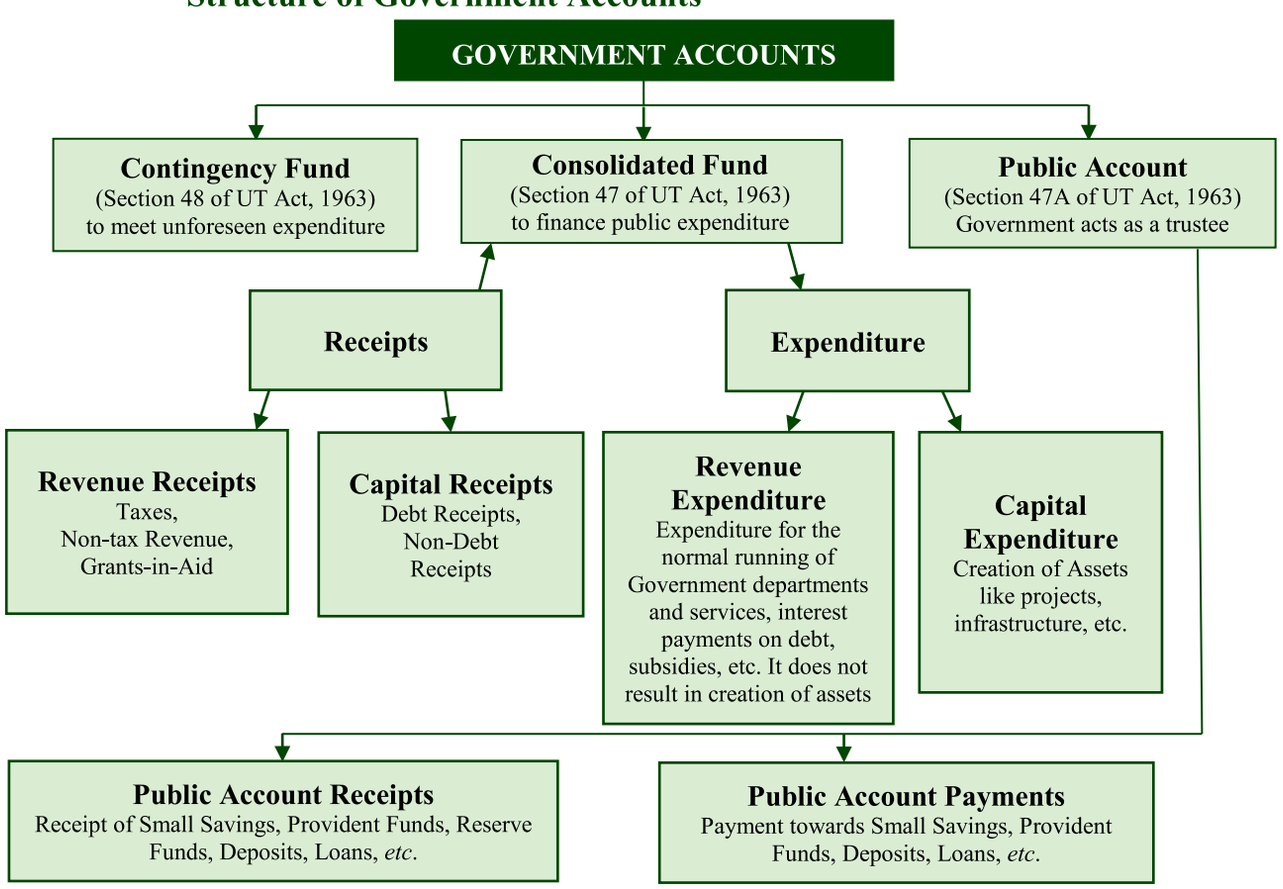
Chapter - V	**Union Territory Public Sector Undertakings** This chapter presents the summary of financial performance of Government Companies. It also deals with CAG's mandate to conduct a supplementary audit of the audit on the accounts of Public Sector Undertakings (PSUs) conducted by statutory auditors who were appointed by CAG.

1.4 Overview of Government Account Structure and Budgetary Processes

It is necessary to understand the structure of Government Accounts in order to appreciate the analysis of the finances of the UT Government which is given in **Chapter II** of this report.

Government Accounts are defined by the twin principles of fund based accounting and functional classification of transactions of the Government. Fund based accounting system involves sourcing and allocating all receipts and disbursements to one of the three Funds, *viz*., Consolidated Fund, Contingency Fund and Public Account. These Funds are created by the Government of UT Act, 1963 and function as instruments of public accountability.

Structure of Government Accounts



The accounting classification system in Government is both functional and economic.

	Attribute of transaction	Classification
Standardised in LMMH by CGA	Function- Education, Health, etc. /Department	Major Head under Grants (4-digit)
	Sub-Function	Sub-Major Head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States/UT Government	Scheme	Sub-Head (2-digit)
	Sub-scheme	Detailed Head (2-digit)
	Economic nature/Activity	Object Head-salary, minor works, etc. (2-digit)

The functional classification lets us know the department, function, scheme or programme and object of the expenditure. Economic classification helps organise these payments as revenue, capital, debt, etc. Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance, 0 and 1 is for revenue receipts, 2 and 3 for revenue expenditure, etc. Economic classification is also achieved by an inherent definition and distribution of some object heads. For instance, while "salary" object head is revenue expenditure, "construction" object head is capital expenditure. Object head is the primary unit of appropriation in the budget documents.

Budgetary Processes

In terms of Section 27 of Government of UT Act, 1963, the Lieutenant Governor of UT shall cause to be laid before the UT Legislature, a statement of the estimated receipts and expenditure of the UT in the form of an Annual Financial Statement. In terms of Section 27 (2), the statement is submitted to the UT Legislature in the form of Demands for Grants and after approval of these, the Appropriation Bill is passed by the Legislature under Section 29 of UT Act, 1963 to provide for appropriation of the required money out of the Consolidated Fund. Results of audit scrutiny of budget and implementation of other budgetary initiatives of the UT Government are detailed in **Chapter III** of this Report.

1.4.1 Snapshot of Finances

The following **Table 1.2** provides the details of actual financial results and Budget Estimates for the year 2019-20 *vis-à-vis* actuals of 2018-19.

Table 1.2: Budget Estimates for the year 2019-20 *vis-à-vis* actuals of 2018-19

(₹ in crore)

Sl. No.	Components	2018-19	2019-20		Percentage of Actuals to Budget Estimate	Percentage of Actuals to GSDP*
		Actuals	Budget Estimate	Actuals		
1	Tax revenue	3,188	3,778	2,475	65.51	6.47
2	Non-tax revenue	1,584	1,637	1,638	100.06	4.28
3	Share of Union taxes/duties	Nil	Nil	Nil	--	--
4	Grants from the Government of India	1,628	1,890	2,668	141.16	6.97
5	**Revenue receipts (1+2+3+4)**	**6,400**	**7,305**	**6,781**	**92.83**	**17.73**
6	Recoveries of loans and advances	1	2	1	50.00	0.00
7	Other receipts	Nil	Nil	Nil	Nil	Nil
8	Borrowings and other Liabilities #	1,007	1,100	1,043	94.82	2.73
9	**Capital Receipts (6+7+8)**	**1,008**	**1,102**	**1,044**	**94.74**	**2.73**
10	**Total Receipts (5+9)**	**7,408**	**8,407**	**7,825**	**93.08**	**20.46**
11	**Revenue expenditure**	**6,387**	**7,305**	**6,836**	**93.58**	**17.87**
12	Interest payments	707	930	690	74.19	1.80
13	**Capital expenditure**	**316**	**527**	**327**	**62.64**	**0.85**
14	Capital Outlay	313	522	327	62.64	0.85
15	Loans and advances	3	5	Nil	NA	NA
16	**Total Expenditure (11+14)**	**6,703**	**7,832**	**7,163**	**91.46**	**18.73**
17	**Revenue Deficit (-) / Surplus (+) (5-11)**	**14**	**Nil**	**(-) 55**	NA	**(-) 0.14**
18	**Fiscal Deficit {17-(5+6+7)}**	**(-) 302**	**(-) 525**	**(-) 381**	**(-) 72.57**	**(-) 1.00**
19	**Primary Deficit/Surplus (18-12)**	**405**	**405**	**309**	**76.30**	**0.81**

* GSDP at current prices ₹ 38,253 crore.

\# Borrowings and other Liabilities: Net (Receipts *minus* Disbursements) of Public Debt + Net of Contingency Fund and Net (Receipts *minus* Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

(Source : Finance Accounts of the respective years)

It could be seen that the Revenue receipts of the UT during 2019-20 increased by ₹ 381 crore over the previous year. However, the same was lesser than the revenue expenditure which resulted in revenue deficit of ₹ 55 crore as against the revenue surplus during 2018-19. The Capital expenditure showed a marginal increase from ₹ 316 crore in 2018-19 to ₹ 327 crore in 2019-20. The fiscal deficit increased from ₹ 302 crore in 2018-19 to ₹ 381 crore in 2019-20.

1.4.2 Snapshot of Assets and Liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds, and the assets comprise mainly the capital outlay and loans and advances given by the UT Government and cash balances.

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
		2018-19	2019-20	increase (+)/ decrease (-) *(Per cent)*			2018-19	2019-20	increase (+)/ decrease (-) *(Per cent)*
Consolidated Fund									
A	External Debt	49.61	49.61	--					
	Internal Debt	6,486.00	6,911.07	6.55	a.	Gross Capital Outlay	6,760.19	7,086.80	4.83
B	Loans and Advances from GoI	1,569.50	1,418.50	(-) 9.62	b.	Loans and Advances	10.29	9.87	(-) 4.08
Contingency Fund		**0.50**	**0.50**	**--**					
Public Account									
A	Small Savings, Provident Funds, etc.	674.16	697.81	3.50	a.	Advances	0.63	0.63	--
B	Deposits	471.38	506.92	7.54	b.	Remittance	0.00	0.00	--
C	Reserve Funds	232.17	232.17	--	c.	Suspense and Miscellaneous	168.38	106.91	(-) 36.51
D	Remittances	154.97	154.98	--	**Cash balance (including investment in Earmarked Fund)**		**1,621.28**	**1,642.05**	**1.28**
					Total		**8,560.77**	**8,846.26**	**3.33**
					Deficit in Revenue Account		**1,077.52**	**1,125.30**	**4.43**
Total		**9,638.29**	**9,971.56**	**3.46**	**Total**		**9,638.29**	**9,971.56**	**3.46**

It could be seen that the Internal Debt of the UT increased by 6.55 *per cent* from ₹ 6,486 crore in 2018-19 to ₹ 6,911.07 crore in 2019-20. However, the loans and advances from GoI decreased by 9.62 *per cent* from ₹ 1,569.50 crore in 2018-19 to ₹ 1,418.50 crore in 2019-20. The Gross

Capital Outlay increased by 4.83 *per cent* from ₹ 6,760.19 crore in 2018-19 to ₹ 7,086.80 crore in 2019-20.

1.5 Fiscal Balance: Achievement of deficit and total debt targets

As the UT of Puducherry was not covered under Finance Commission, FRBM Act was not enacted. However, FRM based on the principles of GoI's FRBM Act was prepared (June 2012) and approved by GoI.

Three key fiscal parameters, *viz*., revenue, fiscal and primary deficits indicate the extent of overall fiscal imbalances in the finances of the Government during a specified period. The deficit in the Government Accounts represents the gap between its receipts and expenditure. Further, the ways in which the deficit is financed and the resources raised are applied are important indicators of its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set for the financial year 2019-20 under FRM. Major fiscal variables as targeted in the FRM along with actuals are given in **Table 1.4** and **Table 1.5**.

Table 1.4: Comparison of fiscal variable with road map during 2015-16 to 2019-20

Year	Fiscal variables	Revenue Deficit (-)/ Surplus(+) (₹ in crore)	Fiscal Deficit/ GSDP	Ratio of total outstanding debt of the Government to GSDP (in *per cent*)
2015-16	Targets proposed in FRM	(-) 14.23	(-) 2.41	29.28
	Targets proposed in the Budget	(+) 1.67	(-) 2.29	Not prescribed
	Actuals	(-) 197.33	(-) 2.40	29.22
2016-17	Targets proposed in FRM	(-) 197.32	(-) 1.68	27.60
	Targets proposed in the Budget	(-) 92.20	(-) 2.56	Not prescribed
	Actuals	(-) 75.30	(-)1.89	30.08
2017-18	Targets proposed in FRM	(+) 16.78	(-) 0.64	25.08
	Targets proposed in the Budget	(+) 118.20	(-) 1.34	Not prescribed
	Actuals	(+) 196.01	(-) 0.61	27.31

Year	Fiscal variables	Revenue Deficit (-)/ Surplus(+) (₹ in crore)	Fiscal Deficit/ GSDP	Ratio of total outstanding debt of the Government to GSDP (in *per cent*)
2018-19	Targets proposed in FRM	(-) 2.00	(-) 1.28	23.90
	Targets proposed in the Budget	(-) 2.00	(-) 1.20	Not prescribed
	Actuals	(+) 13.54	(-) 0.82	24.95
2019-20	Targets proposed in FRM	(+) 60.00	0.84	22.39
	Targets proposed in the Budget	Nil	1.37	Not prescribed
	Actuals	(-) 54.49	1.00	21.90

(Source: Finance Audit Report of the respective years and FRM for the year 2019-20)

Table1.5: Actuals *vis-à-vis* projection in FRM for 2019-20

(₹ in crore)

Sl. No.	Fiscal Variables	Projection as per FRM	Actuals (2019-20)	Variation between projection and actuals	Variation (in *per cent*)
1	Own Tax Revenue	3,344	2,475	(-) 869	(-) 25.98
2	Non-tax Revenue	1,582	1,638	56	3.54
3	Share of central taxes	Nil	Nil	Nil	
4	Grants -in-aid from GoI	1,979	2,668	689	34.82
5	Revenue receipts (1+2+3+4)	6,905	6,781	(-) 124	(-) 1.80
6	Revenue expenditure	6,845	6,836	(-) 9	(-) 0.13
7	Revenue Deficit (-)/ Surplus (+) (5-6)	(+) 60	(-) 55	(-) 115	(-) 191.67
8	Fiscal Deficit (-)/ Surplus (+)	(-) 320	(-) 381	61	19.06
9	Debt-GSDP ratio (*per cent*)	22.39	21.90	0.49	
10	GSDP growth rate at current prices (*per cent*)	10.92	11.09	0.17	

The trends in deficits, fiscal liabilities and GSDP are exhibited in **Charts 1.3, 1.4** and **1.5**.

Chart 1.3 : Trends in Deficit Indicators

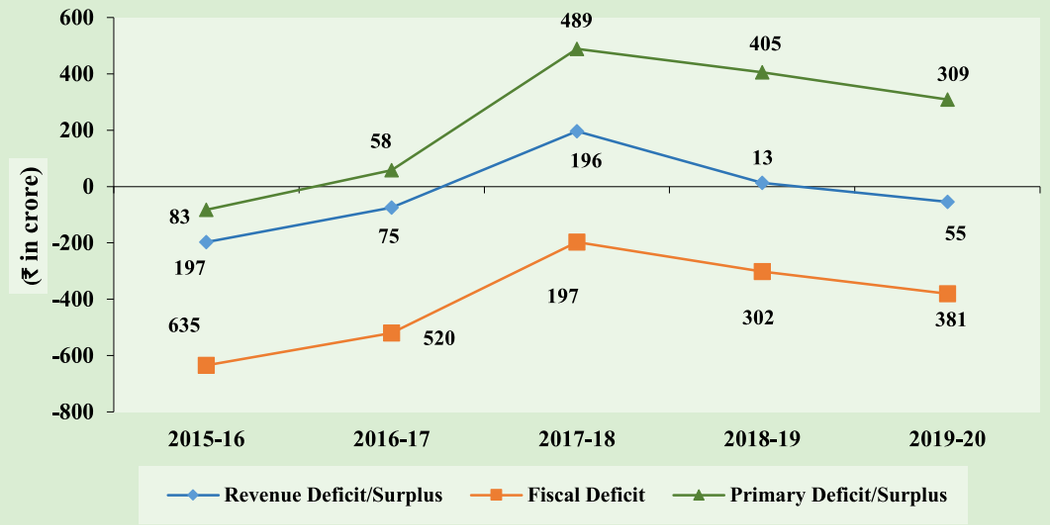
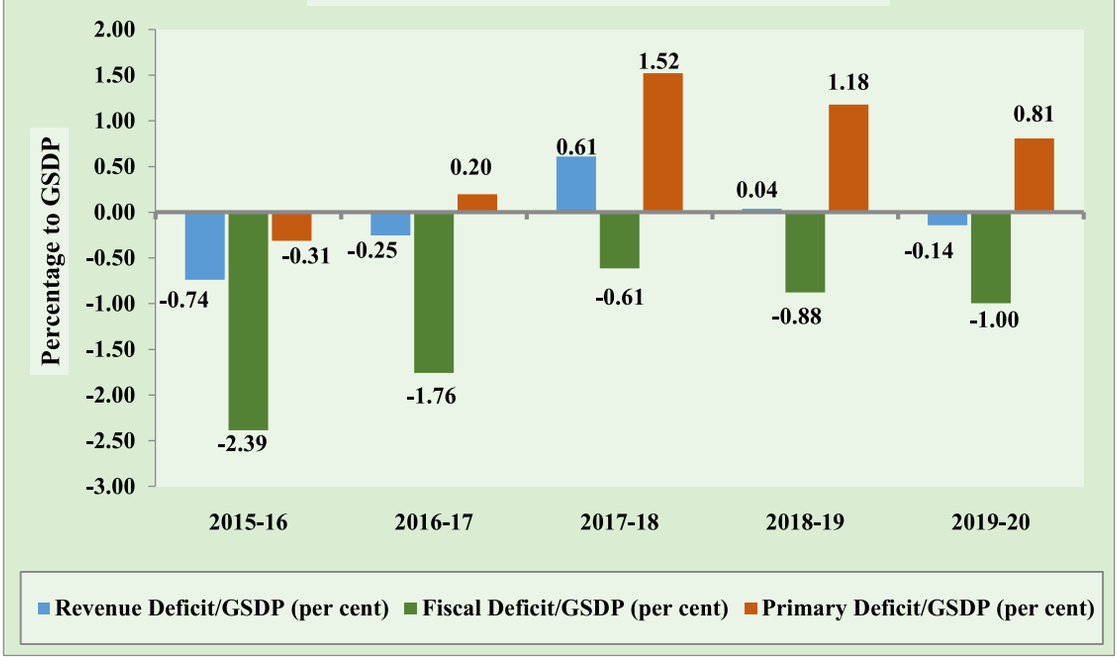
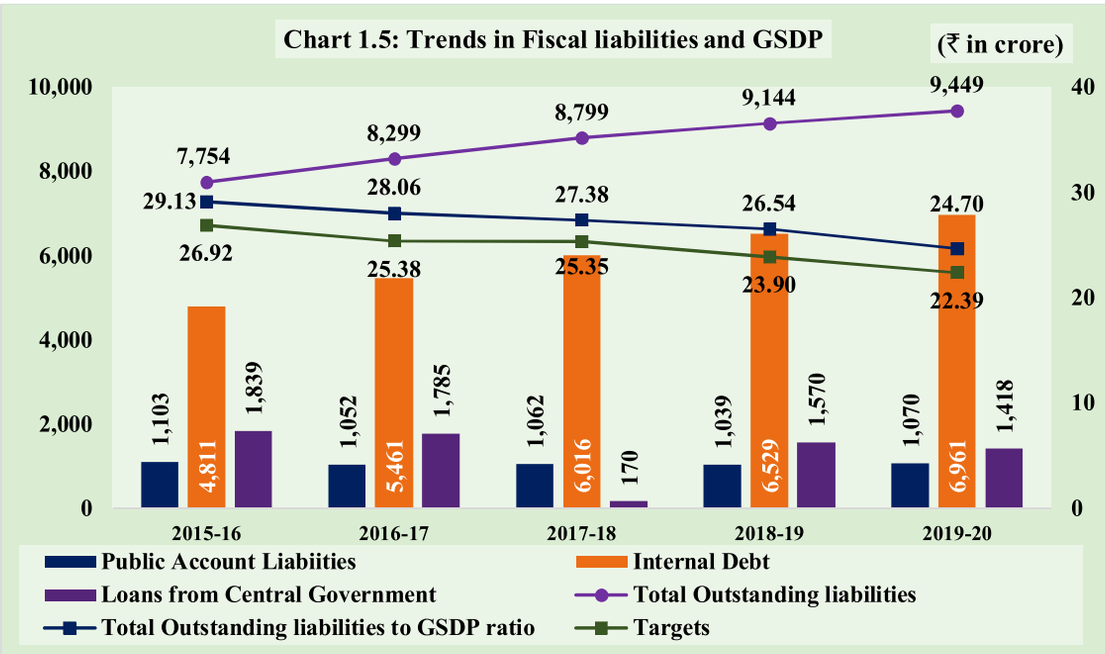


Chart 1.4: Trends in Deficit indicators relative to GSDP





- It could be seen that, though the UT has achieved revenue surplus during 2017-18 and 2018-19, it ended up with revenue deficit during 2019-20 at ₹ 55 crore as against the target of revenue surplus of ₹ 60 crore proposed in the FRM. Existence of revenue deficit is a cause of concern, as revenue receipts were not able to meet even revenue expenditure. Further, part of capital receipts, which include borrowings, was utilised to meet revenue expenditure which otherwise could have been utilised for creation of capital assets of productive nature.

- Though the total liabilities increased from ₹ 7,754 crore in 2015-16 to ₹ 9,449 crore in 2019-20, the ratio of outstanding liabilities to GSDP decreased from 29.13 in 2015-16 to 24.70 in 2019-20. The loans and advances from GoI decreased from ₹ 1,839 crore in 2015-16 to ₹ 1,418 crore in 2019-20.

- The UT was not able to contain the ratio of fiscal deficit to GSDP as envisaged in the FRM during 2019-20. The ratio of fiscal deficit to GSDP during 2019-20 was one *per cent* as against the target of 0.84 *per cent* contemplated in the FRM. However, it was lower than that proposed in the budget which was 1.37 *per cent*.

1.6 Deficits and total debt after examination in audit

1.6.1 Post audit - Deficits

In accordance with the Puducherry Consolidated Sinking Fund Scheme, 2009, the UT Government may contribute to the Fund on a modest scale of at least 0.5 *per cent* of the outstanding liabilities as at the end of the previous year. During the beginning of the financial year 2019-20, the outstanding liabilities stood at ₹ 7,518.63 crore. As such, an amount of ₹ 37.59 crore should have been contributed to the Fund. However, it was seen that no amount has been contributed to the Fund during 2019-20 which resulted in understatement of Revenue/Fiscal deficit to the tune of ₹ 37.59 crore.

1.6.2 Analysis of outstanding debt

The Public Debt comprised of External Debt, Internal Debt, Market loans and loans and advances from GoI. The total outstanding liabilities include outstanding Public Debt and outstanding Public Account liabilities.

Analysis of the total outstanding debts/liabilities of the UT Government in terms of (i) debt as a percentage of GSDP and (ii) rate of growth of outstanding Government debts are detailed in **Table 1.6**.

Table 1.6: Total outstanding debts/liabilities

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Total outstanding debts/liabilities	7,754	8,299	8,799	9,137	9,449
Rate of growth of outstanding debts (in *per cent*)	10.30	7.03	6.02	3.84	3.41
GSDP at current prices	26,617	29,573	32,129	34,433	38,253
Ratio of total outstanding debt to GSDP (in *per cent*)	29	28	27	27	25

- The outstanding debt grew by 3.41 *per cent* over previous year.
- Considering the capital expenditure of only ₹ 327 crore during 2019-20 and the fiscal deficit of ₹ 381 crore, it is indicative that the borrowing during the year was utilised for financing the revenue expenditure mainly on interest payments and accorded lower priority to spending on capital assets. To the extent of reduced capital formation, debt acts as 'burden' on future generations.

CHAPTER II

FINANCES OF THE UNION TERRITORY OF PUDUCHERRY

CHAPTER II: FINANCES OF THE UNION TERRITORY OF PUDUCHERRY

Introduction

This chapter provides a broad perspective of the finances of the Union Territory (UT) of Puducherry. It contains overall financial trends during the five-year period from 2015-16 to 2019-20, debt sustainability, key Public Account transactions and analyses the critical changes in major fiscal aggregates relative to the previous year based on the Finance Accounts of the UT. Information was also obtained from the UT Government wherever necessary.

2.1 Major changes in key fiscal aggregates during 2019-20 *vis-à-vis* 2018-19

This section gives a bird's eye view of the major changes in key fiscal aggregates of the Government of UT of Puducherry during the current financial year, compared to the previous year. Each of these indicators would be analysed in the succeeding paragraphs. A time series data on UT Government finances is given in **Appendix 2.1**.

Table 2.1 presents the changes in key fiscal aggregates in 2019-20 compared to 2018-19.

Table 2.1: Changes in key fiscal aggregates in 2019-20 compared to 2018-19

Revenue Receipts	✓ Revenue receipts of the UT increased by 5.95 *per cent* ✓ Own Tax receipts of the UT decreased by 22.37 *per cent* ✓ Non-tax receipts increased by 3.41 *per cent* ✓ Grants-in-aid from Government of India increased by 63.88 *per cent*
Revenue Expenditure	✓ Revenue expenditure increased by 7.03 *per cent* ✓ Revenue expenditure on General Services increased by 7.38 *per cent* ✓ Revenue expenditure on Social Services increased by 1.62 *per cent* ✓ Revenue expenditure on Economic Services increased by 13.70 *per cent* ✓ Expenditure on Grants-in-aid given by UT Government was Nil
Capital Expenditure	✓ Capital expenditure increased by 4.47 *per cent* ✓ Capital expenditure on General Services increased by 10.53 *per cent* ✓ Capital expenditure on Social Services increased by 26.98 *per cent* ✓ Capital expenditure on Economic Services decreased by 13.10 *per cent*
Loans and Advances	✓ Disbursement of Loans and Advances decreased by 96.43 *per cent* ✓ Recoveries of Loans and Advances remained constant
Public Debt	✓ Public Debt Receipts increased by 3.57 *per cent* ✓ Repayment of Public Debt increased by 19.25 *per cent*
Public Account	✓ Public Account Receipts increased by 19.28 *per cent* ✓ Disbursement from Public Account decreased by 39.55 *per cent*
Cash Balance	✓ Cash balance increased by ₹ 21 crore (1.30 *per cent*) in 2019-20 compared to previous year

2.2 Sources and Application of Funds

Table 2.2 compares the sources and application of funds of the UT of Puducherry during 2019-20 with 2018-19, while **Charts 2.1** and **2.2** give the details of receipts and expenditure from the Consolidated Fund during 2019-20 in terms of percentages.

Table 2.2: Details of Sources and Application of funds during 2018-19 and 2019-20

(₹ in crore)

	Particulars	2018-19	2019-20	Increase(+)/ Decrease(-)
Sources	Opening Cash Balance with RBI	2,111.89	1,621.28	(-) 490.61
	Revenue Receipts	6,400.41	6,781.34	380.93
	Recoveries of Loans and Advances	0.91	0.53	(-) 0.38
	Public Debt Receipts (Net)	368.12	280.77	(-) 87.35
	Public Account Receipts (Net)	(-) 557.05	120.68	677.73
	Total	**8,324.28**	**8,804.60**	**480.32**
Application	Revenue Expenditure	6,386.87	6,835.83	448.96
	Capital Expenditure	313.05	326.61	13.56
	Disbursement of Loans and Advances	3.08	0.11	(-) 2.97
	Closing Cash Balance with RBI	1,621.28	1,642.05	20.77
	Total	**8,324.28**	**8,804.60**	**480.32**

(Source: Finance Accounts 2019-20)

Chart 2.1: Composition of Resources (₹ in crore) ₹ comes from

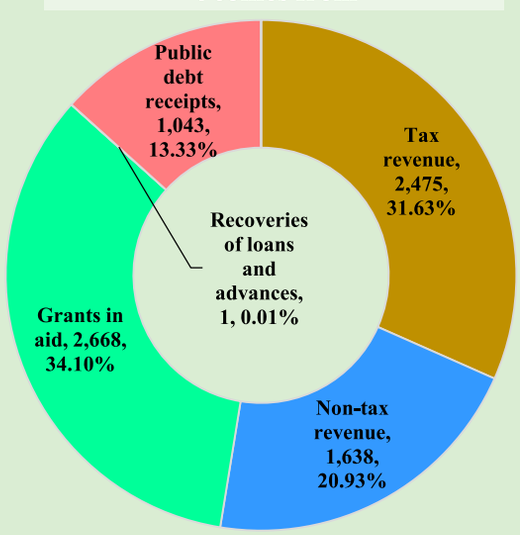
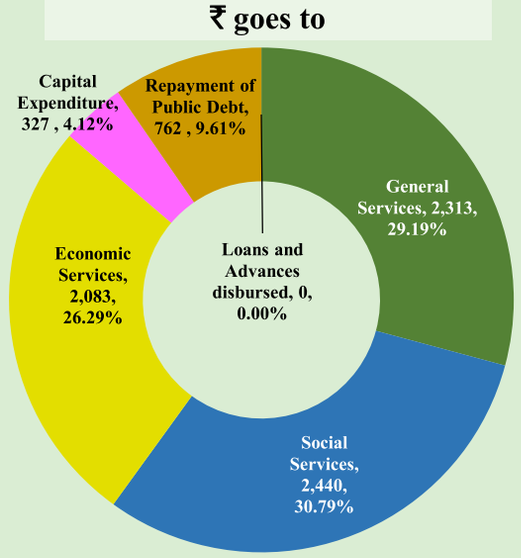


Chart 2.2: Application of Resources (₹ in crore) ₹ goes to



(Source: Finance Accounts 2019-20)

2.3 Resources of the Union Territory

The resources of the UT are described below:

Revenue receipts consist of tax revenue, non-tax revenue and Grants-in-aid from the Government of India (GoI).

Capital receipts comprise miscellaneous Capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. Both revenue and Capital receipts form part of the Consolidated Fund of the UT.

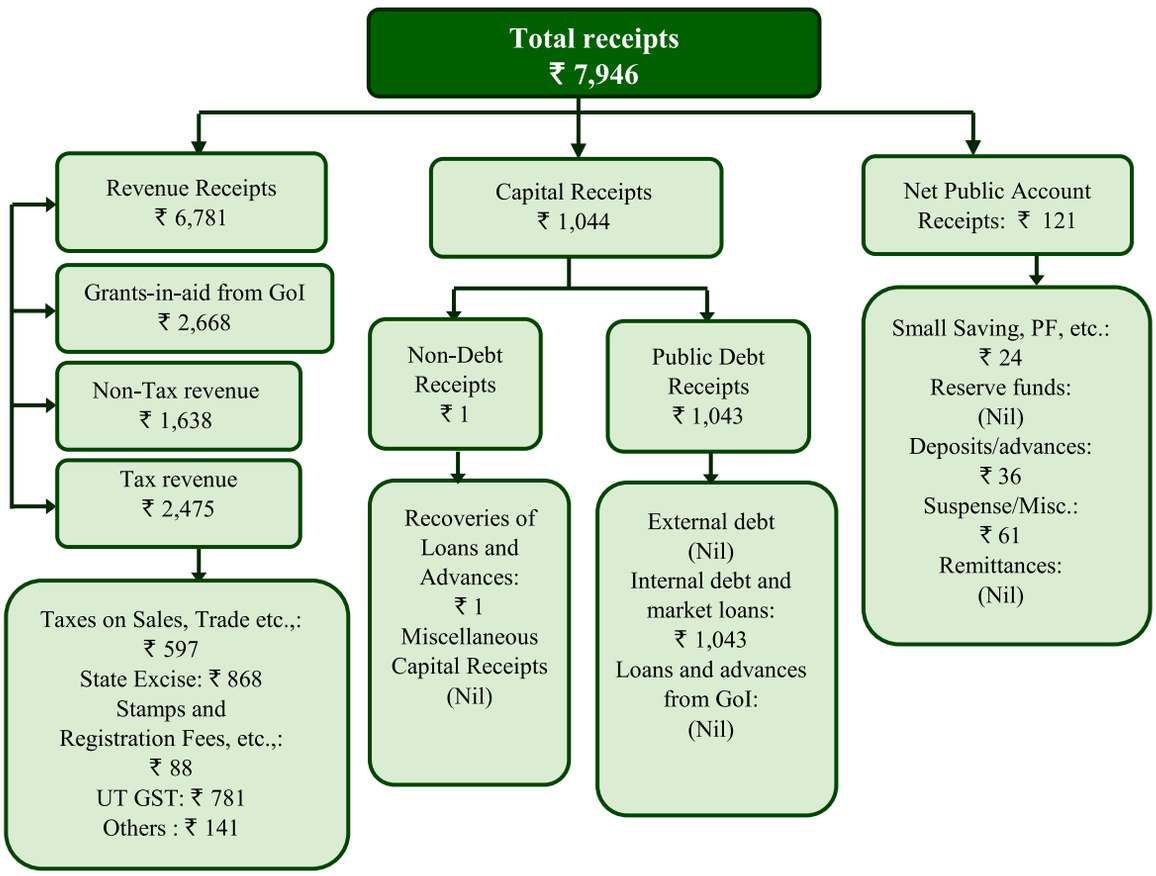
Net Public Accounts receipts: There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc., which do not form part of the Consolidated Fund. These are kept in the Public Account set up under Section 47 A of UT Act, 1963 and are not subject to vote by the UT Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the UT

The **Chart 2.3** provides the composition of the overall receipts. Besides the Capital and Revenue Receipts, funds available in the Public Account (net of disbursement made from it) are also utilised by the Government to finance its deficit.

Chart 2.3: Composition of receipts of the UT during 2019-20

(₹ in crore)



2.3.2 Revenue Receipts

This paragraph gives the trends in total Revenue receipts and its components. Statement 14 of Finance Accounts details the Revenue receipts of the Government.

2.3.2.1 Trends and growth of Revenue receipts

Table 2.3 provides the trends and growth of Revenue Receipts as well as revenue buoyancy with respect to GSDP over the five-year period 2015-20. Further, trends in Revenue Receipts relative to GSDP and composition of Revenue Receipts are given in **Charts 2.4** and **2.5** respectively.

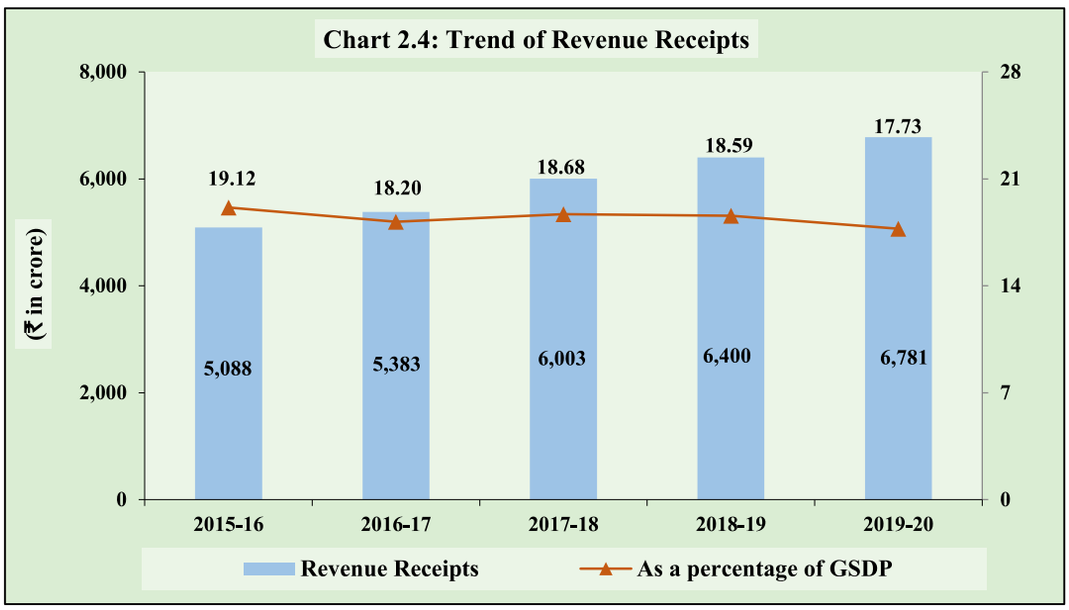
Table 2.3: Trends in Revenue receipts relative to GSDP

	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue receipts (RR) (₹ in crore)	5,088	5,383	6,003	6,400	6,781
Rate of growth of RR (*per cent*)	6.94	5.80	11.52	6.61	5.95
Own tax Revenue (₹ in crore)	2,260	2,401	2,806	3,188	2,475

	2015-16	2016-17	2017-18	2018-19	2019-20
Non-tax Revenue (₹ in crore)	1,138	1,245	1,374	1,584	1,638
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (*per cent*)	3.19	7.30	14.65	14.16	(-) 13.81
Gross State Domestic Product (₹ in crore) (2011-12 Series)	26,617	29,573	32,129	34,433	38,253
Rate of growth of GSDP (*per cent*)	17.91	11.11	8.64	7.17	11.09
RR/GSDP (*per cent*)	19.12	18.20	18.68	18.59	17.73
Buoyancy Ratios[1]					
Revenue buoyancy with reference to GSDP (ratio)	0.39	0.52	1.33	0.92	0.54
UT's own tax buoyancy with reference to GSDP (ratio)	0.75	0.56	1.95	1.90	(-) 2.02

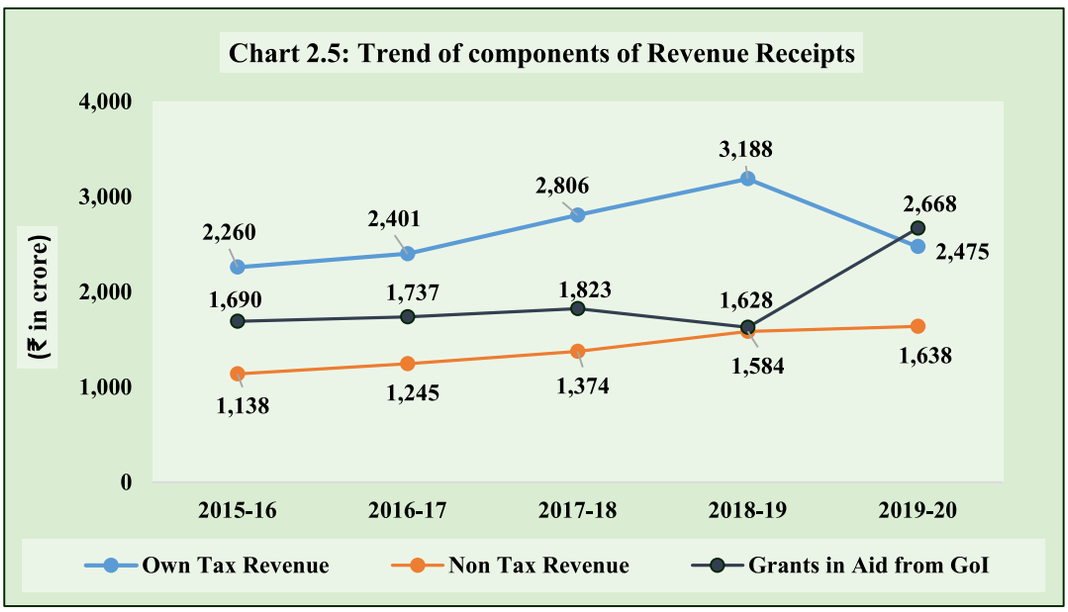
(Source: GSDP figures of Directorate of Economics and Statistics)

Revenue receipts of the UT comprising of own tax and non-tax revenue increased by 21.04 *per cent* from ₹ 3,398 crore in 2015-16 to ₹ 4,113 crore in 2019-20. The rate of growth of own revenue decreased by 13.81 *per cent* when compared to the previous year, which made the UT from revenue surplus of ₹ 14 crore in the year 2018-19 to revenue deficit of ₹ 55 crore in 2019-20.



(Source: Finance Accounts of respective years)

[1] Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.85 implies that Revenue Receipts tend to increase by 1.85 percentage points, if the GSDP increases by one *per cent*.



(Source: Finance Accounts of respective years)

General trends relating to Revenue Receipts of the UT are as follows:

Revenue Receipts increased by 33.27 *per cent* from ₹ 5,088 crore in 2015-16 to ₹ 6,781 crore in 2019-20. During 2019-20, Revenue Receipts increased by ₹ 381 crore (5.95 *per cent)* over the previous year, which was much lower than the growth rate of GSDP of 11.09 *per cent*.

About 60.65 *per cent* of the Revenue Receipts during 2019-20 came from the UT's own resources, while Grants-in-aid contributed 39.35 *per cent*.

The increase in the Revenue receipts of the Union Territory by ₹ 381 crore over the previous year was due to increase in Grants-in-aid from GoI (₹ 1,040 crore) and Non-Tax Revenue (₹ 54 crore) which was offset by decrease in Tax Revenue (₹ 713 crore) during the year.

During the current year, the increase of 7.03 *per cent* (₹ 449 crore) in Revenue expenditure was higher than the increase of 5.95 *per cent* (₹ 381 crore) in Revenue Receipts, leading to a Revenue Deficit as against the Revenue Surplus in the previous year.

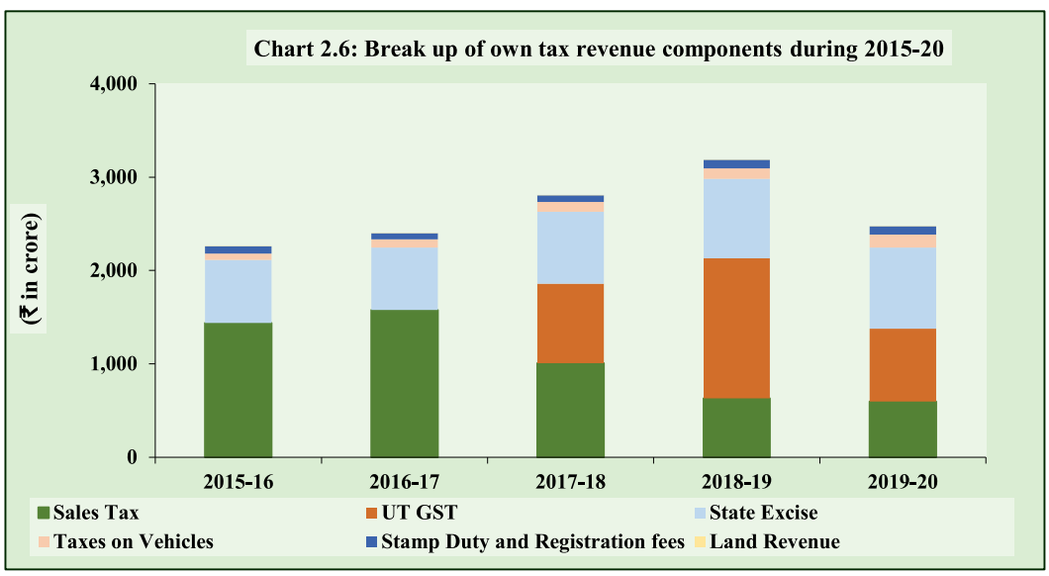
There was wide fluctuation in the revenue buoyancy of the UT due to implementation of GST (in 2017-18), which also impacted the actual receipts in different components of revenue. During the year, ₹ 862 crore was received as "Compensation for loss of revenue arising out of implementation of GST" under Grants-in-aid from GoI.

2.3.2.2 Union Territory's own resources

UT's performance in mobilisation of resources was assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The trends in growth of tax and non-tax revenue are discussed in the succeeding paragraphs.

Own Tax Revenue

The details of gross collection of taxes and duties and their growth are given in **Chart 2.6** and **Table 2.4**.



(Source: Finance Accounts of respective years)

Table 2.4: Components of UT's own tax revenue

(₹ in crore)

Revenue Head	2015-16	2016-17	2017-18	2018-19	2019-20	Spark line
Sales Tax	1,439	1,576	1,008	632	597	
UT GST	0	0	852	1,499	781	
State Excise	674	671	770	850	868	
Taxes on Vehicles	69	87	104	114	139	
Stamp Duty and Registration fees	76	66	71	92	88	
Land Revenue	2	1	1	1	2	
Total	**2,260**	**2,401**	**2,806**	**3,188**	**2,475**	

(Source: Finance Accounts of respective years)

UT's Tax revenue decreased from ₹ 3,188 crore in 2018-19 to ₹ 2,475 crore in 2019-20 by ₹ 713 crore (22.37 *per cent*) over the previous year. The huge variation in respect of UT GST in 2018-19 and 2019-20 was mainly due to

misclassification of "Compensation for loss of revenue arising out of implementation of GST" under the major head 0009-02-101 instead of major head 1601-08-114 during the year 2018-19, which was rectified during the year 2019-20. Though Sales Tax decreased by ₹ 35 crore, State Excise (₹ 18 crore) and Taxes on Vehicles (₹ 25 crore) increased during 2019-20. The decrease in Sales Tax during 2019-20 was mainly due to less collection under Trade Tax, State Sales Tax and Central Sales Tax.

UT Goods and Services Tax (UT GST)

In pursuance of the provisions of the Constitution Amendment (One Hundred and First) Act, 2016, State/UT are entitled for compensation for the loss of revenue arising on account of implementation of the Goods and Services Tax. According to GST (Compensation to the States) Act, 2017, Central Government will compensate the States for loss of revenue arising on account of implementation of GST for a period of five years. The compensation payable to the UT shall be calculated for every financial year after the receipt of revenue figure, as audited by the CAG of India. A base year (2015-16) revenue figure of taxes subsumed under GST was finalised under GST Act. In UT of Puducherry, the revenue realised through the taxes since now subsumed into GST was ₹ 1,095.37 crore during the base year (2015-16). The revenue to be protected for any year was to be calculated by applying a growth rate of 14 *per cent* per annum.

The projected revenue for the year 2019-20 in accordance with the base year figure was ₹ 1,850.04 crore. Revenue figure under GST for the year 2019-20 has been depicted in Finance Accounts as per nature of receipts *i.e.,* State Goods and Services Tax (SGST) and Integrated Goods and Services Tax (IGST). The projected revenue and the Revenue receipts of the UT Government including pre-GST taxes and taxes under GST during the year 2019-20 is given in **Table 2.5**.

Table 2.5: Projected revenue and the Revenue receipts of the UT Government including pre-GST taxes and taxes under GST

(₹ in crore)

Period	Projected revenue *	Pre-GST taxes ***	SGST	IGST	Total tax collected	Compen-sation received **	Total including compen-sation	Deficit
1	**2**	**3**	**4**	**5**	**6= (3+4+5)**	**7**	**8= (6+7)**	**9= (2-8)**
2019-20	1,850.04	596.64	380.28	401.27	1,378.19	862.29	2,240.48	Yet to be finalised

* Projected based on a growth rate of 14 *per cent* for every year from the base year revenue (2015-16)

** Compensation due to be received for the 2019-20 is under reconciliation

*** This includes non-subsumed tax components also

(Figures excluding refunds as worked out by UT Government)

(Source: Finance Accounts 2019-20)

As seen from **Table 2.5**, the projected revenue for the year 2019-20 is ₹ 1,850.04 crore. The UT Government had so far received compensation of ₹ 862.29 crore. The certification of revenue for 2019-20 and excess or deficit in receipt of compensation is yet to be finalised.

Arrears of revenue

The arrears of revenue indicate delayed realisation of revenue due to the Government. Similarly, arrear of assessment indicates potential revenue, which is blocked due to delayed assessment. Both deprive the UT of potential Revenue receipts and affect ultimately the revenue deficit.

The arrears of revenue as on 31 March 2020 under the principal heads of revenue amounted to ₹ 1,101.41 crore, of which ₹ 517.44 crore were outstanding for more than five years as detailed in **Table 2.6**.

Table 2.6: Arrears of revenue

(₹ in crore)

Sl. No.	Departments	Total arrears	Arrears outstanding for more than five years	Remarks
1.	Electricity	709.61	238.87	Arrears were due to non-payment of electricity charges.
2.	Commercial Taxes	274.20	225.79	Arrears related to collection of tax under PGST/CST and VAT Acts, major portion is sub-judice.
3.	Excise	67.43	39.07	Arrears were mainly due to non-payment of *kist* by the lessees of arrack and toddy shops.
4.	Public Works	41.59	11.51	Details not furnished by the Department.

Sl. No.	Departments	Total arrears	Arrears outstanding for more than five years	Remarks
5.	Accounts and Treasury	2.84	0.11	Arrears related to audit fee from Religious Institutions.
6.	Transport	2.68	0.57	Arrears relating to collection of taxes on vehicles.
7.	Hindu Religious Institutions and Wakf Board	0.80	0.44	Arrears were due to shortfall in collection of dues from temples.
8.	Stationery and Printing	0.55	0.20	Pendency related to non-recovery of dues from Government Departments for stationery and printing, sale of Gazettes, Press receipts *etc*.
9.	Revenue	0.49	0.12	Arrears due to land tax, licence fees towards mining *etc*.
10.	Agriculture	0.32	0.32	Arrears due from PASIC and local bodies towards rent, cost of seeds and other services.
11.	Co-operative	0.31	0.08	Arrears being Audit fees due from societies under dormant or liquidation conditions.
12.	Tourism	0.18	0.05	Arrears being rent due from Guests/Government officials towards room rent.
13.	Industries and Commerce	0.13	0.12	Arrears related to rent due from defunct industrial units.
14.	Information and Publicity	0.12	0.12	Rent due from Government Guest House and Guest House Canteen rent. Concerned Department has been requested to send write-off proposal to the Government.
15.	Higher and Technical Education	0.07	0.00	Arrears of fee from students and rent from BSNL for the tower.
16.	Judicial	0.06	0.04	Arrears in payment of fines and also forfeitures were due to accused undergoing imprison-ment in some cases and pendency of appeal in Courts.
17.	Fisheries and Fishermen Welfare	0.03	0.03	Arrears of lease amount on fish farm at Coringa river at Yanam.
Total		**1,101.41**	**517.44**	

(Source: Details furnished by respective Departments)

Table 2.6 further indicates that the amount of uncollected revenue as on 31 March 2020 was about 16 *per cent* of the total revenue (₹ 6,781 crore) raised by the Government during the year 2019-20.

Arrears in assessment

The details of Value Added Tax (VAT) cases pending at the beginning of the year, cases becoming due for assessment, cases disposed off during the year and number of cases pending for finalisation at the end of the year as furnished by the Commercial Taxes Department (CTD) in respect of VAT are shown in **Table 2.7**.

Table 2.7: Arrears in assessment

Head of revenue	Opening balance	New cases due for assessment during 2019-20	Total assessments due	Cases disposed of during 2019-20	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
(1)	(2)	(3)	(4) = (2)+(3)	(5)	(6)= (4)-(5)	(7)
VAT Scrutiny Assessment	22,060	0	22,060	1,533	20,527	6.95

(Source: Details furnished by the Department)

It was seen that out of 15,238 cases pertaining to the period from 2008-09 to 2014-15, only 850 cases were disposed during 2019-20. Similarly, out of 6,822 cases for the period 2015-17, only 683 cases were disposed off. As the percentage of disposal was very low, the Department has to take a time bound action to complete all the pending cases as new tax regime has taken place.

Evasion of tax detected by Department, refund cases, etc.

The details of cases of evasion of tax detected by the CTD, cases finalised and the demands for additional tax raised are given in **Table 2.8**.

Table 2.8: Evasion of Tax Detected

Sl. No.	Head of revenue	Cases pending as on 31 March 2019	Cases detected during 2019-20	Total	No. of cases in which assessment/ investigation completed and additional demand with penalty *etc*., raised		No. of cases pending for finalisation as on 31 March 2020
					No. of cases	Amount of demand (₹ in crore)	
1.	State Goods and Services Tax	14	55	69	48	4.30	21
2	Sales Tax/ VAT	272	0	272	28	0.24	244

(Source: Details furnished by the Department)

It was seen that out of 244 cases, 167 cases were pending for more than five years and 77 cases were pending for period ranging from three to five years. During the year, the Department could clear only 10 *per cent* of pending Sales Tax/VAT cases as against 272 cases pending at the beginning of the year. The Department needs to take a time bound action to complete all the cases as new tax regime has taken place and further delay in clearance may result in loss of revenue to the UT.

Pendency of refund cases

The number of refund cases pending at the beginning of the year 2019-20, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2019-20 relating to CTD (UT Goods and Services Tax) is given in **Table 2.9**.

Table 2.9: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	UT GST	
		No. of cases	Amount
1.	Claims outstanding at the beginning of the year	25	3.16
2.	Claims received during the year	158	50.20
3.	Refunds made during the year	168	46.68
4.	Refunds rejected during the year	0	0.00
5.	Balance outstanding at the end of year	15	6.68

(Source: Details furnished by the Department)

Non-tax revenue

Non-tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc. The details of non-tax revenue pertaining to the period 2015-20 are given in **Table 2.10**.

Table 2.10: Components of non-tax revenue

(₹ in crore)

Revenue Head	2015-16	2016-17	2017-18	2018-19	2019-20	Spark line
Interest receipts	88	66	99	95	99	
Dividends and Profits	4	0	2	1	3	
Other Non-Tax receipts, of which	1,046	1,179	1,273	1,488	1,536	
(a) Power	991	1,116	1,197	1,353	1,423	
(b) Medical and Public Health	16	13	17	26	11	
(c) Water Supply and Sanitation	6	7	15	24	21	

Revenue Head	2015-16	2016-17	2017-18	2018-19	2019-20	Spark line
(d) Ports and Light Houses	6	9	12	11	12	
(e) Housing	1	1	1	7	7	
(f) Miscellaneous General Services	3	7	5	31	37	
(g) Education, Sports, Art and Culture	2	1	1	7	2	
(h) Others	21	25	25	29	23	
Total	**1,138**	**1,245**	**1,374**	**1,584**	**1,638**	

(Source: Finance Accounts of respective years)

Non-tax Revenue, which ranged between 22 and 25 *per cent* of total Revenue Receipts of the UT during the five-year period from 2015-16 to 2019-20, increased marginally from ₹ 1,584 crore in 2018-19 to ₹ 1,638 crore in 2019-20. Major contributor for the increase in Non-Tax Revenue was Power which increased from ₹ 1,353 crore in 2018-19 to ₹ 1,423 crore in 2019-20 due to revision of tariff and higher collections.

2.3.2.3 Grants-in-aid from GoI

The Grants-in-aid (GIA) received from GoI for the years 2015-16 to 2019-20 are given in **Table 2.11**.

Table 2.11: Grants-in-aid from Government of India

(₹ in crore)

Head	2015-16	2016-17	2017-18	2018-19	2019-20*
Non-Plan Grants	807	747	28	5	--
Grants for State/UT Plan Schemes	699	795	11	--	--
Grants for Central Plan Schemes	--	--	--	--	--
Grants for Centrally Sponsored Schemes (CSS)	184	195	383	152	201
Other transfers/Grants to States/Union Territories with Legislature	--	--	1,401	1,471	2,467
Total	**1,690**	**1,737**	**1,823**	**1,628**	**2,668**
Percentage of increase over the previous year	15.36	2.78	4.95	(-) 10.70	63.88
Percentage of GIA to Revenue Receipts	33.22	32.27	30.37	25.44	39.35

*Distinction between Plan and Non-Plan has been dispensed with
(Source: Finance Accounts of respective years)

Grants-in-aid received from GoI increased by ₹ 1,040 crore (63.88 *per cent*) during 2019-20. The total grant as a percentage of Revenue receipts increased from 25.44 in 2018-19 to 39.35 in 2019-20. This was mainly due to

rectification of "Compensation for loss of revenue arising out of implementation of GST" wrongly booked under a different head in the year 2018-19.

2.3.3 Capital receipts

Capital receipts comprise miscellaneous Capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks) and loans and advances from GoI. The trends in growth and composition of Capital receipts during 2015-20 are given in **Table 2.12**.

Table 2.12: Trends in growth and composition of Capital Receipts

(₹ in crore)

Source of receipts	2015-16	2016-17	2017-18	2018-19	2019-20
Capital Receipts	**743**	**822**	**1,062**	**1,008**	**1,044**
Miscellaneous Capital receipts	Nil	Nil	Nil	Nil	Nil
Recovery of loans and advances	2	2	1	1	1
Net Public Debt receipts	**741**	**820**	**1,061**	**1,007**	**1,043**
External Debt	Nil	Nil	Nil	50	Nil
Internal Debt	642	748	989	957	1,043
Growth rate	4.56	16.51	32.22	(-) 3.24	3.57
Loans and advances from GoI	99	72	72	Nil	Nil
Growth rate	10.00	(-) 27.27	0.00	(-) 100.00	Nil
Rate of growth of debt Capital receipts (*per cent*)	5.26	10.66	29.39	(-) 5.09	3.57
Rate of growth of non-debt Capital receipts (*per cent*)	Nil	Nil	(-) 50.00	Nil	Nil
Rate of Growth of GSDP	17.91	11.11	8.64	7.17	11.09
Rate of growth of Capital receipts (*per cent*)	5.24	10.63	29.20	(-) 5.08	3.57

(Source: Finance Accounts of respective years)

The Capital receipts increased by ₹ 36 crore in 2019-20 on account of increase in Public Debt receipts. Though the Capital receipts of the UT increased from ₹ 743 crore in 2015-16 to ₹ 1,044 crore in 2019-20, the rate of growth of Capital receipts decreased from 5.24 *per cent* to 3.57 *per cent* during the same period.

Public debt receipts create future repayment obligation and these are taken from Market, Financial Institutions and Central Government. During the five-year period 2015-20, 50.60 *per cent* of Public debt receipts were used for repayment of Public Debt taken in earlier years and the remaining 49.40 *per cent* was utilised for other purposes.

2.3.4 UT's performance in mobilisation of resources

UT's performance in mobilisation of resources is assessed in terms of its own resources comprising own tax and non-tax sources. The targets prescribed in the FRM, Budget Estimates and actuals are given in **Table 2.13**.

Table 2.13: Tax and non-tax receipts *vis-à-vis* projections

	FRM	Budget Estimates	Actuals	Percentage variation of actuals over	
				Budget Estimates	FRM
Own Tax revenue	3,344	3,778	2,475	(-) 34.49	(-) 25.99
Non-tax revenue	1,582	1,637	1,638	--	(+) 3.54

(Source: Finance Accounts and Budget documents)

The Own Tax revenue decreased by ₹ 869 crore (25.99 *per cent*) and ₹ 1,303 crore (34.49 *per cent*) than the target proposed in the FRM and budget estimate respectively. The reasons for decrease in own tax revenue was mainly due to incorrect booking of GST compensation during 2018-19 as mentioned in paragraph 2.3.2.2 *ibid*. Non-tax revenue increased by ₹ 56 crore (3.54 *per cent*) and ₹ one crore from the target proposed in the FRM and budget estimates respectively.

The UT was, however, dependent on the Grants-in-aid from the GoI which was evident from the fact that out of the total Revenue receipts of ₹ 6,781 crore, the grants from GoI accounted for ₹ 1,806 crore (excluding GST compensation of ₹ 862 crore) which was 26.63 *per cent* of the Revenue Receipts of the UT.

2.4 Application of resources

The UT Government is vested with the responsibility of incurring expenditure within the framework of FRM, while at the same time, ensuring that the ongoing fiscal correction and consolidation process of the UT is not at the cost of expenditure directed towards development of capital infrastructure and social sector. This paragraph along with sub-paragraphs gives the analysis of allocation of expenditure in the UT.

2.4.1 Growth and composition of expenditure

The total expenditure of UT Government, its composition and its sectoral distribution during the period 2015-20 are given in **Tables 2.14** and **2.15** and **Charts 2.7** and **2.8**.

Table 2.14: Total expenditure and its composition

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Total expenditure (TE)	5,725	5,905	6,201	6,703	7,163
Revenue expenditure (RE)	5,285	5,458	5,807	6,387	6,836
Capital expenditure (CE)	439	447	394	313	327
Loans and Advances	1	0	0	3	0
As a percentage of GSDP					
TE/GSDP	21.51	19.97	19.30	19.47	18.73
RE/GSDP	19.86	18.46	18.07	18.55	17.87
CE/GSDP	1.65	1.51	1.23	0.91	0.85
Loans and Advances/GSDP	0.00	0.00	0.00	0.01	0.00

(Source: Finance Accounts of respective years)

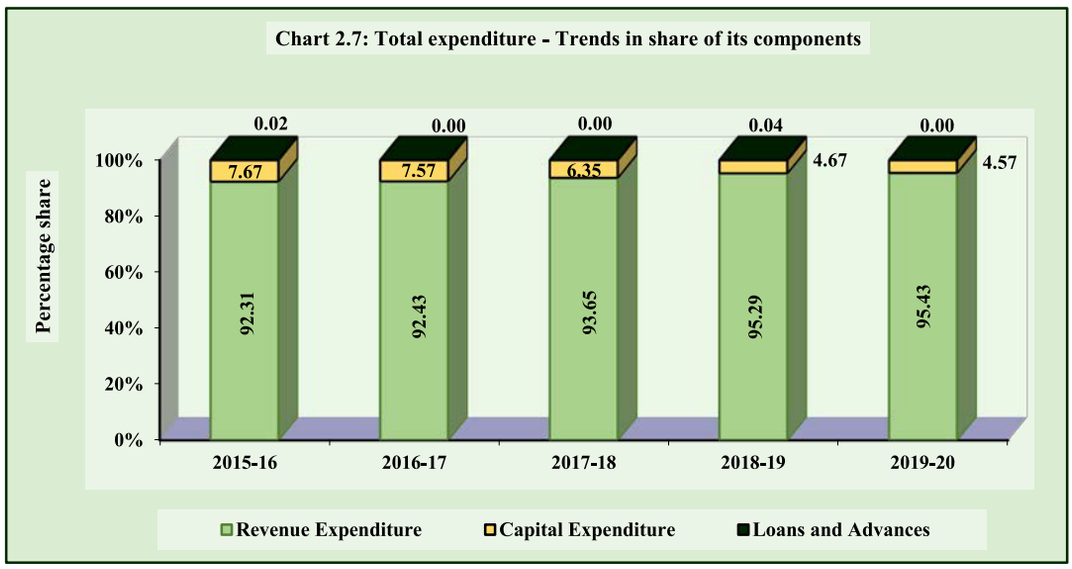
The above table shows that Total Expenditure of the UT increased by 25 *per cent* from ₹ 5,725 crore in 2015-16 to ₹ 7,163 crore in 2019-20. During the year 2019-20, it increased by 6.86 *per cent* from ₹ 6,703 crore in 2018-19 to ₹ 7,163 crore in 2019-20. As a percentage of GSDP, the total expenditure declined from 21.51 in 2015-16 to 18.73 in 2019-20. The significant increase in Revenue expenditure from ₹ 5,285 crore in 2015-16 to ₹ 6,836 crore in 2019-20 contributed to the increase in total expenditure, which resulted in revenue deficit of ₹ 54.49 crore in the year 2019-20.

Table 2.15: Relative share of various sectors of expenditure

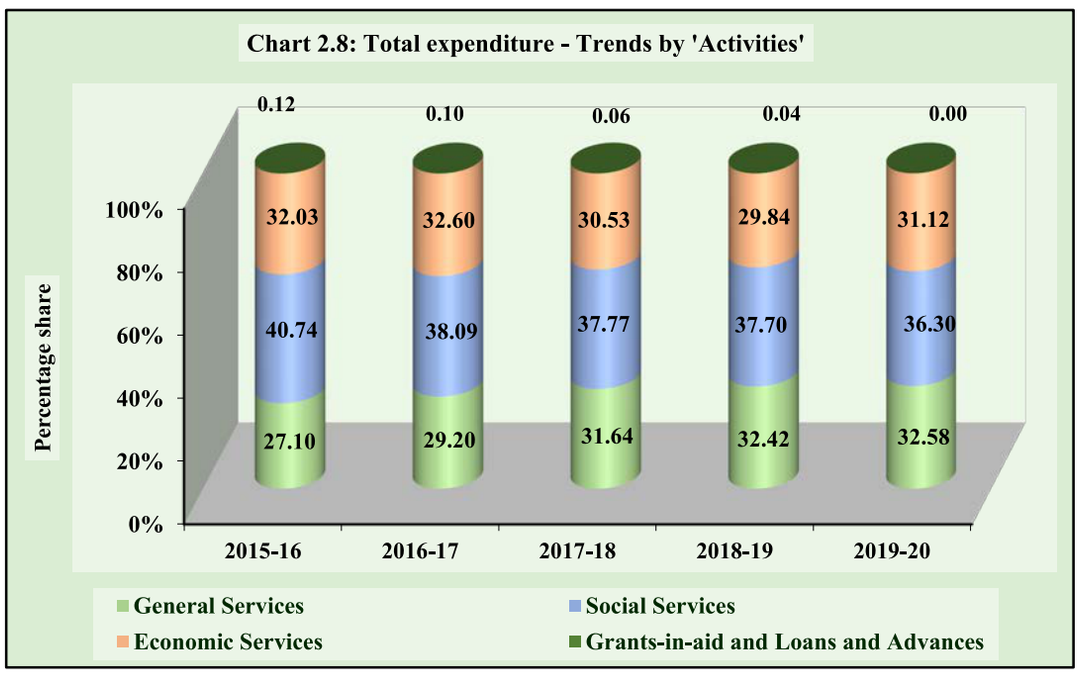
(in *per cent*)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
General Services	27.10	29.20	31.64	32.42	32.58
Social Services	40.74	38.10	37.77	37.70	36.30
Economic Services	32.03	32.60	30.53	29.84	31.12
Others (Grants to Local Bodies and Loans and Advances)	0.12	0.10	0.06	0.04	0.00

(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)

General trends relating to expenditure of the UT are as follows:

The Revenue expenditure increased by ₹ 449 crore (7.03 *per cent*) and the Capital expenditure increased by ₹ 14 crore (4.47 *per cent*) during 2019-20 as compared to the previous year. Capital expenditure has significantly decreased in the last few years with its share as a percentage of GSDP decreasing from 1.65 in 2015-16 to 0.85 in 2019-20.

It could be seen from **Chart 2.7** that the Revenue expenditure as a share of total expenditure was increasing consistently over a period of five years and stood at 95.43 *per cent* of the total expenditure during 2019-20. Consistent increase in Revenue expenditure was due to fact that the committed

expenditure had gradually increased from ₹ 2,801 crore in 2015-16 to ₹ 4,048 crore in 2019-20. Further, as a percentage of total expenditure, the expenditure under General Services increased from 27.10 to 32.58 during the period 2015-20.

The proportion of Capital expenditure to total expenditure decreased from 7.67 *per cent* in 2015-16 to 4.57 *per cent* in 2019-20 which indicated that lower priority was accorded to infrastructure development/creation of capital assets.

During 2019-20, the expenditure on General Services, Social Services and Economic Services increased by 7.41 *per cent*, 2.89 *per cent* and 11.45 *per cent* respectively over the previous year.

2.4.2 Revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the UT's infrastructure and service network.

Revenue expenditure of ₹ 6,836 crore during 2019-20 increased by ₹ 449 crore as compared to ₹ 6,387 crore in 2018-19. It constituted 95.43 *per cent* of total expenditure of ₹ 7,163 crore during the year. However, as a percentage of GSDP, the Revenue expenditure declined from 18.55 in 2018-19 to 17.87 in 2019-20. The buoyancy of Revenue expenditure with reference to Revenue receipts during 2019-20 stood at 1.18.

The overall Revenue Expenditure, its rate of growth, its ratio to Total Expenditure and buoyancy *vis-à-vis* GSDP and Revenue Receipts are given in **Table 2.16** and the sectoral distribution of Revenue Expenditure pertaining to 2019-20 are given in **Chart 2.9**.

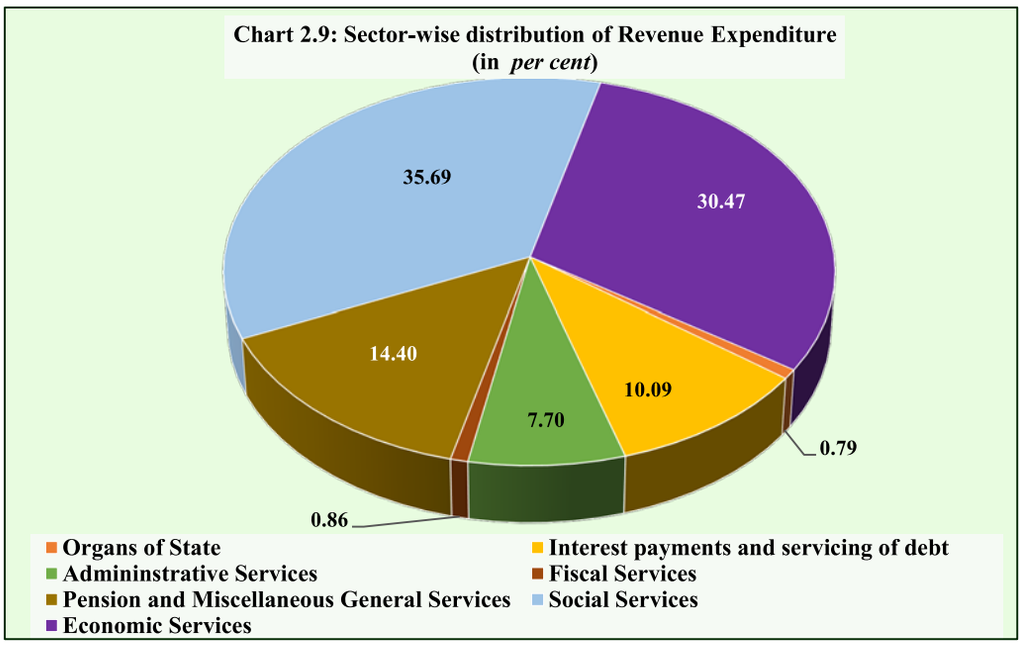
Table 2.16: Revenue Expenditure - Basic Parameters

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Total expenditure (TE)	5,725	5,905	6,201	6,703	7,163
Revenue expenditure (RE)	5,285	5,458	5,807	6,387	6,836
Rate of Growth of RE (*per cent*)	10.10	3.27	6.39	9.99	7.03
Revenue expenditure as percentage of TE	92.31	92.43	93.65	95.29	95.43
RE/GSDP (*per cent*)	19.86	18.46	18.07	18.55	17.87
RE as percentage of RR	103.87	101.39	96.73	99.80	100.81

Buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.56	0.29	0.74	1.39	0.63
Revenue receipts (ratio)	1.46	0.56	0.56	1.51	1.18

(Source: Finance Accounts of respective years)



(Source: Finance Accounts 2019-20)

As a percentage of total Revenue expenditure except for Administrative services, Pension and Miscellaneous General services and Economic Services, all other sectors decreased when compared to previous year.

Revenue expenditure as a percentage of GSDP has dipped from 18.55 *per cent* in 2018-19 to 17.87 *per cent* in 2019-20, although it witnessed an increase of ₹ 449 crore (7.03 *per cent*) over the previous year. This was due to fact that the rate of growth of GSDP was 11.09 *per cent* when compared to the rate of growth of Revenue expenditure, which stood at 7.03 *per cent* during 2019-20. As against the target of ₹ 6,845 crore fixed for Revenue expenditure in FRM, the actual Revenue expenditure was ₹ 6,836 crore.

2.4.2.1 Major changes in Revenue Expenditure

The significant variation under various heads of account with regard to Revenue Expenditure of the UT during 2018-19 and 2019-20 are given in **Table 2.17**.

Table 2.17: Variation in Revenue Expenditure during 2019-20 as compared to 2018-19

(₹ in lakh)

Major Heads and description		2018-19	2019-20	Increase (+)/ Decrease (-)
2059	Public Works	10,447.35	15,702.85	5,255.50
2216	Housing	5,350.98	3,008.16	(-) 2,342.82
2217	Urban Development	13,069.73	6,485.30	(-) 6,584.43
2245	Relief on Account of Natural Calamities	2,118.73	6,066.47	3,947.74
2250	Other Social Services	318.93	449.20	130.27
2435	Other Agriculture Programmes	320.29	638.97	318.68
2501	Special Programme for Rural Development	21.02	54.70	33.68
2505	Rural Development	4,056.58	1,974.12	(-) 2,082.46
2515	Other Rural Development Programmes	4,401.22	1,827.59	(-) 2,573.63
2575	Other Special Area Programmes	1,465.77	834.85	(-) 630.92
2852	Industries	2,043.65	8,696.91	6,653.26
3054	Roads and Bridges	2,319.20	3,408.15	1,088.95
3055	Road Transport	581.69	1,480.13	898.44
3425	Other Scientific Research	190.84	269.94	79.10
3451	Secretariat-Economic Services	1,127.72	1,612.33	484.61
3456	Civil Supplies	773.42	1,083.13	309.71
3475	Other General Economic Services	81.19	498.65	417.46

(Source: Finance Accounts of respective years)

Table 2.17 indicates that Revenue expenditure under Urban Development declined significantly during the year primarily due to decrease in assistance to Local Bodies/Corporations. Housing also recorded a decrease during 2019-20 compared to the previous year due to repair works not carried out to various staff quarters and non-settlement of pending bills for completed works. Similarly, in respect of Public Works, the increase was due to filling up of vacant posts. Under Industries, the increase was due to more grants released to Co-operative Sugar Mills and Textiles.

2.4.2.2 Committed expenditure

The committed expenditure of the UT Government on revenue account consists of interest payments, expenditure on salaries and pensions. It has first charge on Government resources. Upward trend in committed expenditure leaves the Government with lesser flexibility for development sector. The various components of committed expenditure and its share in total Revenue Expenditure are given in **Table 2.18** and **Chart 2.10**.

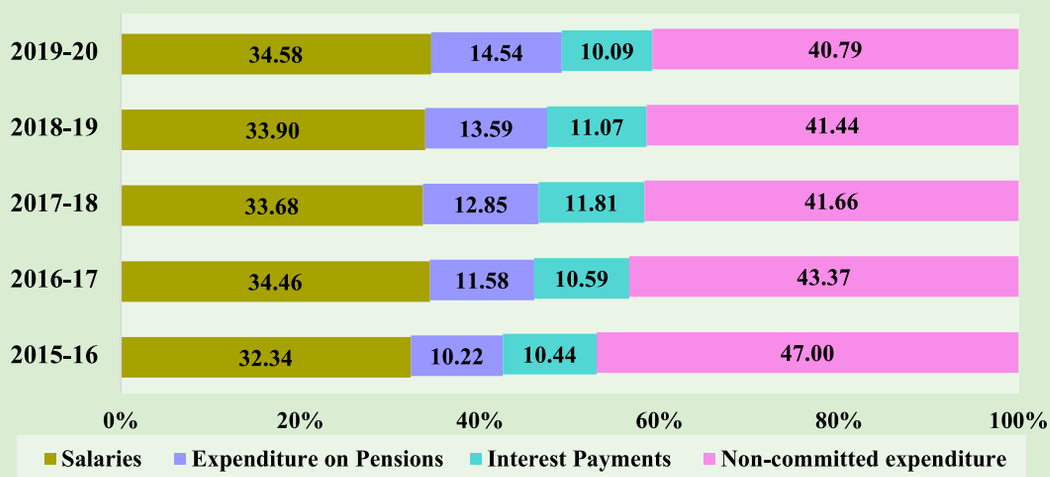
Table 2.18: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2015-16	2016-17	2017-18	2018-19	2019-20
Salaries[2]	1,709	1,881	1,956	2,165	2,364
Expenditure on Pensions	540	632	746	868	994
Interest Payments	552	578	686	707	690
Total	**2,801**	**3,091**	**3,388**	**3,740**	**4,048**
As a percentage of Revenue Receipts (RR)					
Salaries	33.59	34.94	32.58	33.83	34.86
Expenditure on Pensions	10.61	11.74	12.43	13.56	14.66
Interest Payments	10.85	10.74	11.43	11.05	10.18
Total	**55.05**	**57.42**	**56.44**	**58.44**	**59.70**
As a percentage of Revenue Expenditure (RE)					
Salaries	32.34	34.46	33.68	33.90	34.58
Expenditure on Pensions	10.22	11.58	12.85	13.59	14.54
Interest Payments	10.44	10.59	11.81	11.07	10.09
Total	**53.00**	**56.63**	**58.34**	**58.56**	**59.21**

(Source: Finance Accounts of respective years)

Chart 2.10: Share of Committed Expenditure in total Revenue Expenditure



(Source: Finance Accounts of respective years)

It could be seen from **Table 2.18** that the total committed expenditure of UT Government was increasing consistently over the period of five years. It increased from ₹ 2,801 crore in 2015-16 to ₹ 4,048 crore in 2019-20 by ₹ 1,247 crore. Further, the committed expenditure constituted 59.21 *per cent*

[2] Includes Grants-in-aid given for salaries.

of Revenue Expenditure and 59.70 *per cent* of Revenue Receipts during 2019-20.

Expenditure on salaries during the current year was ₹ 2,364 crore, which increased by ₹ 199 crore (9.19 *per cent*) over the previous year and stood at 34.86 *per cent* of Revenue receipts (₹ 6,781 crore) and 34.58 *per cent* of Revenue expenditure (₹ 6,836 crore) respectively. Over the five-year period 2015-20, it increased by ₹ 655 crore (38.32 *per cent*) from ₹ 1,709 crore in 2015-16 to ₹ 2,364 crore in 2019-20.

Pension payments increased by 14.52 *per cent* from ₹ 868 crore in 2018-19 to ₹ 994 crore in 2019-20 and it stood at 14.66 *per cent* and 14.54 *per cent* of Revenue receipts and Revenue expenditure respectively. Over the five-year period 2015-20, it increased by ₹ 454 crore (84.07 *per cent*) from ₹ 540 crore in 2015-16 to ₹ 994 crore in 2019-20.

Interest payments decreased by ₹ 17 crore (2.40 *per cent*) in 2019-20 over the previous year. It constituted around 10 *per cent* of Revenue receipts and Revenue expenditure respectively. However, during the five-year period 2015-20, it increased by ₹ 138 crore (25 *per cent*) due to increase in Public Debt from ₹ 741 crore in 2015-16 to ₹ 1,043 crore in 2019-20.

The percentage of non-committed expenditure to total expenditure had decreased from 47 *per cent* in 2015-16 to 40.79 *per cent* in 2019-20 which was due to the fact that the committed expenditure had increased from 53 *per cent* in 2015-16 to 59.21 *per cent* in 2019-20. This indicated that lower priority was given for maintenance of the existing General, Social and Economic Services.

2.4.2.3 Subsidies

The amount of subsidy provided by UT Government during 2015-16 to 2019-20 are given in **Table 2.19**.

Table 2.19: Expenditure on subsidies during 2015-20

	2015-16	2016-17	2017-18	2018-19	2019-20
Subsidies (₹ in crore)	154	134	157	173	223
Subsidies as a percentage of Revenue Receipts	3.03	2.49	2.62	2.70	3.29
Subsidies as a percentage of Revenue Expenditure	2.91	2.46	2.70	2.71	3.26

(Source: Finance Accounts of respective years)

Subsidies as a percentage of Revenue expenditure increased from 2.71 *per cent* (₹ 173 crore) in 2018-19 to 3.26 *per cent* (₹ 223 crore) in

2019-20 which represents the expenditure booked under the object head '33-Subsidies' mainly under Civil supplies and Consumer affairs (₹ 190 crore), Agriculture and Farmer Welfare (₹ 17 crore) and Women and Child Welfare Department (₹ five crore). The increase of ₹ 50 crore in subsidies during 2019-20 contributed to the revenue deficit of ₹ 54.49 crore.

During the year 2019-20, UT Government provided implicit subsidy of ₹ 33 crore under Grant 17 - Education and Grant 21 - Social Welfare. These were booked under the object heads 21 - Supply and Material and 50-Other charges for the schemes such as free supply of text books, provision of transport facilities to students, free supply of rice to all disabled persons, Supply of sarees and dhoties to the differently abled persons and Supply of rice and clothing to poor people.

2.4.2.4 Financial assistance by UT Government to Local Bodies and other Institutions

The quantum of assistance provided by way of grants and loans to Local Bodies and other institutions during the current year compared to the previous years is presented in **Table 2.20**.

Table 2.20: Financial assistance to Local Bodies and other institutions

(₹ in crore)

Financial assistance to Institutions	2015-16	2016-17	2017-18	2018-19	2019-20
(A) Local Bodies					
Municipalities	53.83	41.95	7.64	9.79	6.66
Panchayati Raj Institutions	1.10	3.58	0.77	1.44	2.41
Total (A)	**54.93**	**45.53**	**8.41**	**11.23**	**9.07**
(B) Others					
Educational Institutions (Aided Schools, Aided Colleges, Universities, *etc*.)	45.96	32.12	104.37	48.36	36.43
Development agencies and Autonomous Bodies	433.37	504.92	381.23	319.68	229.72
Co-operatives	61.49	57.45	14.62	10.07	36.26
Other Institutions*	120.56	28.88	150.90	359.02	467.90
Total (B)	**661.38**	**623.37**	**651.12**	**737.13**	**770.31**
Total (A+B)	**716.31**	**668.90**	**659.53**	**748.36**	**779.38**
Revenue expenditure	5,285	5,458	5,807	6,387	6,836
Assistance as a percentage of Revenue expenditure	13.55	12.26	11.36	11.72	11.40

* Welfare societies and religious institutions

(Source: Information furnished by the Directorate of Accounts and Treasuries, Puducherry)

Financial assistance extended to Local Bodies and other institutions increased (4.14 *per cent*) from ₹ 748.36 crore in 2018-19 to ₹ 779.38 crore in 2019-20 which was due to increase in financial assistance to other institutions from ₹ 359.02 crore in 2018-19 to ₹ 467.90 crore in 2019-20.

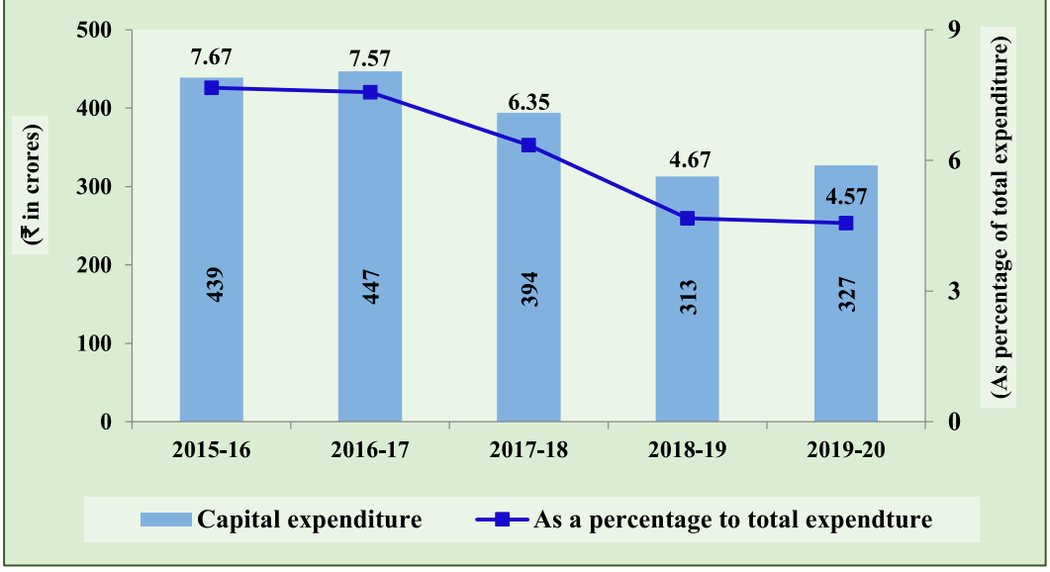
2.4.3 Capital expenditure

Capital expenditure is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings, etc.

Capital expenditure of the UT showed significant decrease over the period of five years from ₹ 439 crore in 2015-16 to ₹ 327 crore in 2019-20. As a percentage of total expenditure, it stood at 4.57 during 2019-20. However, the UT did not expend the budgetary allocation on creation of assets in any year during the five-year period 2015-20. During 2019-20, as against the budgetary allocation of ₹ 522 crore, only ₹ 327 crore (59 *per cent*) was expended.

The details of year-wise Capital expenditure during 2015-16 to 2019-20 and its percentage to total expenditure are given in **Chart 2.11**.

Chart 2.11: Capital expenditure in the UT



(Source: Finance Accounts of respective years)

It could be seen from **Chart 2.11** that the Capital expenditure was on a decreasing trend. The steep decline in Capital expenditure by ₹ 112 crore during the five-year period indicated that the UT Government was unable to spend on infrastructure and capital works, despite adequate budgetary allocations.

2.4.3.1 Major changes in Capital expenditure

The significant variations under various heads of account with regard to Capital expenditure of the UT during 2018-19 and 2019-20 are given in **Table 2.21**.

Table 2.21: Capital expenditure during 2019-20 compared to 2018-19

(₹ in lakh)

	Major Heads of Account	2018-19	2019-20	Increase (+)/ Decrease (-)
4058	Capital Outlay on Stationery and Printing	19	29	10
4070	Capital Outlay on other Administrative Services	56	105	49
4202	Capital Outlay on Education, Sports, Art and Culture	822	1,583	761
4215	Capital Outlay on Water Supply and Sanitation	9,435	2,654	(-) 6,781
4216	Capital Outlay on Housing	28	112	84
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	128	323	195
4235	Capital Outlay on Social Security and Welfare	59	191	132
4401	Capital Outlay on Crop Husbandry	24	5	(-) 19
4403	Capital Outlay on Animal Husbandry	3	14	11
4405	Capital Outlay on Fisheries	129	51	(-) 78
4425	Capital Outlay on Co-operation	(-) 3	13	16
4702	Capital Outlay on Minor Irrigation	353	788	437
4851	Capital Outlay on Village and Small Industries	255	927	672
5051	Capital Outlay on Ports and Light Houses	1,327	2,516	1,189
5055	Capital Outlay on Road Transport	617	1,096	479
5452	Capital Outlay on Tourism	4,147	577	(-) 3,570

(Source: Finance Accounts of respective years)

Table 2.21 indicates that Capital Expenditure under Education, Sports, Art and Culture increased due to more expenditure on major works regarding middle and secondary education. In respect of Ports and Light Houses, the increase was due to more investments made on infrastructure, maintenance and development of small ports. The decrease in expenditure in respect of Water Supply and Sanitation was due to less developmental works to water supply system. Under Tourism, the decrease was due to reduction in expenditure for tourist infrastructure.

2.4.3.2 Quality of investments in Public Sector Undertakings

As of March 2020, Government invested ₹ 1,043.09 crore (₹ 714.58 crore[3] in 12 Government Companies[4] and ₹ 328.51 crore in 359 Co-operative Institutions). The year-wise details of investments made, returns received and the average rate of return are given in **Table 2.22**.

Table 2.22: Return on Investment

Investment/return/ cost of borrowings	2015-16	2016-17	2017-18	2018-19	2019-20
Investment at the end of the year (₹ in crore)	1,018.52	1,030.67	1,027.79	1,033.70	1,043.09
Return (₹ in crore)	3.93	Nil	0.09	0.09	0.06
Return (*per cent*)	0.39	Nil	0.01	0.01	0.01
Average rate of interest on Government Borrowings (*per cent*)	7.47	7.20	8.02	7.88	7.42
Difference between interest rate and return (*per cent*)	7.08	7.20	8.01	7.87	7.41
Difference between interest on Government borrowings and return on investment (₹ in crore)	72.11	74.21	82.33	81.35	77.29

(Source: Finance Accounts of respective years)

The average rate of return on investment was 0.01 *per cent* during 2017-18 to 2019-20, while the average rate of interest paid by the UT Government during the period was 7.60 *per cent*.

Out of the total 12 working PSUs, six PSUs earned profit of ₹ 28.05 crore and six PSUs incurred losses of ₹ 52.37 crore aggregating to overall loss of ₹ 24.32 crore during 2019-20. Out of 12 Government companies, seven have completely eroded their net worth[5], while remaining five Government companies have positive net worth as on 31 March 2020. The UT Government has made a cumulative investment of ₹ 444.01 crore in six loss making Government companies and ₹ 482.13 crore in seven Government companies whose net worth had completely eroded. The status of UT PSUs pertaining to investments made, their net profit/loss and net worth as on 31 March 2020 are given in **Table 2.23**.

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[3] It includes ₹ 712.39 crore (Investment of Government of Puducherry), ₹ 1.68 crore (Investment by Government of India) and ₹ 0.51 crore (Other investments).

[4] Pondicherry Textile Corporation, which erroneously classified by Department of Accounts and Treasuries (DAT) as Statutory Corporation is also a Government Company registered under the Companies Act, 1956.

[5] Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account, but do not include reserves created out of revaluation of assets and write back of depreciation provision.

Table 2.23: Status of PSUs about investments made, their net profit/loss and net worth

(₹ in crore)

Sl. No.	Company	Status of PSU	Net profit/ loss after tax		Net Worth	Investment in Share Capital during 2019-20	Cumulative investment as on 31 March 2020
			Year	Amount			
1	Puducherry Agro Service and Industries Corporation Limited (PASIC)	**Loss making**	2012-13	(-) 1.28	(-) 23.26	NIL	15.00
2	Puducherry Agro Products, Food and Civil Supplies Corporation Limited (PAPSCO)	-do-	2013-14	(-) 7.23	(-) 17.19	NIL	9.88
3	Puducherry Adi-Dravidar Development Corporation Limited (PADCO)	-do-	2016-17	(-) 2.09	0.75	NIL	13.18
4	Puducherry Corporation for Development of Women and Differently Abled Persons Limited (PCDWDAP)	-do-	2017-18	(-) 8.81	(-) 9.68	NIL	3.82
5	Pondicherry Textiles Corporation Limited (PTC)	-do-	2015-16	(-) 27.31	(-) 206.35	NIL	367.35
6	Puducherry Road Transport Corporation Limited (PRTC)	-do-	2017-18	(-) 5.65	(-) 18.70	NIL	34.78
	Sub-total			**(-) 52.37**	**(-) 274.43**	NIL	**444.01**
7	Puducherry Tourism Development Corporation Limited (PTDC)	**Profit making**	2018-19	1.05	(-) 9.22	NIL	17.59
8	Swadeshee Bharathee Textile Mills Limited (SBTML)	-do-	2014-15	22.19	(-) 21.19	NIL	33.71
9	Puducherry Backward Classes and Minorities Development Corporation Ltd (PBCMDC)	-do-	2014-15	1.23	6.80	NIL	4.81
10	Pondicherry Industrial Promotion Development and Investment Corporation Limited (PIPDIC)	-do-	2017-18	0.00	124.41	NIL	104.04
11	Puducherry Distilleries Limited (PDL)	-do-	2016-17	0.96	57.28	NIL	8.45
12	Puducherry Power Corporation Limited (PPCL)	-do-	2018-19	2.62	135.69	NIL	99.78
	Sub-total			**28.05**	**293.77**	**NIL**	**268.38**
	Investments in 359 Co-operative Institutions						**328.51**
	Central Government Investment						**1.68**
	Other Investments[6]						**0.51**
Grand Total				**(-) 24.32**	**19.34**	**Nil**	**1,043.09**

(Source: Details furnished by respective Companies)

[6] Other investments in four PSUs namely, Puducherry Agro Products, Food and Civil Supplies Corporation Limited (₹ 0.05 crore), Tamil Nadu Industrial Investment Corporation Limited, Chennai (₹ 0.15 crore), National Minorities Development and Finance Corporation Limited (₹ 0.26 crore) and Cannanore Spinning and Weaving Mill, Mahe (₹ 0.05 crore).

Out of six loss making PSUs, five PSUs have a negative net worth, while only one PSU *viz.,* Puducherry Adi-Dravidar Development Corporation Limited (PADCO) has a positive net worth. Similarly, out of six profit making PSUs, two PSUs *viz.,* PTDC and SBTML have a negative net worth. No investment was made in these PSUs during the last four years ending 2019-20.

Considering the average cost of borrowings of 7.42 *per cent* for the year 2019-20, these companies are required to earn a minimum return of ₹ 35.77 crore against which these companies reported a total net loss of ₹ 24.32 crore as per their latest audited accounts.

2.4.3.3 Capital locked in incomplete projects

The capital locked in incomplete capital works in the UT are detailed in **Tables 2.24** and **2.25**.

Table 2.24: Age profile of incomplete projects as on 31 March 2020

(₹ in crore)

Year of commence-ment	No of incomp-lete projects	Estimated cost	Expen-diture (as on 31 March 2020)
2007	01	6.26	5.92
2010	02	10.53	8.29
2011	01	71.62	64.84
2014	01	11.00	4.17
2015	07	4.00	1.47
2016	10	38.55	18.05
2017	14	95.27	25.58
2018	07	17.52	8.75
2019	20	75.40	13.59
2020	11	4.25	0.87
Total	**74**	**334.40**	**151.53**

(Source: Finance Accounts 2019-20)

Table 2.25: Department-wise profile of incomplete projects as on 31 March 2020

(₹ in crore)

Depart-ment	No of incom-plete projects	Estimated cost	Expen-diture
Public Work/ Irrigation	69	322.67	143.43
Electricity	5	11.73	8.10
Total	**74**	**334.40**	**151.53**

It could be seen from **Tables 2.24** and **2.25** above that as against estimated amount of ₹ 334.40 crore, an amount of ₹ 151.53 crore has been incurred. The projects, however, remained incomplete as of March 2020. It was seen that in respect of 12 projects on which an expenditure of ₹ 84.69 crore incurred remained incomplete for periods ranging from five to 13 years. Similarly, ₹ 66.84 crore incurred on 62 projects remained incomplete for period ranging from one to five years. The intended benefits have not

percolated despite the high expenditure over a long period. Further, the Capital expenditure of the UT showed significant decrease over the period of five years from ₹ 439 crore in 2015-16 to ₹ 327 crore in 2019-20. Thus, the funds borrowed for implementation of these projects during the respective years led to extra burden in terms of servicing of debt and interest liabilities.

2.4.4 Expenditure priorities

The expenditure responsibilities relating to the social sector and economic infrastructure are largely State/UT subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure category to aggregate expenditure (AE)) is attached to a particular sector, if the allocation given to that particular head of expenditure is below the General Category States' (GCS)/national average. Apart from improving the allocation towards development expenditure (DE), the efficiency of expenditure use is also reflected by the ratio of capital expenditure (CE) to Total expenditure and the proportion of Revenue expenditure being spent on Education and Health Sectors. The higher the ratio of these components to Total Expenditure, the quality of expenditure is considered to be better.

An analysis of fiscal priority (percentage of expenditure category to aggregate expenditure) of UT Government with regard to development expenditure, social sector expenditure (SSE) and Capital expenditure during the current year and comparison of fiscal priority given to different categories of expenditure of UT of Puducherry in 2015-16 and 2019-20 are given in **Table 2.26**.

Table 2.26: Fiscal priority of UT Government in 2015-16 and 2019-20

Fiscal priority of UT		AE/ GSDP	DE/ AE	SSE/ AE	CE/ AE	ESE/ AE	Expendi-ture on Education, Sports, Art and Culture/AE	Expen-diture on Health and Family Welfare /AE
Puducherry (Percentage)	2015-16	21.51	72.77	40.74	7.67	32.02	12.07	8.51
	2019-20	18.73	67.41	36.29	4.57	31.12	11.65	10.22
General Category States (Percentage)	2015-16	16.97	70.29	36.09	14.81	34.19	15.68	4.79
	2019-20	15.15	65.42	36.73	12.97	28.69	15.91	5.21

(Source: Finance Accounts of respective years)

As can be seen from **Table 2.26**, development expenditure as a ratio of Aggregate expenditure of the UT of Puducherry was more than that of GCS during both the years *i.e.*, 2015-16 and 2019-20. The decrease in aggregate

expenditure of UT Government, as a percentage to GSDP from 21.51 in 2015-16 to 18.73 in 2019-20, indicated that UT Government spent lesser proportion of its GSDP on aggregate expenditure in 2019-20. Capital Expenditure of the UT was less than that of GCS during both the years and it reduced from 7.67 *per cent* in 2015-16 to 4.57 *per cent* of the aggregate expenditure in 2019-20. Expenditure on Health and Family Welfare had increased from 8.51 *per cent* in 2015-16 to 10.22 *per cent* of the aggregate expenditure in 2019-20 and it was also higher when compared to the GCS in both the years. However, expenditure on Education, Sports, Art and Culture decreased from 12.07 *per cent* in 2015-16 to 11.65 *per cent* of the aggregate expenditure in 2019-20 and it was also less than the GCS in both the years.

2.5 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, *etc*., which do not form part of the Consolidated Fund are kept in the Public Account set up under Section 47A of the UT Act, 1963 and are not subject to vote by the UT Legislature. The Government acts as a banker in respect of Public Account moneys. The balance after disbursements during the year is the fund available with the Government to utilise it for various purposes.

2.5.1 Net Public Account Balances

The component-wise net balances in Public Account of the UT as on 31 March 2020 are given in **Table 2.27**.

Table 2.27: Component-wise net balances in Public Account

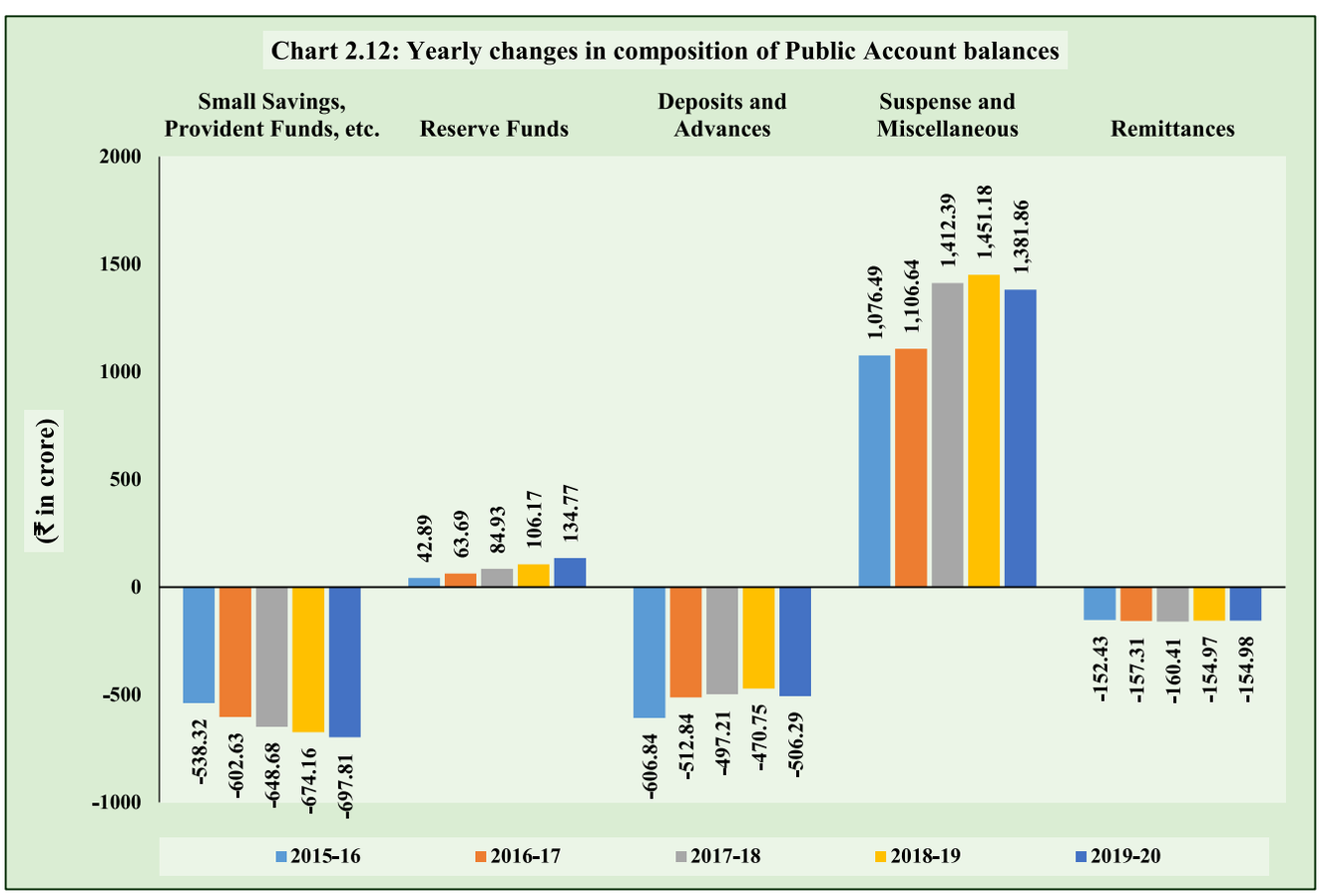
(₹ in crore)

Sector	Sub Sector	2015-16	2016-17	2017-18	2018-19	2019-20
I. Small Savings, Provident Funds, *etc*.	Small Savings, Provident Funds, *etc*.	(-) 538.32	(-) 602.63	(-) 648.68	(-) 674.16	(-) 697.81
J. Reserve Funds	(a) Reserve Funds bearing Interest	--	--	--	--	--
	(b) Reserve Funds not bearing Interest	42.89	63.69	84.93	106.17	134.77
K. Deposits and Advances	(a) Deposits bearing Interest	(-) 85.72	(-) 97.82	(-) 116.07	(-) 135.49	(-) 165.49
	(b) Deposits not bearing Interest	(-) 521.70	(-) 415.64	(-) 381.82	(-) 335.89	(-) 341.43
	(c) Advances	0.58	0.62	0.68	0.63	0.63

Sector	Sub Sector	2015-16	2016-17	2017-18	2018-19	2019-20
L. Suspense and Miscellaneous	(b) Suspense	205.43	175.20	(-) 263.54	276.94	307.74
	(c) Other Accounts	871.06	931.44	1,675.93	1,174.24	1,074.12
	(d) Accounts with Governments of Foreign Countries	--	--	--	--	--
	(e) Miscellaneous	--	--	--	--	--
M. Remittances	(a) Money Orders and other Remittances	(-) 152.43	(-) 157.31	(-) 160.41	(-) 154.97	(-) 154.98
	(b) Inter-Governmental Adjustment Account	--	--	--	--	--
Total		**(-) 178.21**	**(-) 102.45**	**191.02**	**257.47**	**157.55**

Note: +ve denotes debit balance and -ve denotes credit balances
(Source: Finance Accounts of respective years)

The yearly changes in composition of Public Account balances are depicted in **Chart 2.12**.



(Source: Finance Accounts of respective years)

2.5.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the UT Government. These funds are met from contributions or grants from the Consolidated Fund of the UT.

2.5.2.1 Consolidated Sinking Fund

As per the request of the Reserve Bank of India, the UT Government have set up the Consolidated Sinking Fund from the financial year 2009-10. The fund is to be utilised as an Amortisation fund for redemption of the outstanding liabilities (comprise of internal debt and public account liabilities) of the Government. The Government may contribute to the Fund atleast 0.5 *per cent* of the outstanding liabilities as at the end of the previous year. During the year 2019-20, the opening outstanding liabilities of the UT Government was ₹ 7,518.63 crore (Public Debt - ₹ 6,479.30 crore and Public Account - ₹ 1,039.33 crore) for which the UT Government had to contribute ₹ 37.59 crore at 0.5 *per cent* of the total outstanding liabilities which was not provided. This has resulted in understatement of the revenue/fiscal deficit to that extent during the current financial year and have also deferred the liability to future years. As of 31 March 2020, the UT Government had invested ₹ 366.95 crore.

2.5.2.2 Union Territory Disaster Response Fund

The Government of India issued guidelines in May 2014 for State Disaster Response Fund in respect of Union Territories. The guidelines stipulated that the UT Government should make suitable provision in their budget under the Head 2245 - Relief on account of Natural Calamities - 05 UT Disaster Response Fund- 101 Transfers to Reserve Fund and Deposit Accounts - UT Disaster Response Fund (UTDRF). The actual expenditure on disaster response works should be booked only under respective minor heads within Major Head 2245 and the expenditure to be charged to the UTDRF should be shown as negative entry under 2245-05-901-*Deduct* amount met from UTDRF for relief expenditure. Thus, the amount transferred should be deposited in the UT Disaster Response Fund created in Public Account of the Government under Reserve Fund.

The Government of Puducherry contemplated (September 2017) the procedure to be followed in contribution and administration of UTDRF. It was proposed to deposit the amount in any Nationalised Bank and it was also proposed to meet the actual expenditure on immediate relief initially under the Head of Account 2245- Relief on Account of Natural Calamities and the quantum of

relief to be met subsequently from the UTDRF maintained under the Public Account through inter-account transfer.

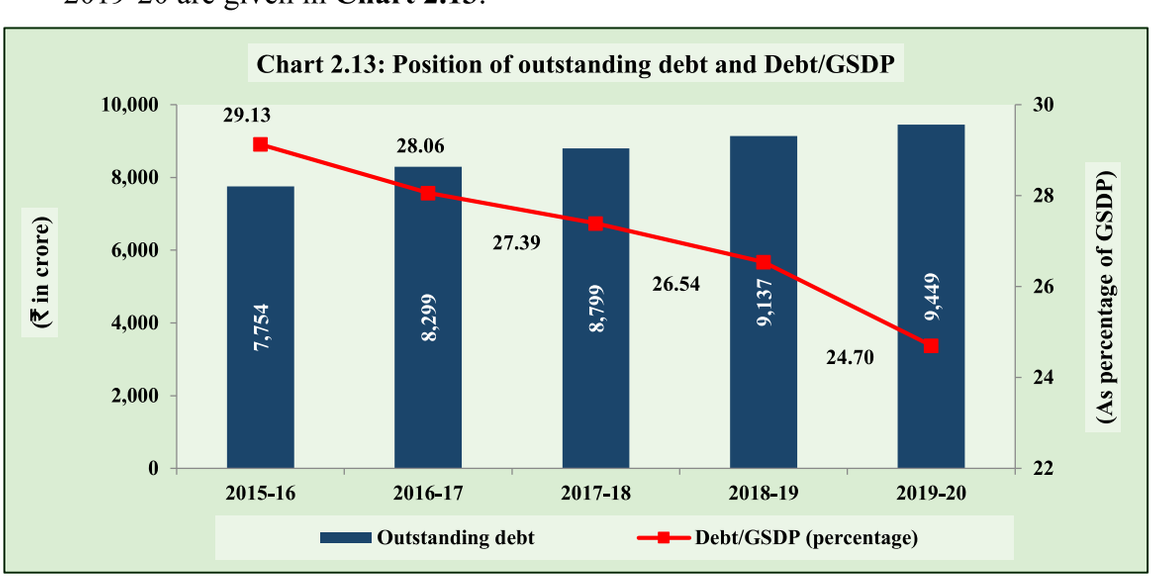
Audit noticed that the contributions pertaining to UTDRF were being deposited in Puduvai Bharathiyar Grama Bank and expenditure incurred therefrom. An amount of ₹ 13.85 crore was available in the Bank as of March 2020. Thus, UTDRF was not created under Public Account as contemplated and funds are kept outside Government account in contravention of the guidelines.

2.6 Debt management

Debt management is the process of establishing and executing a strategy for managing the Government's debt in order to raise the required amount of funding, achieve its risk and cost objectives and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

The position of outstanding debt and Debt/GSDP ratio during 2015-16 to 2019-20 are given in **Chart 2.13**.

Chart 2.13: Position of outstanding debt and Debt/GSDP



(Source: Finance Accounts of respective years)

2.6.1 Debt profile - Components

Total debt of the UT Government constitutes of External/Internal debt of the UT (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.) and loans and advances from the Central Government. The details of component-wise debt trends are given in **Table 2.28** and **Charts 2.14, 2.15** and **2.16**.

Table 2.28: Component-wise debt trends

(₹ in crore)

Particulars		2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding overall Debt		7,754	8,299	8,799	9,137	9,449
Public Debt		**6,651**	**7,246**	**7,737**	**8,098**	**8,379**
	External Debt	Nil	Nil	Nil	50	50
	Internal Debt	4,811	5,461	6,016	6,479	6,911
	Loans from GoI	1,840	1,785	1,721	1,569	1,418
Public Account Liabilities		**1,103**	**1,053**	**1,062**	**1,039**	**1,070**
Rate of growth of outstanding debt (*per cent*)		10.30	7.03	6.02	3.84	3.41
Gross State Domestic Product (GSDP)		**26,617**	**29,573**	**32,129**	**34,433**	**38,253**
Debt/GSDP (*per cent*)		29.13	28.06	27.39	26.54	24.70
Total Debt Receipts		741	820	1,061	1,007	1,043
Total Debt Repayments		169	224	570	639	762
Total Debt Available		572	596	491	368	281
Debt Repayments/Debt Receipts (*per cent*)		22.81	27.32	53.72	63.46	73.06

(Source: Finance Accounts of respective years)

Chart 2.14: Break up of Outstanding Debt at the end of 2019-20
Total Debt - ₹ 9,449 crore

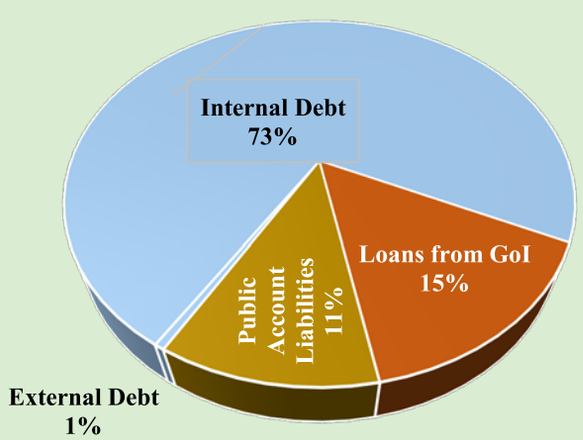
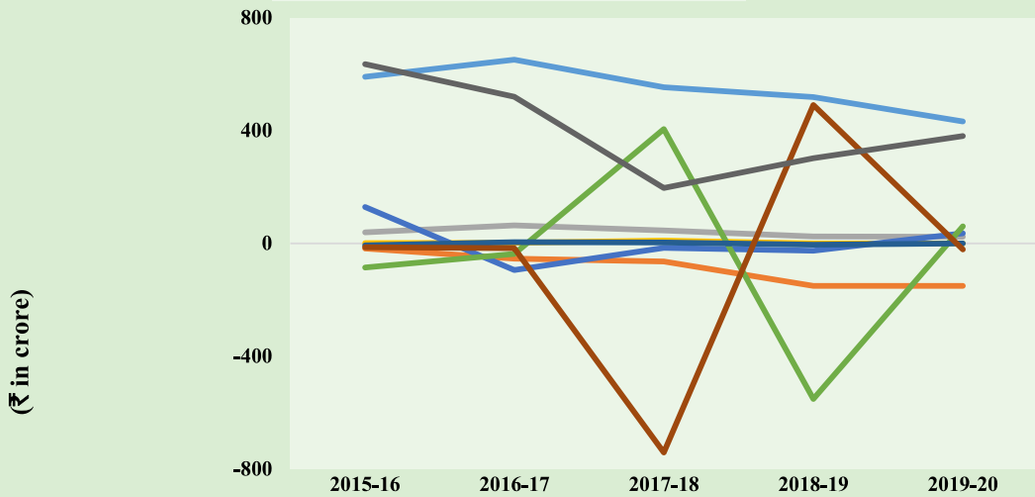
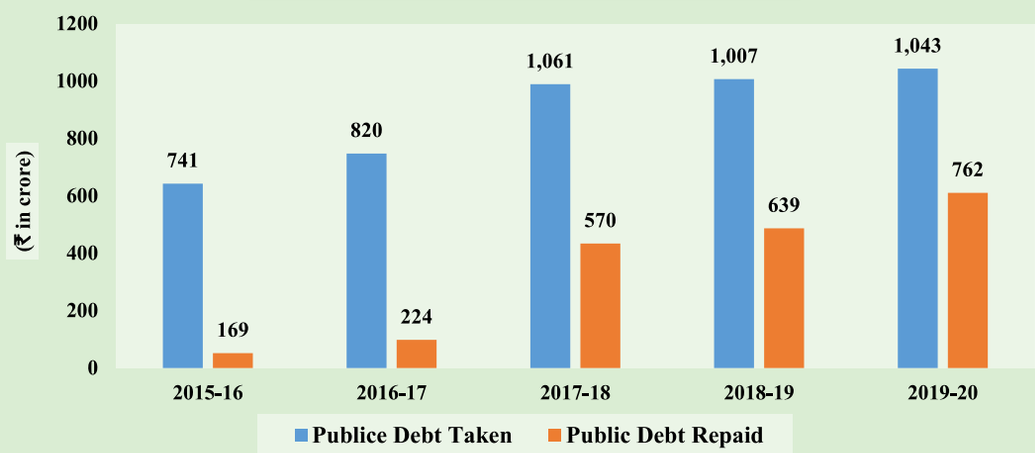


Chart 2.15: Component wise debt trends



	2015-16	2016-17	2017-18	2018-19	2019-20
Market Borrowing	591	651	554	519	432
Loans from GoI	-18	-54	-64	-151	-151
Small Savings, Provident Fund, etc.	39	64	46	25	24
Reserve Fund	1	2	10	0.16	0
Deposits and Advances	129	-94	-16	-26	36
Suspense and Miscellaneous	-85	-37	405	-551	61
Remittances	-7	5	3	-5	0
Increase/Decrease in Cash Balance	-14	-17	-741	491	-21
Gross Fiscal Deficit	636	520	197	302	381

Chart 2.16: Public debt taken *vis-à-vis* repaid



(Source: Finance Accounts of respective years)

It could be seen that the outstanding debt (including Public Account liabilities) though increased from ₹ 7,754 crore in 2015-16 to ₹ 9,449 crore in 2019-20, the rate of growth decreased from 10.30 *per cent* to 3.41 *per cent* during the same period. During the five-year period, the percentage of repayment of Public Debt out of Public Debt Receipts increased from 22.81 to 73.06. Out of the total Debt Receipts of ₹ 1,043 crore during 2019-20, an amount of

₹ 762 crore (73.06 *per cent*) was utilised for repayment of debt, leaving a balance of only ₹ 281 crore available for capital spending.

2.6.2 Components of fiscal deficit and its financing

The various components of fiscal deficit and its financing pattern are detailed in **Table 2.29**.

Table 2.29: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2015-16	2016-17	2017-18	2018-19	2019-20
Composition of Fiscal Deficit		**(-) 636**	**(-) 520**	**(-) 197**	**(-) 302**	**(-) 381**
1	Revenue Deficit	(-) 197	(-) 75	196	13	(-) 54
2	Net Capital Expenditure	(-) 439	(-) 447	(-) 394	(-) 313	(-) 327
3	Net Loans and Advances	0	2	1	(-) 2	0
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	591	651	554	519	432
2	Loans from GoI	(-) 18	(-) 54	(-) 64	(-) 151	(-) 151
3	Special Securities issued to NSSF	--	--	--	--	--
4	Loans from Financial Institutions	--	--	--	--	--
5	Small Savings, PF, *etc.*	39	64	46	25	24
6	Deposits and Advances	129	(-) 94	(-) 16	(-) 26	36
7	Suspense and Miscellaneous	(-) 85	(-) 37	405	(-) 551	61
8	Remittances	(-) 7	5	3	(-) 5	0
9	Reserve Funds	1	2	10	0.16	0
10	**Overall Deficit**	**650**	**537**	**938**	**(-) 189**	**402**
11	Increase/Decrease in cash balance	14	17	741	(-) 491	21
12	**Gross Fiscal Deficit**	**(-) 636**	**(-) 520**	**(-) 197**	**(-) 302**	**(-) 381**

(Source: Finance Accounts of respective years)

The Fiscal deficit though increased from ₹ 302 crore in 2018-19 to ₹ 381 crore in 2019-20, it decreased by ₹ 255 crore during the five-year period. This was due to decrease in revenue deficit and reduction in Capital expenditure over the years.

2.6.3 Debt profile - Maturity and Repayment

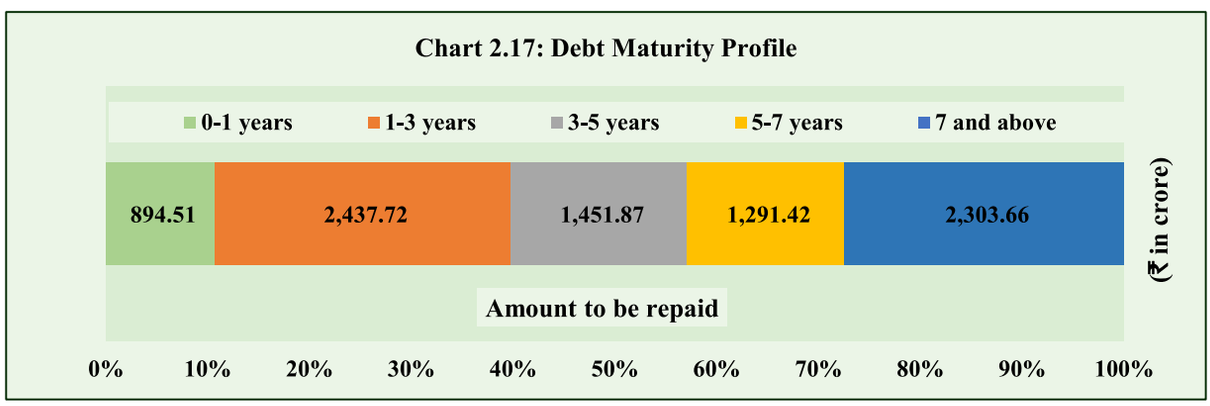
The debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing.

The debt maturity profile of repayment of debt by the UT Government is given in **Table 2.30** and **Chart 2.17**.

Table 2.30: Debt Maturity profile of repayment of debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
0 – 1	894.51	10.68
1 – 3	2,437.72	29.09
3 – 5	1,451.87	17.33
5 – 7	1,291.42	15.41
7 and above	2,303.66	27.49
Total	**8,379.18**	

(Source: Finance Accounts 2019-20)



(Source: Finance Accounts 2019-20)

The maturity profile of UT Government's Public Debt indicates that nearly 72.51 *per cent* of the total Public debt was repayable within next seven years, which indicates a year-on-year increase in its repayment burden.

2.7 Debt Sustainability Analysis

Debt sustainability is defined as the ability of the State to service its debt now and in future. The higher the level of public debt, the more likely is that fiscal policy and public debt are unsustainable, as a higher debt requires a higher primary surplus to sustain it. Large primary fiscal surpluses are needed to service a high level of debt and high level of debt heightens an economy's vulnerability to interest rate. A high debt level is generally associated with higher borrowing requirements and therefore a higher risk of a rollover crisis and it may be detrimental to economic growth.

Fiscal space in general refers to the room a Government has to undertake discretionary policy relative to existing plans without undermining debt sustainability or market access. Apart from the magnitude of debt of UT

Government, it was important to analyse various indicators that determine the debt sustainability of UT. This section assesses the sustainability of debt of UT Government in sufficiency of non-debt receipts, net availability of borrowed funds[7] and burden of interest payments (measured by interest payments to revenue receipts ratio).

Table 2.31 indicates debt sustainability of the UT for a period of five years beginning from 2015-16.

Table 2.31: Trends in Debt Sustainability indicators

(₹ in crore)

Debt Sustainability Indicators	2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Public Debt*	6,651	7,246	7,737	8,098	8,379
Rate of growth of outstanding Public Debt	9.42	8.95	6.77	4.67	3.47
GSDP	26,617	29,573	32,129	34,433	38,253
Rate of growth of GSDP	17.91	11.11	8.64	7.17	11.09
Debt/GSDP	24.98	24.50	24.08	23.51	21.90
Average interest Rate of outstanding Public Debt (*per cent)*	8.18	7.73	8.25	8.55	8.22
Percentage of Interest payment to Revenue Receipts	10.85	10.74	11.43	11.05	10.18
Percentage of Debt Repayment to Debt Receipts	22.81	27.32	53.72	63.46	73.06
Net Debt available to the UT[#]	51.60	35.93	(-) 127.47	(-) 265.12	(-) 396.35
Net Debt available as *per cent* to Debt Receipts	6.96	4.38	(-) 12.01	(-) 26.33	(-) 38.00
Debt Stabilisation (Quantum spread[@] + Primary Deficit)	507	260	517	341	541

* Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government.

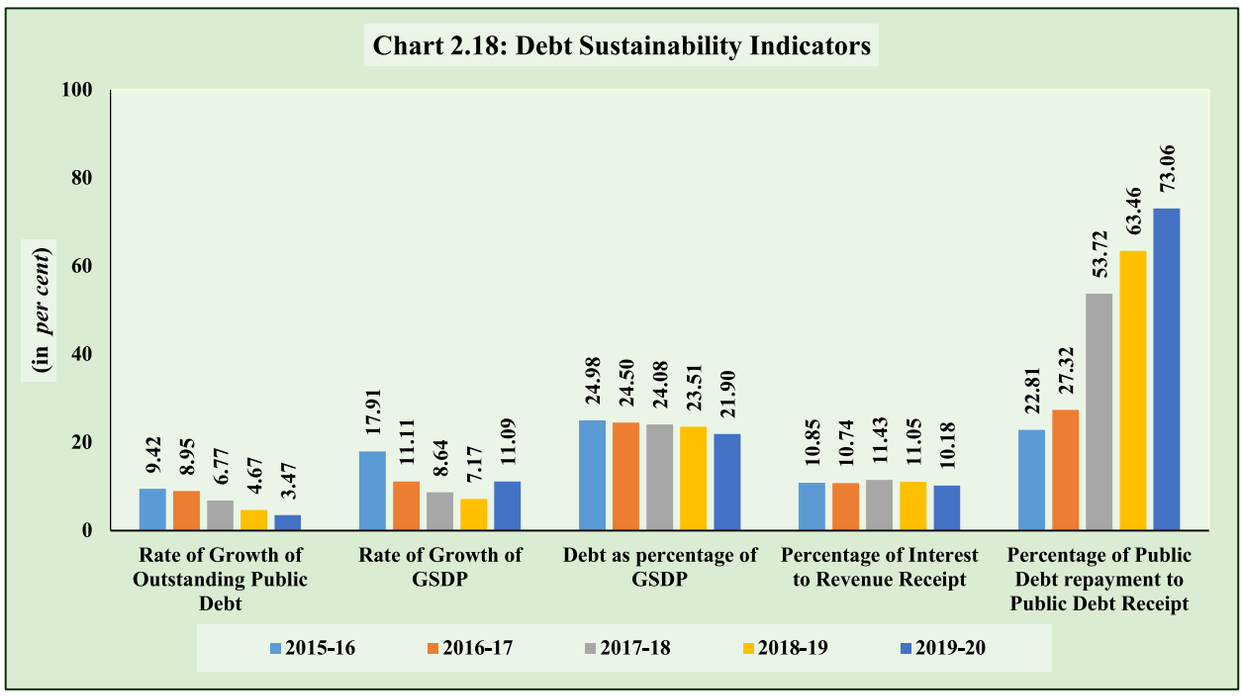
\# Net debt available to the UT Government is calculated as excess of Public debt receipts over Public debt repayment and interest payment on Public Debt.

[@] Debt Stock (previous year fiscal liability) * Interest Spread (GSDP growth rate *minus* average interest rate)/100

(Source: Finance Accounts of respective years)

The trends of debt sustainability indicators for the period 2015-16 to 2019-20 are given in **Chart 2.18**.

[7] Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts were used in debt redemption, indicating the net availability of borrowed funds.



(Source: Finance Accounts of respective years)

- The rate of growth of outstanding debt, which was at 9.42 *per cent* in 2015-16 decreased to 3.47 *per cent* in 2019-20.
- UT's Debt-GSDP ratio was gradually decreasing from 2015-16 and stood at 21.90 *per cent* during 2019-20. A falling Debt/GSDP ratio can be considered as leading towards stability.
- The burden of interest payments which showed an increase of 11.43 *per cent* in 2017-18, decreased to 11.05 *per cent* in 2018-19 and further decreased to 10.18 *per cent* of Revenue receipts during 2019-20. The reduction was due to increase in Revenue receipts from ₹ 6,003 crore in 2017-18 to ₹ 6,781 crore in 2019-20 and decrease in interest payments from ₹ 707 crore in 2018-19 to ₹ 690 crore in 2019-20.
- The debt repayment to debt receipts which was 22.81 *per cent* in 2015-16 increased to 53.72 *per cent* in 2017-18 and went upto 73.06 *per cent* in 2019-20.
- The net debt available to UT Government decreased to (-) ₹ 396.35 crore in 2019-20. This was mainly due to repayment of ₹ 677 crore as interest on public debt which was 64.91 *per cent* of the borrowings of ₹ 1,043 crore during 2019-20. The debt repaid during the year was ₹ 762 crore. The financial outgo on account of debt servicing thus impacted the finances of UT due to increase in Revenue expenditure on account of high interest payments.

- The developmental works were also affected due to paucity of funds as seen from the actual Capital expenditure (₹ 327 crore) which was less by 37.36 *per cent* of the budget estimate of ₹ 522 crore.

2.7.1 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable. The trends in utilisation of borrowed funds are given in **Table 2.32** and **Chart 2.19**.

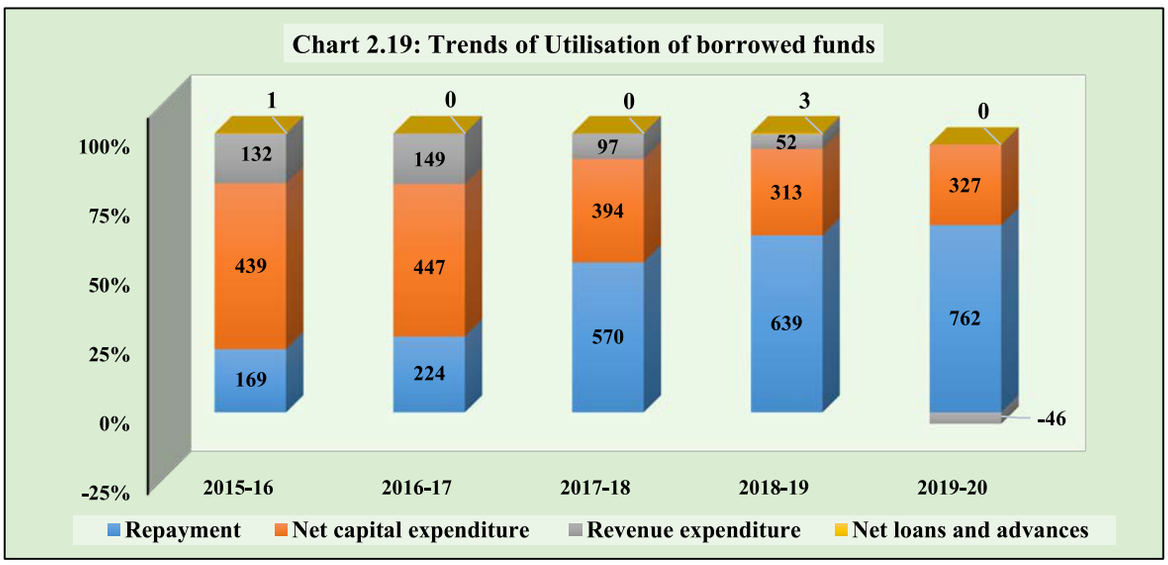
Table 2.32: Utilisation of borrowed funds

(₹ in crore)

Year	Row No.	2015-16	2016-17	2017-18	2018-19	2019-20
Total Borrowings	**1**	741	820	1,061	1,007	1,043
Repayment of earlier borrowings (Principal)	**2**	169	224	570	639	762
Net Capital expenditure	**3**	439	447	394	313	327
Net loans and advances	**4**	1	0	0	3	0
Portion of Revenue expenditure met out of net available borrowings	**5=1-2-3-4**	132	149	97	52	(-) 46

(Source: Finance Accounts of respective years)

It could be seen from the above table that total borrowing had increased by 40.75 *per cent* from ₹ 741 crore in 2015-16 to ₹ 1,043 crore in 2019-20, whereas the repayment of borrowing increased by 350.88 *per cent* during the same period. During the five-year period 2015-20, 50.60 *per cent* of Public debt receipts were utilised for repayment of Public Debt taken in earlier years.



(Source: Finance Accounts of respective years)

It could be seen from **Table 2.32** that ₹ 762 crore (73.06 *per cent*) out of the borrowing of ₹ 1,043 crore has been utilised for repayment, leading to lesser spending on creation of Capital Assets.

2.7.2 Status of Guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the UT in case of default by the borrower for whom the guarantee has been extended. Guarantees for the purpose of Administration of Union Territories, prior to the amendment of the Union Territories Act on 06 September 2001, were given by GoI under Article 292 of the Constitution of India. In the event of the guarantees being invoked, the payment would initially be charged to the Consolidated Fund of India and the amount subsequently recovered from the Government of UT of Puducherry. Consequent to amendment of Union Territories Act on 06 September 2001 and issue of its notification by the Government of India on 10 May 2006, the Government of UT of Puducherry was empowered to give guarantees.

The maximum amount for which guarantees were given to Co-operatives and Government Companies by UT Government and GoI on behalf of UT and outstanding guarantees for the last five years are given in **Table 2.33**.

Table 2.33: Guarantees given by UT and GoI on behalf of UT of Puducherry

Guarantees	2015-16	2016-17	2017-18	2018-19	2019-20
Maximum amount guaranteed (₹ in crore)	56.18	56.18	63.18	63.18	63.18
Outstanding amount of guarantees (₹ in crore)	44.48	44.48	49.16	48.24	42.17
Percentage of maximum amount guaranteed to total Revenue receipts	1.10	1.04	1.05	0.99	0.93

(Source: Finance Accounts of respective years)

As a percentage of Revenue receipts, the maximum amount guaranteed decreased from 0.99 in 2018-19 to 0.93 in 2019-20. No guarantee was invoked during any of the five years.

2.7.3 Management of cash balances

As per an agreement with the Reserve Bank of India, State/UT Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Overdrafts (OD) from time to time. The RBI revises the limit for ordinary WMA to the State/UT Governments from time to time.

State/UT Governments invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'. It is not desirable that State/UT Government take recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting it to productive use. The details of cash balances and their investments as at the beginning and at the end of 2019-20 are given in **Table 2.34**.

Table 2.34: Cash Balances and their investment

(₹ in crore)

		Opening balance as on 1 April 2019	Closing balance as on 31 March 2020
(A)	**General cash balance**		
(i)	Cash in treasuries	Nil	Nil
(ii)	Deposits with RBI	0.15	0.15
(iii)	Deposits with other banks	Nil	Nil
(iv)	Local remittances	Nil	Nil
Total		**0.15**	**0.15**
(v)	Investment held in cash balance investment account	1,280.56	1,272.48
Total (A)		**1,280.71**	**1,272.63**
(B)	**Other cash balances and investments**		
(vi)	Departmental cash balances	0.46	0.44
(vii)	Permanent Imprest	1.76	2.03
(viii)	Investment in earmarked funds	338.35	366.95
Total (B)		**340.57**	**369.42**
Grand Total (A) + (B)		**1,621.28**	**1,642.05**
Interest realised		**68.49**	**67.90**

(Source: Finance Accounts 2019-20)

The cash balance increased from ₹ 1,621.28 crore in 2018-19 to ₹ 1,642.05 crore in 2019-20. During the year, the cash balance investment[8] was ₹ 1,272.48 crore. The cash balance investment and the interest earned during the period 2015-20 are given in **Table 2.35**.

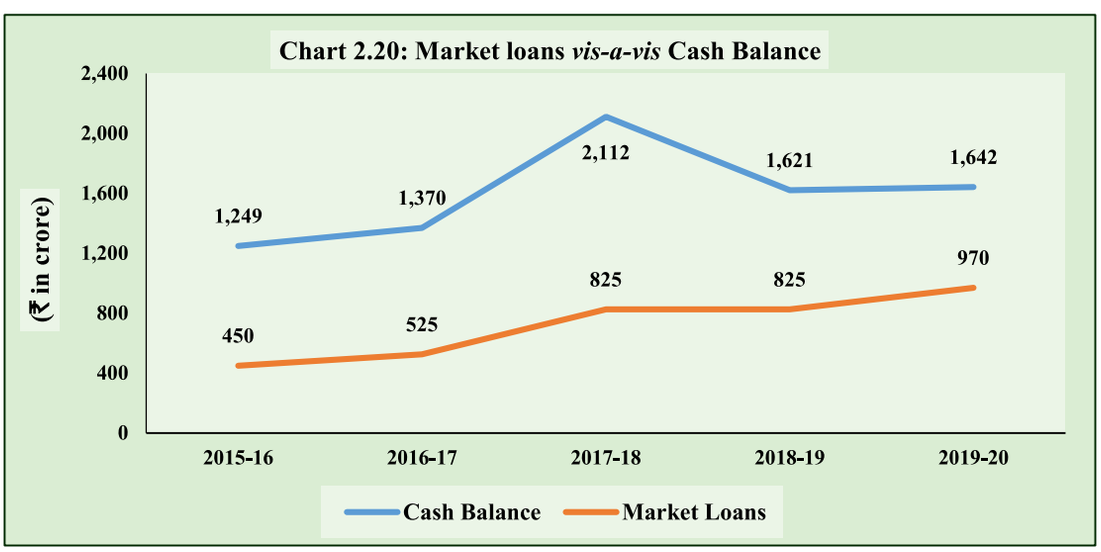
Table 2.35: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2015-16	988.03	984.17	(-) 3.86	65.68
2016-17	984.17	1,082.10	97.93	42.66
2017-18	1,082.10	1,792.64	710.54	47.90
2018-19	1,792.64	1,280.56	512.08	68.49
2019-20	1,280.56	1,272.48	(-) 8.08	67.90

(Source : Finance Accounts of respective years)

It could be seen from the above table that the cash balance investment had increased by 29.29 *per cent* from ₹ 984.17 crore in 2015-16 to ₹ 1,272.48 crore in 2019-20. It is pertinent to point out that during the same period, the Public Debt receipts increased by 40.75 *per cent* from ₹ 741 crore in 2015-16 to ₹ 1,043 crore in 2019-20. The Cash balances and Market loans during the five-year period 2015-20 are indicated in **Chart 2.20**.



(Source : Finance Accounts of the respective years)

The month-wise details of cash balance investment made in treasury bills and the borrowings of the UT Government are given in **Table 2.36**.

[8] Cash balance investment was the mandatory investment required to be done by each State/UT Government with RBI. This balance was the combined cash and cash equivalent balance of Consolidated Fund, Contingency Fund and Public Account.

Table 2.36: Cash Balance Investment Account *vis-à-vis* borrowings

(₹ in crore)

Month and Year	Investment in Cash Balance Investment Account (Treasury bills)			Borrowings
	14 days	Less than 90 days	Total	
April 2019	351.85	920.63	1,272.48	--
May 2019	607.87	897.32	1,505.19	--
June 2019	242.64	897.32	1,139.96	--
July 2019	443.69	764.02	1,207.71	--
August 2019	400.12	914.01	1,314.13	--
September 2019	358.71	914.01	1,272.72	--
October 2019	532.03	1,020.45	1,552.48	211.27
November 2019	455.43	888.73	1,344.16	210.39
December 2019	347.61	771.44	1,119.05	206.42
January 2020	464.41	892.30	1,356.71	107.81
February 2020	306.91	892.29	1,199.20	103.89
March 2020	581.69	693.66	1,275.35	203.03
Total				**1,042.81**

It could be seen from **Table 2.36** above that the average monthly cash balance investment during 2019-20 was ₹ 1,296.59 crore, whereas the UT Government resorted for borrowings of ₹ 1,042.81 crore during 2019-20. While the average interest rate on Government borrowing was 8.22 *per cent*, the average interest earned on cash balance investment was only 5.32 *per cent.* Thus, resorting to borrowings despite availability of huge cash balance was against the principles of financial prudence.

2.8 Conclusion

Revenue receipts: Revenue receipts of the UT increased by 5.95 *per cent* over the previous year, which was a positive indicator. However, the same was lesser than the Revenue expenditure during 2019-20, which resulted in revenue deficit of ₹ 55 crore as against revenue surplus during previous year. Though the Revenue receipts increased by ₹ 381 crore over the previous year, the same was much lower than the growth rate of GSDP of 11.09 *per cent*.

Revenue expenditure: Revenue expenditure increased from ₹ 6,387 crore in 2018-19 to ₹ 6,836 crore (7.03 *per cent*) in 2019-20. The proportion of

Revenue expenditure to total expenditure stood at 95.43 *per cent* during the year. The committed expenditure such as salaries, pension and interest payment constituted 59.21 *per cent* of Revenue expenditure. The decrease in aggregate expenditure of UT Government, as a percentage to GSDP, from 21.51 in 2015-16 to 18.73 in 2019-20, indicated that UT Government spent lesser proportion of its GSDP on aggregate expenditure in 2019-20.

Capital expenditure: Though there was marginal increase in Capital expenditure, it was very minimal when compared to total expenditure, which indicated that the UT was not prioritising on infrastructure development. As against the Capital expenditure of ₹ 439 crore incurred during 2015-16, the expenditure incurred during 2019-20 was only ₹ 327 crore which constituted only 4.57 *per cent* of the total expenditure. Besides this, an amount of ₹ 151.53 crore has been incurred on projects which remained incomplete as of March 2020 and had not yielded the intended benefits. The non-completion of projects for long periods could hinder the overall development of the UT.

Fiscal status: The Fiscal deficit though increased from ₹ 302 crore in 2018-19 to ₹ 381 crore in 2019-20, it decreased by ₹ 255 crore during the five-year period. This was due to decrease in revenue deficit and due to reduced Capital expenditure over the years. UT's Debt-GSDP ratio was gradually decreasing from 2015-16 and stood at 21.90 *per cent* during 2019-20. A declining trend in Debt-GSDP ratio can be considered as leading towards stability.

Arrears of revenue: As of March 2020, there was huge arrears in collection of revenue to the tune of ₹ 1,101.41 crore and out of which ₹ 517.44 crore were outstanding for more than five years.

Return on investment: The return on investment remained constant at 0.01 *per cent* during 2017-18 to 2019-20. The difference in interest rate on borrowings by Government was 7.41 *per cent* when compared to the return on investment.

Fiscal liabilities: The outstanding fiscal liabilities though increased from ₹ 7,754 crore in 2015-16 to ₹ 9,449 crore in 2019-20, the rate of growth decreased from 10.30 *per cent* to 3.41 *per cent* during the same period.

Debt maturity profile: The maturity profile of public debt indicated that nearly 72.51 *per cent* of the total public debt has to be repaid within next seven years.

Borrowings: Resorting to borrowings despite availability of huge cash balance was against the principles of financial prudence.

2.9 Recommendations

- Efforts may be taken to eliminate revenue deficit and the dependency on Grants-in-aid from GoI.
- The UT shall consider spending more on capital infrastructure development on a broader vision and long term goal to achieve overall economic and social development of the UT.
- Efforts need to be taken to improve the working of Government companies to have a reasonable return on investments.
- Contribution to the sinking fund shall be made every year as it is amortisation fund for redemption of the outstanding liabilities.
- Efforts needs to be taken to complete the incomplete projects in a time bound manner to achieve the intended objective of the projects.
- Concerted efforts may be taken to collect the arrears of revenue.

CHAPTER III

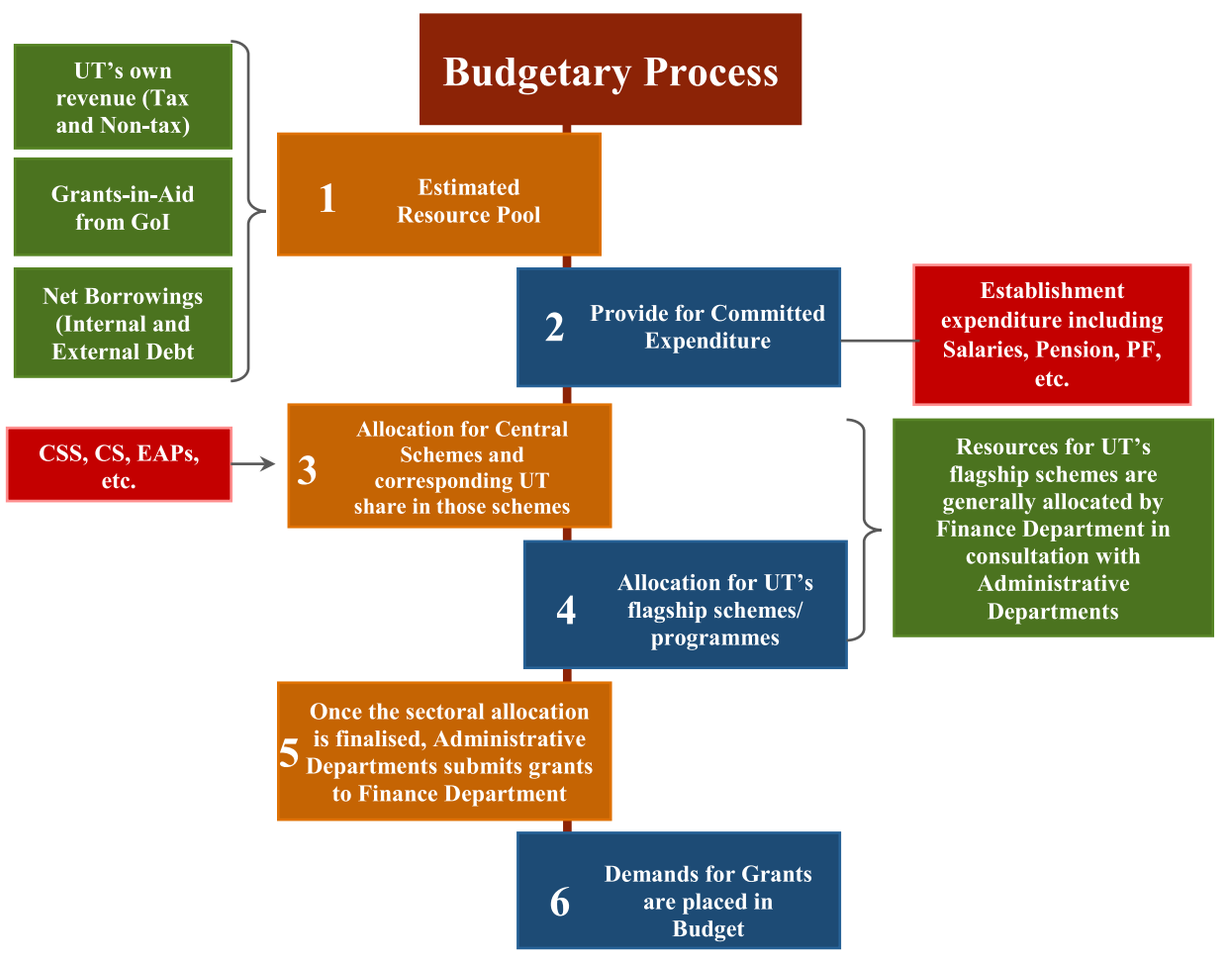
BUDGETARY MANAGEMENT

CHAPTER III: BUDGETARY MANAGEMENT

This Chapter is based on the audit of the Appropriation Accounts of the Union Territory (UT) of Puducherry. It contains review of the integrity, transparency and effectiveness of the budgetary process and allocative priorities, including supplementary grants and the concomitant financial management, assessing whether decisions taken at the policy level are implemented at the administrative level without diversion of funds.

3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. Budget glossary is given in **Appendix 3.1**. The Budget process commences with the issue of the Budget Circular, normally in August each year, providing guidance to the Departments in framing their estimates for the next financial year. A typical budget preparation process in the UT is given in the flow chart below:



CSS: Centrally Sponsored Schemes; CS: Central Schemes; EAP: Externally Aided Projects

The Finance Bill, Annual Financial Statement (Budget) and Demands for Grants are mandated by Sections 23, 27, and 28(2) of the Government of Union Territories Act, 1963 (UT Act) respectively.

Section 27 of the UT Act, 1963 requires laying of a statement of the estimated receipts and expenditure of the UT for that year as the "Annual Financial Statement" before the House of the Legislature of the UT. The Annual Financial Statement should show expenditure charged on Consolidated Fund and other expenditure separately. It shall also distinguish expenditure on revenue account from other expenditure.

No money shall be withdrawn from the Consolidated Fund of the UT except under appropriation made by law passed in accordance with provisions of Section 29 of the UT Act, 1963. Supplementary or Additional Grant or Appropriation is provided during the course of a financial year in accordance with Section 30 of the UT Act, 1963.

Apart from supplementary grant, re-appropriation can also be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation.

3.1.1 Summary of total provisions, actual disbursements and savings during 2019-20

A summarised position of total budget provision, disbursements and saving/excess with bifurcation into voted/charged for the year 2019-20 are given in **Table 3.1**.

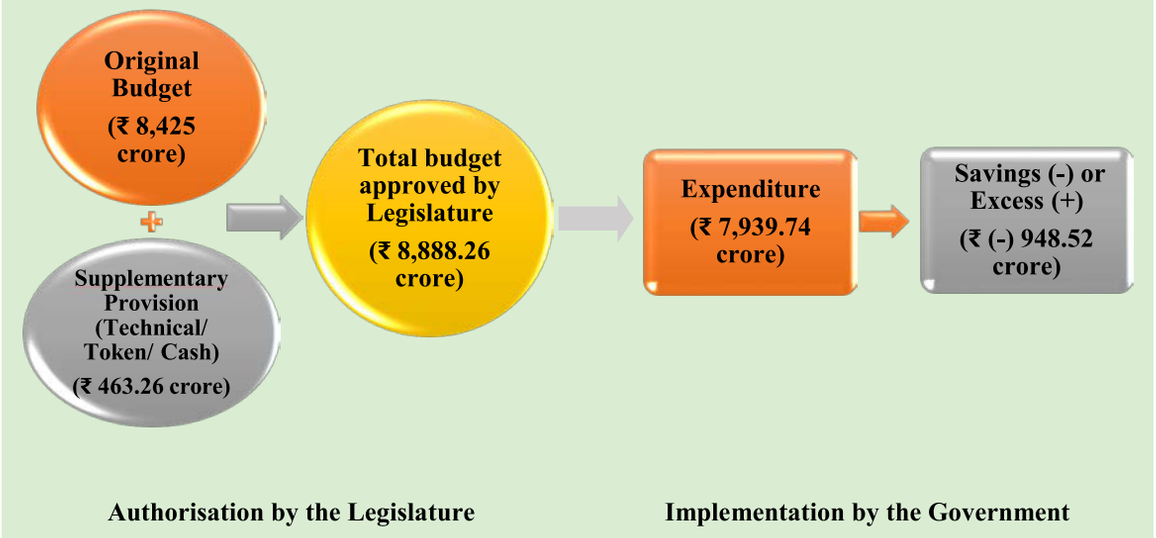
Table 3.1: Budget provision, disbursement and savings/excess during 2019-20

(₹ in crore)

Total Budget provision		Disbursements		Saving (-) /Excess (+)	
Voted	**Charged**	**Voted**	**Charged**	**Voted**	**Charged**
7,054.42	1,833.84	6,361.99	1,577.75	(-) 692.43 (9.82 *per cent*)	(-) 256.09 (13.96 *per cent*)

The total amount approved by the UT Legislature including Original and Supplementary budgets, expenditure and savings during 2019-20 are depicted in the **Chart 3.1**.

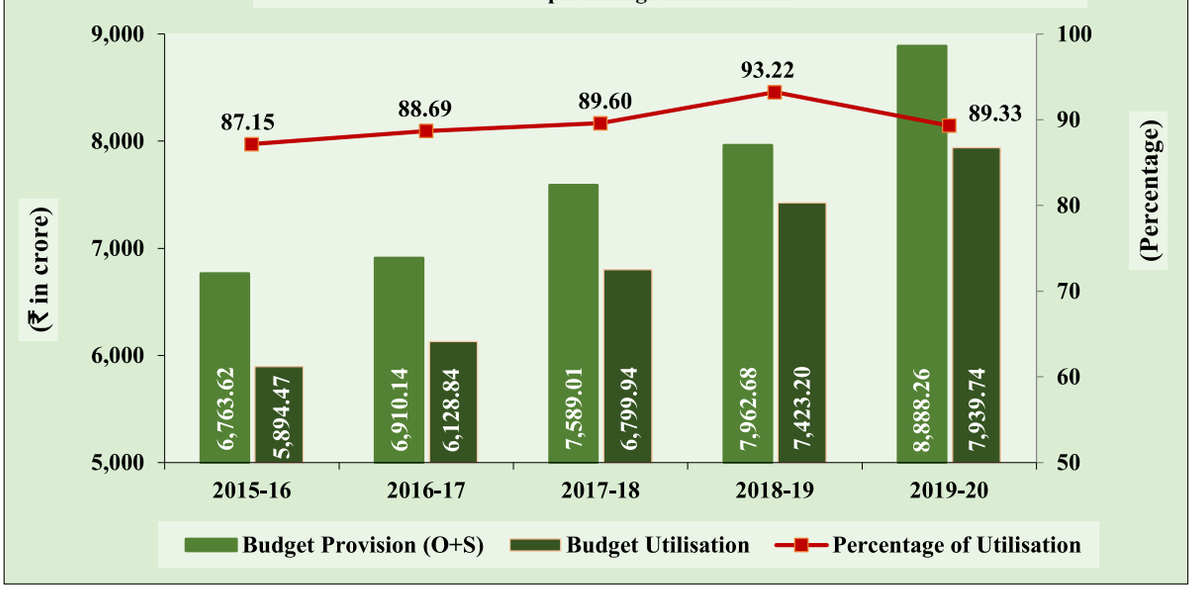
Chart 3.1: Components of Budget



The total provision authorised by the UT legislature including original and supplementary budget was ₹ 8,888.26 crore, out of which, an expenditure of ₹ 7,939.74 crore was incurred resulting in savings of ₹ 948.52 crore. Out the savings of ₹ 948.52 crore, an amount of ₹ 363.26 crore (38.30 *per cent*) was surrendered on 31 March 2020. In view of the overall savings, the Supplementary provision of ₹ 463.26 crore in 19 Grants proved unnecessary.

The following **Chart 3.2** shows the Budget provision and utilisation during 2015-16 to 2019-20.

Chart 3.2: Budget provision and utilisation during 2015-16 to 2019-20 along with percentage of utilisation



(Source: Appropriation Accounts of the respective years)

During the year 2019-20, as against the total budget provision of ₹ 8,888.26 crore, the expenditure incurred was ₹ 7,939.74 crore which was 89.33 *per cent* of the total provision. The decline in utilisation during 2019-20 was mainly due to following reasons:

- Under Grant Number 10 - District Administration, as against the total provision of ₹ 233.22 crore under Revenue, expenditure of ₹ 121.51 crore has been incurred resulting in savings of ₹ 111.71 crore.
- Under Grant Number 16 - Public Works, as against the total provision of ₹ 211.43 crore under Capital, expenditure of ₹ 96.49 crore has been incurred resulting in savings of ₹ 114.94 crore.
- Under Grant Number 17 - Education, as against the total provision of ₹ 931.18 crore under Revenue, expenditure of ₹ 838.64 crore has been incurred resulting in savings of ₹ 92.54 crore.

The reasons for savings in the above three grants have been discussed under paragraph 3.3.6.4.

Similarly, under Grant Number 33 - Public Debt, as against the total provision of ₹ 925.33 crore under Revenue, expenditure of ₹ 684.93 crore alone has been incurred resulting in savings of ₹ 240.40 crore.

3.1.2 Charged and voted disbursements

The details of provision for voted grants and charged appropriations, disbursements and savings during 2015-16 to 2019-20 are given in **Table 3.2**.

Table 3.2: Total disbursement into charged and voted during 2015-20

(₹ in crore)

Year	Provisions		Disbursements		Savings(-) /Excess(+)	
	Voted	Charged	Voted	Charged	Voted (%)	Charged (%)
2015-16	5,963.79	799.83	5,173.38	745.31	(-) 790.41 (13.25)	(-) 54.52 (6.82)
2016-17	6,010.07	900.06	5,318.67	825.82	(-) 691.40 (11.50)	(-) 74.24 (8.25)
2017-18	6,056.59	1,532.42	5,509.60	1,290.34	(-) 546.99 (9.03)	(-) 242.08 (15.80)
2018-19	6,551.92	1,410.76	6,018.21	1,405.00	(-) 533.71 (8.15)	(-) 5.76 (0.41)
2019-20	7,054.42	1,833.84	6,361.99	1,577.75	(-) 692.43 (9.82)	(-) 256.09 (13.96)

(Source: Appropriation Accounts of the respective years)

Though the total disbursement of voted grants increased by 22.98 *per cent* from ₹ 5,173.38 crore in 2015-16 to ₹ 6,361.99 crore in 2019-20, the increase

in charged appropriations was 111.69 *per cent i.e.,* from ₹ 745.31 crore in 2015-16 to ₹ 1,577.75 crore in 2019-20. The increase in charged appropriations was mainly due to increase in public debt repayment from ₹ 168.75 crore in 2015-16 to ₹ 638.69 crore in 2018-19 and increase in interest payments from ₹ 550.02 crore in 2015-16 to ₹ 732.99 crore in 2018-19. Though the Public Debt repayment further increased to ₹ 762.04 crore, the interest payment has been reduced to ₹ 684.93 crore in 2019-20.

The total savings in voted grants, though decreased from 13.25 *per cent* in 2015-16 to 9.82 *per cent* in 2019-20, it had increased from 6.82 *per cent* in 2015-16 to 13.96 *per cent* in 2019-20 in respect of charged appropriations, which was indicative of incorrect estimation of requirement even in respect of committed liability of debt repayment and interest.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year compared with the amounts of voted grants and charged appropriations for different purposes as specified in the schedules appended to the Appropriation Act. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. The Appropriation Accounts thus facilitate understanding of utilisation of funds and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the UT Act, 1963 (Section 23). It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Integrity of budgetary and accounting process

3.3.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund except under appropriation made by law passed in accordance with the provisions of Section 29 (3) of the UT Act, 1963. Expenditure on new scheme/service

should not be incurred without provision of funds except after obtaining additional funds by supplementary grant or re-appropriation or an advance from the Contingency Fund.

3.3.1.1 Expenditure without provision in original/supplementary grant

Expenditure shall neither be incurred in excess of the sanctioned allotment nor on the items for which no provision has been made in the budget. However, it was noticed that an amount of ₹ 3.39 crore was re-appropriated under five heads without any original or supplementary budget provision and expenditure of ₹ 3.28 crore was incurred as detailed in **Table 3.3**.

Table 3.3: Details of expenditure incurred without any original or supplementary provision

(₹ in lakh)

Sl. No.	Grant No	Head of Account					Re-appropriation	Expenditure
1	04	2014	00	117	01	02	16.44	15.46
2	04	2014	00	800	05	01	20.00	10.00
3	17	2202	80	107	09	01	0.10	0.10
4	27	2505	02	101	02	02	26.25	26.25
5	27	2505	02	789	04	01	276.66	276.66
Total							**339.45**	**328.47**

(Source: Appropriation Accounts 2019-20)

3.3.2 Transfers not mandated by the Appropriation Act

The Appropriation Act authorises incurrence of expenditure under specified Grants during the financial year. Hence, transfer of amounts from the Consolidated Fund of the UT into Public Account was not permissible. However, an amount of ₹ 5.18 crore sanctioned by Health Department towards purchase of life saving equipment and consumables for prevention of COVID-19 was drawn and deposited in the Public Account "8443 - Civil Deposits - 800 - Other Deposits" to avoid lapse of budget provision.

3.3.3 Unnecessary or excessive supplementary grants

As per Section 30 of the UT Act, 1963, a supplementary or additional grant or appropriation over the provision made by the Appropriation Act for the year

can be made during the current financial year, but not after the expiry of the current financial year as is necessary to meet-

- Expenditure on Schemes of New Expenditure to be taken up within the current financial year.
- Inadequacy of provision.
- Fresh expenditure, but not technically "Schemes of New Expenditure".
- Omissions of provision.

When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned proposes to the Finance Department for supplementary or additional grant or appropriation.

The instances where such supplementary grant proved unnecessary has been discussed in the succeeding paragraph.

3.3.4 Unnecessary supplementary provision

Supplementary provision of ₹ 50 lakh or more aggregating ₹ 448.61 crore obtained in 15 grants/appropriations during the year 2019-20 was proved excessive to the extent of ₹ 375.20 crore as detailed in **Table 3.4**.

Table 3.4: Details of grants where supplementary provision of ₹ 50 lakh or more proved excessive

(₹ in crore)

Sl. No	Name of the Grant	Original	Supple-mentary	Provision	Expen-diture	Savings
(A) Revenue - Voted						
1	03 - Council of Ministers	10.55	0.98	11.53	10.58	0.95
2	06 - Revenue and Food	292.80	15.89	308.69	303.28	5.40
3	10 - District Administration	228.06	5.16	233.22	121.52	111.71
4	12 - Police	243.80	26.42	270.22	261.11	9.11
5	15 - Retirement Benefits	930.00	57.92	987.92	983.96	3.96
6	17 - Education	919.95	11.23	931.18	838.64	92.54
7	18 - Medical	586.35	68.31	654.66	622.58	32.08
8	20 - Labour and Employment	38.68	5.03	43.71	38.99	4.72
9	21 - Social Welfare	690.24	24.26	714.50	667.38	47.12

Sl. No	Name of the Grant	Original	Supple-mentary	Provision	Expen-diture	Savings
10	24 - Agriculture	111.78	2.72	114.50	101.48	13.02
11	25 - Animal Husbandry	39.05	3.05	42.10	35.42	6.68
12	29 - Electricity	1,411.21	23.40	1,434.61	1,425.15	9.46
13	32 - Building Programmes	12.02	0.56	12.58	6.91	5.67
Total (A)		**5,514.49**	**244.93**	**5,759.42**	**5,417.00**	**342.42**
(B) Capital - Voted						
14	10 - District Administration	0.00	2.34	2.34	0.00	2.34
15	29 - Electricity	56.94	5.42	62.36	40.47	21.89
Total (B)		**56.94**	**7.76**	**64.70**	**40.47**	**24.23**
(C) Capital - Charged						
16	17 - Education	1.10	3.93	5.03	1.10	3.93
17	30 - Ports and Pilotage	0.00	0.66	0.66	0.00	0.66
18	33 - Public debt	574.67	191.33	766.00	762.04	3.96
Total (C)		**575.77**	**195.92**	**771.69**	**763.14**	**8.55**
Grand Total		**6,147.20**	**448.61**	**6,595.81**	**6,220.61**	**375.20**

(Source: Appropriation Accounts 2019-20)

In respect of 11 cases under five grants, as against the original provision of ₹ 71.95 crore, the total expenditure was only ₹ 61.35 crore. However, a sum of ₹ 20.03 crore was also provided in the supplementary grant which proved wholly unnecessary in view of the total savings of ₹ 30.63 crore (**Appendix 3.2**).

It was also seen that in respect of 29 cases under 10 grants, in addition to original provision of ₹ 765.77 crore, an amount of ₹ 90.58 crore was provided in the supplementary grant. However, the expenditure incurred was ₹ 833.09 crore only. Thus, the supplementary grant provided proved excessive to the extent of ₹ 23.26 crore as detailed in **Appendix 3.3**.

3.3.5 Unnecessary/excessive/injudicious re-appropriation

Re-appropriation was transfer of funds within a grant from one unit of appropriation, where savings are anticipated to another unit where additional funds are needed.

During 2019-20, re-appropriation order was issued on 31 March 2020 for ₹ 250.77 crore which dilutes the process of budgeting and expenditure control. It implies that re-appropriation orders were proposed *ex post facto* without necessary provision in the respective heads.

It was noticed that during 2019-20, the re-appropriations made were proved unnecessary or excessive in 230 sub-heads. It was also seen that in 74 sub-heads, unnecessary provision of more than ₹ 10 lakh were made by re-appropriation to the tune of ₹ 50.44 crore wherein the expenditure incurred was ₹ 416.10 crore under these heads which was within the total provision of ₹ 517.42 crore as indicated in **Appendix 3.4**. Further, out of these 74 sub-heads, no expenditure was incurred under 17 sub-heads.

3.3.6 Unspent amount and large savings/surrenders

Complete accuracy of estimates may not always be possible. Rule 52 and Appendix 3 of General Financial Rules, 2017 (GFR) contemplated that the budget estimate should provide for everything that can be foreseen and provide only as much as is necessary. Rule 62 of GFR contemplated that the savings as well as provisions that cannot be used should be surrendered to Government immediately they are foreseen without waiting till the end of the year. No savings shall be held in reserve for possible future excesses. The instances of huge savings and surrenders are discussed in the succeeding paragraphs.

3.3.6.1 Anticipated savings not surrendered

Out of total savings of ₹ 948.52 crore, an amount of ₹ 363.26 crore was surrendered on 31 March 2020. It was noticed that in respect of 22 grants/appropriations with savings of ₹ 895.07 crore (savings of ₹ one crore and above), ₹ 565.73 crore (63.20 *per cent* of savings) was not surrendered. It was also noticed that in respect of 17 grants/appropriations with a savings of ₹ 378.59 crore, no amount was surrendered. The details are given in **Appendix 3.5**.

3.3.6.2 Substantial surrenders

Substantial surrenders (cases where more than 50 *per cent* of the total provision and more than ₹ 10 lakh was surrendered) were made in 25 sub-heads. Out of the total provision of ₹ 178.80 crore made under these sub-heads, ₹ 144.53 crore (81 *per cent*) was surrendered (**Appendix 3.6**). This

indicated inadequate financial control and non-availability of funds for other development purposes since surrenders were made on the last day of the financial year.

3.3.6.3 Grants having huge savings

During 2019-20, out of total 33 grants, there was savings of ₹ 596.27 crore (62.86 *per cent* of total savings of ₹ 948.52 crore) in 13 grants exceeding ₹ 10 crore in each case (above ₹ 50 crore in three grants). The details are indicated in **Table 3.5**.

Table 3.5: List of grants with savings of ₹ 10 crore or more

(₹ in crore)

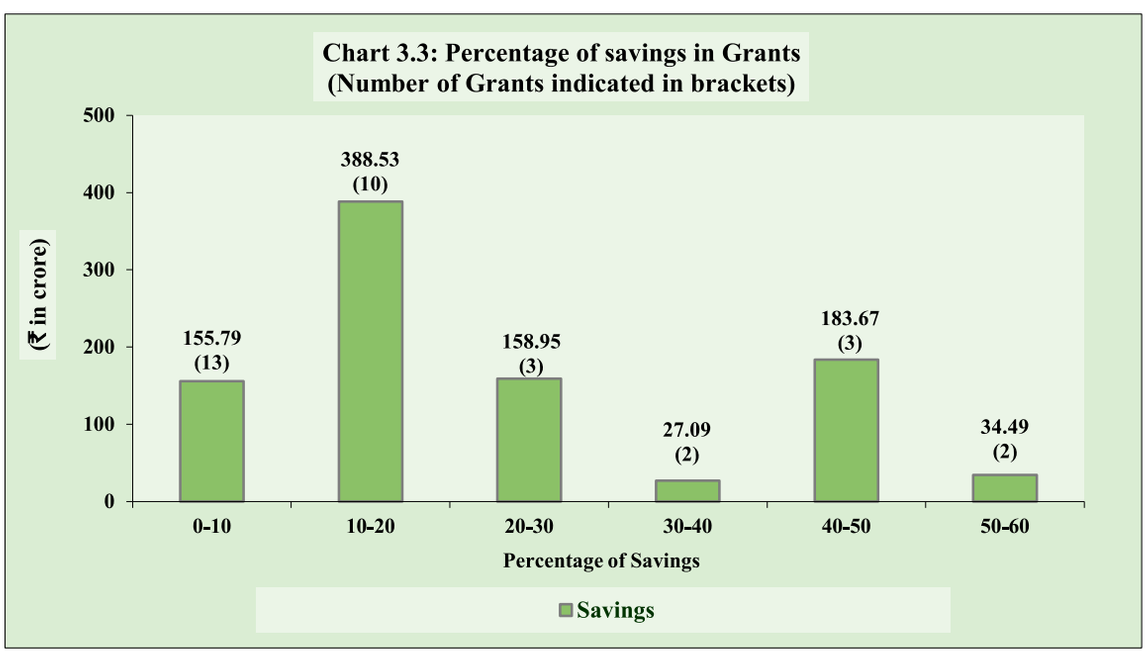
Sl. No	Grant	Description	Original	Supple-mentary	Total	Expen-diture	Savings	Amount surren-dered	Percen-tage
(A)	**Revenue - Voted**								
1	09	Secretariat	70.00	0.00	70.00	46.72	23.28	21.60	33.26
2	10	District Administration	228.06	5.16	233.22	121.52	111.71	0.00	47.90
3	16	Public Works	339.84	0.00	339.84	319.00	20.84	11.85	6.13
4	17	Education	919.95	11.23	931.18	838.64	92.54	0.00	9.94
5	18	Medical	586.35	68.31	654.66	622.58	32.08	0.00	4.90
6	19	Information and Publicity	31.40	0.00	31.40	20.27	11.13	2.73	35.45
7	21	Social Welfare	690.24	24.26	714.50	667.38	47.12	0.00	6.59
8	24	Agriculture	111.78	2.72	114.50	101.48	13.02	0.00	11.37
9	26	Fisheries	58.81	0.00	58.81	48.15	10.67	3.84	18.14
10	27	Community Development	58.96	0.00	58.96	31.79	27.17	19.72	46.08
11	28	Industries	96.74	0.00	96.74	85.93	10.81	2.75	11.17
Total (A)			**3,192.13**	**111.68**	**3,303.81**	**2,903.46**	**400.37**	**62.49**	
(B)	**Capital - Voted**								
12	16	Public Works	211.43	0.00	211.43	96.49	114.93	63.51	54.36
13	19	Information and Publicity	23.20	0.00	23.20	0.00	23.20	23.20	100.00

Sl. No	Grant	Description	Original	Supple-mentary	Total	Expen-diture	Savings	Amount surren-dered	Percen-tage
14	29	Electricity	56.94	5.42	62.36	40.47	21.89	0.00	35.10
15	32	Building Programmes	70.17	0.00	70.17	34.29	35.88	6.37	51.13
Total (B)			**361.74**	**5.42**	**367.16**	**171.25**	**195.90**	**93.08**	
Grand total			**3,553.87**	**117.10**	**3,670.97**	**3,074.71**	**596.27**	**155.57**	

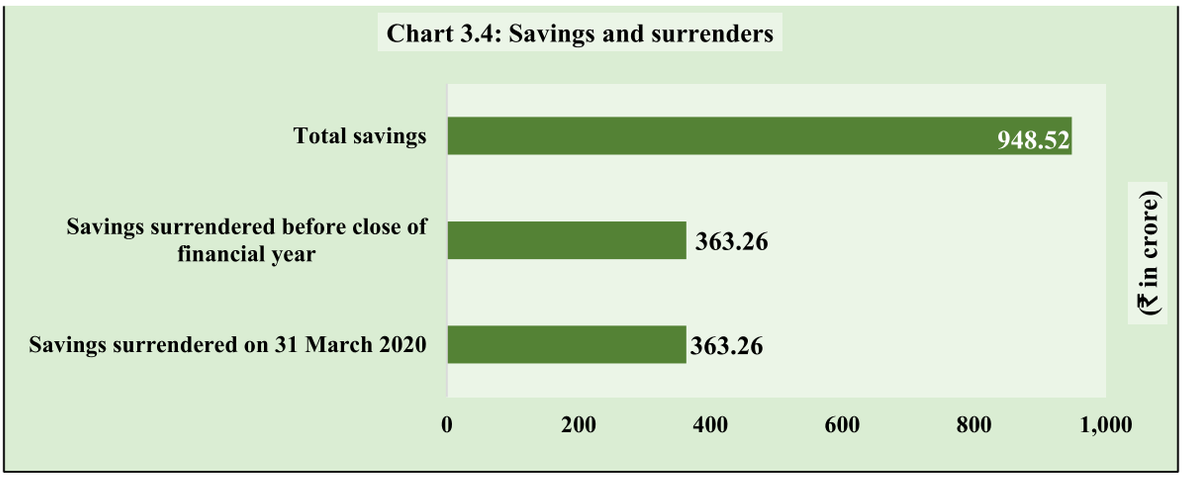
(Source: Appropriation Accounts 2019-20)

It was noticed that in 122 cases (sub-heads), savings exceeded ₹ 50 lakh in each case and by more than 50 *per cent* of the total provision (**Appendix 3.7**), wherein out of total provision of ₹ 613.82 crore, savings amounted to ₹ 528.62 crore (86.12 *per cent*). Further, out of 122 cases, against the provision of ₹ 263.77 crore, no expenditure was incurred in respect of 54 cases. This was indicative of improper estimation of requirement.

The following **Chart 3.3** depicts the distribution of the number of Grants/ Appropriations grouped by the percentage of savings along with total savings in ₹ in crore in each group.



The following **Chart 3.4** shows the savings and surrenders during 2019-20.



Out of the overall savings of ₹ 948.52 crore, only ₹ 363.26 crore (38 *per cent*) alone was surrendered and that too was made on 31 March 2020, giving no scope for utilisation of the amount surrendered.

3.3.6.4 Persistent savings

Out of 33 grants, savings of more than ₹ 50 lakh was noticed persistently under 20 grants during the last five years. Details of the savings are indicated in **Table 3.6**.

Table 3.6: List of grants having persistent savings of more than ₹ 50 lakh during 2015-20

(₹ in crore)

Sl. No.	Grant Number and description		Amount of savings				
			2015-16	2016-17	2017-18	2018-19	2019-20
(A) Revenue - Voted							
1	6	Revenue and Food	26.56	83.01	26.64	26.16	5.40
2	9	Secretariat	24.92	24.60	13.32	8.09	23.28
3	10	District Administration	98.09	52.05	11.67	39.47	111.71
4	12	Police	15.09	13.77	10.25	5.81	9.11
5	16	Public Works	20.69	14.23	9.50	18.14	20.84
6	17	Education	140.81	90.90	93.85	29.79	92.54
7	18	Medical	74.01	23.84	11.39	15.77	32.08
8	19	Information and Publicity	7.37	9.41	8.60	5.17	11.13
9	20	Labour and Employment	4.66	1.05	3.55	6.24	4.72
10	21	Social Welfare	31.13	29.30	79.07	32.99	47.12
11	22	Co-operative	2.76	11.41	15.80	3.92	4.85
12	23	Statistics	1.30	0.56	1.42	0.75	0.55
13	24	Agriculture	33.30	22.93	29.27	13.56	13.02

Sl. No.	Grant Number and description		Amount of savings				
			2015-16	2016-17	2017-18	2018-19	2019-20
14	25	Animal Husbandry	8.11	5.91	3.81	1.90	6.68
15	26	Fisheries	0.83	1.84	3.64	7.68	10.67
16	27	Community Development	20.81	17.96	12.32	28.93	27.17
17	28	Industries	5.78	6.97	12.74	5.37	10.81
18	29	Electricity	60.76	11.07	0.80	33.20	9.46
19	32	Building Programmes	7.42	7.02	2.84	1.52	5.67
Total (A)			**584.40**	**427.83**	**350.48**	**284.46**	**446.81**
(B) Capital - Voted							
1	16	Public Works	83.94	168.32	109.63	44.15	114.93
2	29	Electricity	48.38	4.35	9.32	21.75	21.89
3	30	Ports and Pilotage	7.94	0.83	3.09	18.03	1.22
4	32	Building Programmes	53.45	59.56	39.10	24.95	35.88
Total (B)			**193.71**	**233.06**	**161.14**	**108.88**	**173.92**
Grand Total			**778.11**	**660.89**	**511.62**	**393.34**	**620.73**

(Source: Appropriation Accounts of the respective years)

Grant No. 10 - District Administration **-** The persistent savings ranged between ₹ 11.67 crore and ₹ 111.71 crore of the total budget during 2015-20. During 2019-20, the savings of ₹ 111.71 crore was mainly due to savings of the entire provision of ₹ 44.89 crore under MLA's Local Area Development Scheme. The specific reason for savings was not furnished. Out of the savings of ₹ 111.71 crore, no amount was surrendered.

Grant No. 16 - Public Works **-** The persistent savings under Capital head ranged between ₹ 44.15 crore and ₹ 168.32 crore of the total budget during 2015-20. During 2019-20, the savings of ₹ 114.93 crore was mainly due to withdrawal of the entire provision of ₹ 50 crore made for Augmentation of water supply source and rehabilitation system in Urban areas of Puducherry (Agency Francaise Development). Out of the savings of ₹ 114.93 crore, only ₹ 63.51 crore (55.26 *per cent*) was surrendered.

Grant No. 17 - Education **-** The persistent savings ranged between ₹ 29.79 crore and ₹ 140.81 crore of the total budget during 2015-20. The reasons for savings of ₹ 92.54 crore during 2019-20 was mainly due to non-granting of revised pay scales and less release of financial assistance to students undergoing professional courses due to non-receipt of MBBS renewal applications. Further, there was also considerable decrease in renewal of cases

due to failures in semesters. Out of the savings of ₹ 92.54 crore, no amount was surrendered.

3.4 Comments on effectiveness of budgetary and accounting process

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprives other departments of the funds which could have been utilised.

3.4.1 Budget projection and gap between expectation and actuals

The summarised position of actual expenditure *vis-à-vis* Budget provision (Original and Supplementary) during 2019-20 (Voted Grants/Charged Appropriations) is given in **Table 3.7**.

Table 3.7: Position of Actual Expenditure *vis-à-vis* Original/Supplementary provisions

(₹ in crore)

	Nature of expenditure		Original grant/ appro-priation	Supple-mentary grant/ appro-priation	Total	Actual expen-diture[1]	Saving (-)/ Excess (+)	Amount surren-dered on 31 March 2020	Percentage of savings surrendered during March 2020
Voted	I	Revenue	6,371.08	244.96	6,616.04	6,150.35	(-) 465.69	70.99	15.24
	II	Capital	424.80	6.33	431.13	211.53	(-) 219.60	101.51	46.22
	III	Loans and Advances	5.25	2.00	7.25	0.11	(-) 7.14	0.12	1.82
Total - Voted			**6,801.13**	**253.29**	**7,054.42**	**6,361.99**	**(-) 692.43**	**172.62**	**24.93**
Charged	IV	Revenue	*933.92*	*0.33*	*934.25*	*691.98*	*(-) 242.27*	*190.64*	*78.69*
	V	Capital	*115.28*	*18.31*	*133.59*	*123.72*	*(-) 9.87*	*0.00*	*0.00*
	VI	Public Debt-Repayment	*574.67*	*191.33*	*766.00*	*762.04*	*(-) 3.96*	*0.00*	*0.00*
Total - Charged			***1,623.87***	***209.97***	***1,833.84***	***1,577.75***	***(-) 256.09***	***190.64***	***74.44***
Grand total			**8,425.00**	**463.26**	**8,888.26**	**7,939.74**	**(-) 948.52**	**363.26**	**38.30**

[1] Excludes recoveries shown as reduction of expenditure.

- The overall savings of ₹ 948.52 crore worked out to 10.67 *per cent* of total provision including supplementary provision made against the respective grants in 2019-20.
- Out of the savings of ₹ 948.52 crore, an amount of ₹ 363.26 crore was surrendered on the last day of financial year depriving funds for other development purposes.
- Savings of ₹ 707.96 crore in 31 grants and 11 appropriations under Revenue section, ₹ 229.47 crore in 19 grants and 10 appropriations under Capital section and ₹ 11.10 crore under Loan section had occurred.
- As against the original provision of ₹ 8,425 crore, an expenditure of ₹ 7,939.74 crore was incurred. In view of an overall savings of ₹ 948.52 crore, the supplementary provision of ₹ 463.26 crore proved unnecessary.

Trends of expenditure during the past five years with reference to Original Budget and Revised Estimates are given in **Table 3.8**.

Table 3.8: Original Budget, Revised Estimate and Actual Expenditure during 2015-20

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Original provision	6,450.00	6,665.01	6,945.00	7,530.00	8,425.00
Supplementary provision	313.62	245.13	644.01	432.68	463.26
Total Provision	6,763.62	6,910.14	7,589.01	7,962.68	8,888.26
Actual expenditure	5,894.47	6,128.84	6,799.94	7,423.20	7,939.74
Savings (-)/excess (+)	(-) 869.15	(-) 781.30	(-) 789.07	(-) 539.48	(-) 948.52
Percentage of savings	12.85	11.31	10.40	6.78	10.67

(Source: Appropriation Accounts of respective years)

It could be seen from **Table 3.8** that during all the five years, the savings was very much higher than the supplementary provisions indicating improper estimation of requirement.

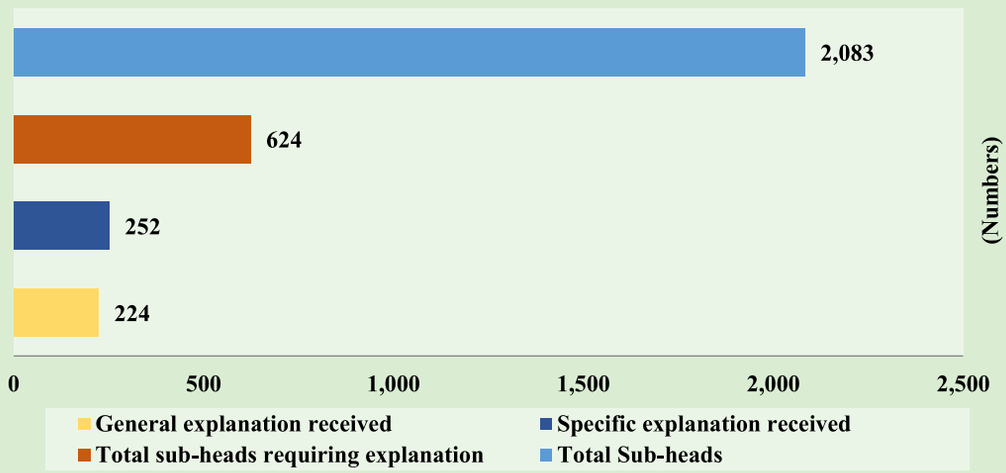
The savings in total provision ranged between 6.78 *per cent* and 12.85 *per cent* during 2015-20. The savings in total provision though declined from 12.85 *per cent* in 2015-16 to 6.78 *per cent* in 2018-19, it had increased to 10.67 *per cent* in 2019-20.

3.4.2 Reasons for savings/excess

Rule 57 of the GFR contemplates that the Heads of the Department should provide detailed reasons for any shortfall or excess over the budget provision.

It was, however, noticed that during re-appropriation, that in many cases, the reasons for savings/excess were general in nature. The details of cases where general/specific explanations given are depicted in **Chart 3.5**.

Chart 3.5: Summary of explanation for variation in Appropriation Accounts



It could be seen from **Chart 3.5** that as against 624 sub-heads requiring explanation, the Departments have not furnished explanations for 148 sub-heads.

3.4.3 Major policy pronouncements in budget and their actual funding for ensuring implementation

Several policy initiatives taken up by Government are partially or not executed due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction, non-release of budget, etc. This deprives the beneficiaries of intended benefits.

It was noticed from the Budget Speech 2019-20 that some new schemes were pronounced under various departments. However, neither any budget provision was made nor any expenditure has been incurred on these schemes. The list of schemes along with reasons for non-implementation are detailed in **Table 3.9**.

Table 3.9: Details of schemes announced in the Budget Speech - 2019-20

Sl. No	Name of the Department	Scheme name	Objective of the scheme	Reasons
1	Transport	Setting up of an Institute of Driving Training and Research (IDTR) at Thengaithitu Revenue Village, Puducherry	To impart driving training both theoretical and practical to the existing and aspiring drivers.	The preliminary estimate for an amount of ₹ 8.50 crore for setting up of IDTR, Puducherry prepared by PWD was forwarded to the consultant for the project *i.e.,* Central Institute of Road Transport (CIRT), Pune for cost confirmation of the proposal.

2	Agriculture	Financial Assistance to Farmer Producer Companies	To provide one time financial assistance of ₹ 10 lakh per eligible farmer producer company.	Notification of the Guidelines for "Extending Financial Support to Farmer Producer Companies" (FPCs) was issued by the Government vide GO Ms. No 33/AG dated 25.02.2020. Funds for this scheme was proposed to be accommodated under the scheme "Crop Production Technology". The scheme is yet to be implemented.
3	Health and Family Welfare	Block Chain Technology	To provide regular medical assistance to Diabetic patients by collecting health data of the patients through mobile/iPad	The scheme "Block Chain Technology" has not been implemented in the Indira Gandhi Government General Hospital and Research Institute, Puducherry.
4	Labour	Construction of new Speciality Hospital with 50 beds with the assistance of Employees' State Insurance Corporation	Improving health care facilities to workers/labourers and to create a healthy working environment.	The Department stated that there is no proposal to construct a new specialty hospital with 50 beds with assistance of Employees' State Insurance Corporation. However, for setting up of 100 bedded Model ESI Hospital, Government of India has sought proposal for in-principle approval of existing 75 bedded hospital.

In addition to the above, audit observed that out of the total provision of ₹ 106.90 crore (₹ one crore and above) in 11 schemes under six grants, no expenditure was incurred as detailed in **Appendix 3.8**. Withdrawal of entire amount not only indicates deprival of the benefits of the scheme, but also deprives the other departments of the funds required.

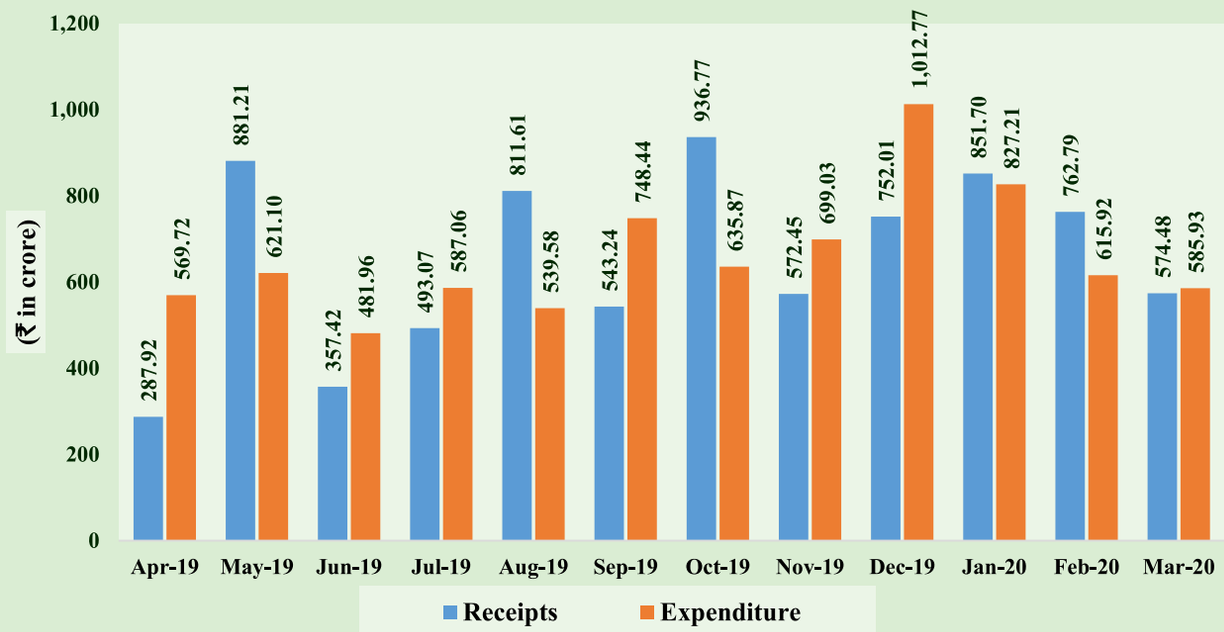
3.4.4 Rush of expenditure

According to Rule 62 (3) of the GFR, rush of expenditure particularly in the closing months of the financial year should be avoided. Contrary to this, in respect of 39 sub-heads listed in **Appendix 3.9**, expenditure exceeding ₹ 50 lakh and by more than 50 *per cent* of the total expenditure for the year was incurred in March 2020. It was further observed that in respect Grant No. 22 - Cooperation and Grant No. 27 - Community Development, out of the total expenditure of ₹ 48.32 crore and ₹ 31.79 crore incurred respectively, a sum of ₹ 30.96 crore (60.46 *per cent*) and ₹ 15.94 crore (50.14 *per cent*) were spent in the last quarter of 2019-20. Uniform flow of

expenditure, which was a primary requirement of budgetary control mechanism and sound financial management, was not maintained.

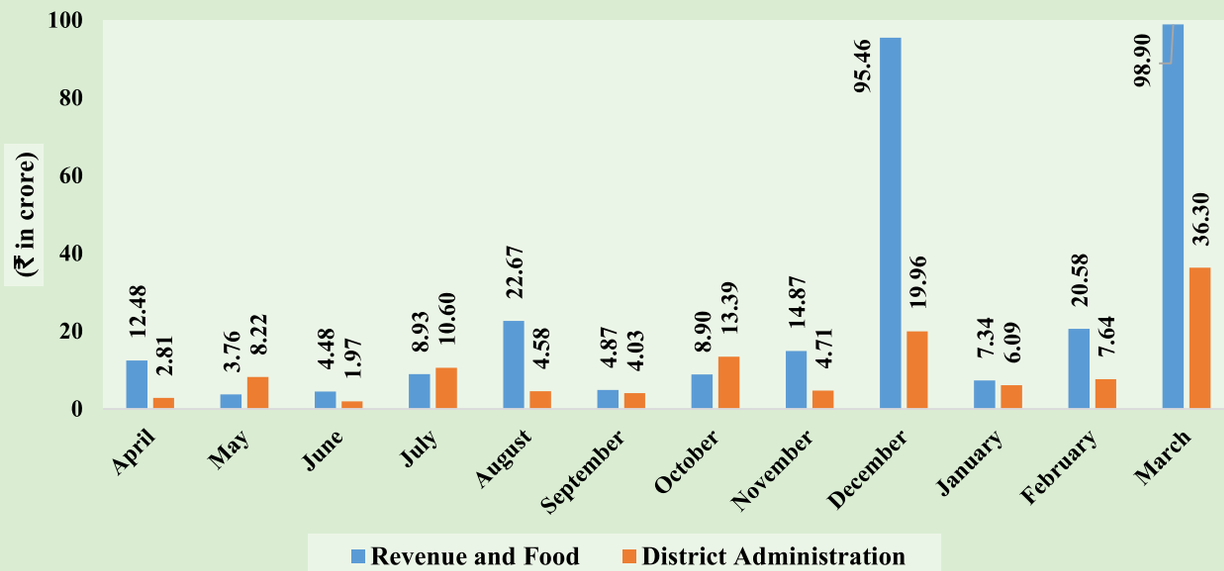
The monthly receipts and expenditure of the UT Government during 2019-20 is given in **Chart 3.6**.

Chart 3.6: Monthly receipts and expenditure



The month-wise expenditure during 2019-20 under Grant No. 6 - Revenue and Food and Grant No. 10 - District Administration, where rush of expenditure was noticed are depicted in **Chart 3.7**.

Chart 3.7: Month wise expenditure of Food and Revenue and District Administration Departments during 2019-20



It could be seen from **Chart 3.7** that in Grant No 6 - Revenue and Food and Grant No 10 - District Administration, a total expenditure of ₹ 303.23 crore and ₹ 120.29 crore was incurred during 2019-20. The expenditure incurred during the month of March 2020 alone was ₹ 98.90 crore and ₹ 36.30 crore which was 32.62 *per cent* and 30.17 *per cent* respectively of the total expenditure. The rush of expenditure in these two grants at the end of the financial year was regarded as a breach of financial propriety.

3.4.5 Review of selected grants

A review of the budgetary procedure and control over expenditure followed in Grant Number 16 - Public Works revealed the following:

3.4.5.1 Allocation and Expenditure

A summary of actual expenditure *vis-à-vis* original/supplementary provisions made under Grant No.16 during the year 2019-20 are given in **Table 3.10**.

Table 3.10: Details of Budget Provision and Actual Expenditure under Grant No. 16

(₹ in crore)

	Nature of expenditure	Original	Supple-mentary	Total	Expendi-ture	Savings(-)/ Excess (+)	Percent-age of savings	Amount surren-dered
Voted	Revenue	339.84	0.00	**339.84**	319.00	(-) 20.84	6.13	11.85
	Capital	211.43	0.00	**211.43**	96.49	(-) 114.94	54.36	63.51
Total Voted (A)		**551.27**	**0.00**	**551.27**	**415.49**	**(-) 135.78**	**24.63**	**75.35**
Charged	Revenue	*0.25*	*0.00*	***0.25***	*0.02*	*(-) 0.23*	*92*	*0.22*
	Capital	*18.47*	*0.08*	***18.55***	*13.55*	*(-) 5.00*	*26.95*	*0.01*
Total Charged (B)		***18.72***	***0.08***	***18.80***	***13.57***	***(-) 5.23***	***27.82***	***0.23***
Grand Total (A+B)		**569.99**	**0.08**	**570.07**	**429.06**	**(-) 141.01**	**24.74**	**75.58**

(Source: Appropriation Accounts for the year 2019-20)

It could be seen from **Table 3.10** that under Capital Section of Voted grants, as against the original provision of ₹ 211.43 crore, the expenditure incurred was only ₹ 96.49 crore, which was only 45.64 *per cent* of the total provision. As against the savings of ₹ 114.94 crore, the department surrendered only ₹ 63.51 crore (55.25 *per cent*). This was indicative of incorrect estimation of requirement. It was seen that the savings under the grant was mainly due to withdrawal of entire provision of ₹ 50 crore made for the scheme of Augmentation of water supply source and rehabilitation of system in urban areas of Puducherry which has been implemented by availing loan from Agency Francaise Development (AFD - a French Finance Company). It was

observed in audit that the amount was provided in the Budget in anticipation of receipt of loan from AFD. The provision made in anticipation could have been surrendered early instead of the last day of the financial year as the first instalment of ₹ 49.61 crore received from AFD during March 2019 was drawn and deposited in the Savings Bank account by the Public Works Department and no expenditure was incurred as of November 2020.

In reply, the department stated that as per the project plan, a Long Term Technical Assistance has to be arranged, for which the appointment of consultant was in progress as of October 2020. Hence, the work packages could not be taken up which has resulted in the savings. Thus, obtaining additional provision of funds even before the appointment of consultant and availability of unspent balances was indicative of defective budgeting process.

3.4.5.2 Unnecessary provision of funds through re-appropriation

The department sought for additional funds for various schemes/works at the Revised Estimate stage. It was noticed that in 13 cases, in addition to the original provision of ₹ 19.38 crore, amount of ₹ 6.73 crore was provided through re-appropriation (**Appendix 3.10**). However, the expenditure incurred under these heads was only ₹ 14.11 crore resulting in unwarranted provision and savings of the entire re-appropriation. This was indicative of improper estimation of requirement and the funds could have been utilised for other needy schemes.

3.5 Recommendations

- Union Territory Government needs to adopt good practices of Central Government, where Technical and Token Supplementary are encouraged, with Cash Supplementary being the last resort, after all options of utilising the savings has been exhausted.
- Government needs to formulate a realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilise the allocated resources.
- Incurring expenditure without budget provision should be strictly avoided.

- An appropriate control mechanism needs to be instituted by the Government to enforce proper implementation and monitoring of budget to ensure that savings are curtailed.
- Huge savings within the Grant/Appropriation are controlled and anticipated savings are to be identified and surrendered within the specified timeframe without waiting till the last day.
- Controlling Officers need to be made aware of their responsibility to explain specific reasons for variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.

CHAPTER IV

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

CHAPTER IV: QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

A sound internal financial reporting system and compliance with relevant rules and procedures significantly contributes to efficient and effective governance. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

This Chapter provides an insight of the status of UT Government's compliance with various financial rules, procedures and directives by various departmental officials of the UT Government.

4.1 Funds kept outside Consolidated Fund or Public Account of the UT

Government of Puducherry issued notification[1] for Puducherry Motor Vehicles (Amendment) Rules, 2011. The notification provided for insertion of new Rule 252, which provided for levy of service charges for driving licence, registration certificate, taxation and permit. For this purpose, a Personal Deposit Account was required to be operated by Transport Commissioner in accordance with the General Financial Rules (GFR, 2017). Rule 97(1) of the GFR, 2017 contemplated that the Personal Deposit (PD) Account, shall form part of the Government Account and be located in the Public Account thereof. The notification further stated that the amount collected towards service charges shall be utilised for settlement of payment of dues to the vendor of smart card and the remaining amount, if any, shall be utilised for developmental activities of the Department.

The Transport Department opened a Current Account in State Bank of India, Puducherry and deposited the service charges in the account and payment from the account was made to the smart card vendors. The balance available in the account after settling the bills of vendors was ₹ 6.70 crore as of March 2020. Thus, opening of PD Account outside the Government Account was not in order and it carries the risk of lack of accountability for the collection of revenue of the UT.

[1] G.O.Ms No.16/Tr.Sectt/2011 dated 16 November 2011.

4.2 Non-inclusion of clear cut liabilities in the budget

Non-provision of funds for long pending liabilities to the contractors

In the process of preparation of Annual Budget estimates for any year, the concerned department should scrupulously consider the possible receipts and expenditure, along with the committed liabilities due for settlement during the year. Rule 50(3) of the GFR, 2017, clearly states that the estimates should include suitable provision for liabilities of the previous years which are to be discharged during the current year.

On a scrutiny of works executed under Demand No.16-Public Works and Demand No.32-Building Programmes, it was noticed that the Public Works Department had huge arrears in the settlement of final bills to the contractors. Details of dues as of March 2020 are given in **Table 4.1**.

Table 4.1: Details of pending bills to contractors

(₹ in crore)

Grant No. and description	Upto 2017-18	2018-19	2019-20	Total
16 - Public Works	20.93	6.54	8.11	35.58
32 - Building Programmes	3.68	0.89	8.30	12.87
Total	**24.61**	**7.43**	**16.41**	**48.45**

Audit observed that the department had a committed pending liability to the tune of ₹ 32.04 crore as of March 2019 and no specific allocation of funds was made in the Budget for 2019-20 for settlement of dues. The Department replied that while submitting budget proposal every year, provision of funds was sought for by the department for settlement of the pending liabilities, but the Finance Department restricted the same every year due to paucity of funds.

Thus, clearing of the committed liability of ₹ 32.04 crore upto March 2019 was not prioritised and the Department had further accumulated a liability of ₹ 16.41 crore in 2019-20. Incidentally, it was seen that there was a saving of ₹ 114.93 crore under Capital Section of Grant No.16 - Public Works.

Similarly, in respect of Puducherry Electricity Department, the outstanding liability as of March 2020 was ₹ 605.92 crore towards outstanding dues to power generation companies.

4.3 Non discharge of liability in respect of interest towards interest bearing deposits

Interest bearing Security Deposits (SD) in the UT are accounted for under the Head of Account 8336-101-Security Deposits, for which interest on deposits are to be provided in the UT budget. As per Clause 6.10 (8) of the JERC Electricity Supply Code, 2010 read with Section 47 (4) of the Electricity Act, 2003, the distribution licensee shall pay interest, at the bank rate notified by the Reserve Bank of India from time on such SD taken from the consumer. Further, as per Clause 5.135 of JERC Electricity Supply Code, 2018, the licensee shall pay interest to the consumer at the State Bank of India Base Rate prevailing on the 1st April for the year, payable annually on the consumer's SD with effect from the date of such deposit in case of new connections energised after the date of notification and in other cases, from the date of notification of JERC Supply Code, 2018. The interest accrued during the year shall be adjusted in the consumer's bill in the first billing cycle of the ensuing financial year.

The details of liability towards interest payable on SD, budget allocation for the above liability, interest actually paid and shortfall in allocation of funds during the years 2017-18 to 2019-20 are detailed in **Table 4.2**.

Table 4.2: Details of interest payable on Security Deposits

(₹ in crore)

Year	Amount of Interest to be paid on SD	Budget Allocation made	Extent of shortfall in allocation (*per cent*)	Interest paid by Depart-ment*	Savings	Interest to be paid
2017-18	10.99	3.50	68	3.50	0.00	7.49
2018-19	11.44	5.00	56	4.20	0.80	7.24
2019-20	13.14	5.38	59	5.11	0.27	8.03
Total	**35.57**	**13.88**	**61**	**12.81**	**1.07**	**22.76**

* Under HOA: 2049-60-101-01 in Finance Accounts

The shortfall in allocation ranged between 56 and 68 *per cent* during 2017-20 which led to continued non-discharge of liability towards interest amounting to ₹ 22.76 crore on Security Deposits.

4.4 Funds transferred directly to State Implementing Agencies

Government of India transfers funds directly to Implementing agencies/ Non-Government Organisations in the UT for implementation of various

schemes and programmes. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts. These funds are not routed through the State Budget/State Treasury system, therefore, Finance Accounts do not capture the flow of these funds or the related expenditure.

During the year 2019-20, Government of India transferred ₹ 172.02 crore directly to Implementing Agencies/Non-Government Organisations for various Central Schemes/programmes. The agencies that have received funds of more than ₹ one crore directly from GoI for implementing various developmental schemes during 2019-20 are shown in **Table 4.3**.

Table 4.3: Funds in excess of ₹ one crore transferred by Government of India directly to implementing agencies

(₹ in crore)

Sl. No.	Name of the Schemes of Government of India	Name of the Implementing Agency	Government of India releases during 2019-20
1.	Food Subsidy for Decentralised procurement of Foodgrains Under NFSA	Department of Civil Supplies and Consumer Affairs	152.28
2.	Pradhan Mantri Kisan Samman Nidhi	Department of Agriculture	5.83
3.	e-District	Puducherry e-Governance Society	5.05
4.	National AIDS and STD Control Programme	Puducherry State Health Society	4.81
5.	Pradhan Mantri Matru Vandana Yojana	Women and Child Development Department	1.60
6.	National Horticulture Mission	Agriculture Department	1.50

4.5 Delay in submission of Utilisation Certificates

The financial rules[2] stipulate that where grants-in-aid (GIA) are given for specific purposes, concerned departmental officers should obtain Utilisation Certificates (UCs) from grantees within 12 months of the closure of the financial year, which, after verification, should be forwarded to the Directorate of Accounts and Treasuries (DAT) to ensure that the funds have been utilised for intended purpose.

As of March 2020, UCs amounting to ₹ 449.36 crore in respect of 653 cases were outstanding. The year-wise breakup of outstanding UCs are given **Table 4.4**.

[2] Rule 238 of the General Financial Rules, 2017.

Table 4.4: Year-wise breakup of outstanding Utilisation Certificates

Sl.No	Range of delay in number of years	Utilisation Certificate outstanding	
		Number	Amount (₹ in crore)
1	More than 9 years	172	23.10
2	9-5 years	110	35.91
3	5-1 years	371	390.35
Total		**653**	**449.36**

(Source: Data furnished by the Director of Accounts and Treasuries)

- Out of 653 UCs, 172 UCs involving ₹ 23.10 crore (5.14 *per cent*) were pending for more than nine years.
- 110 UCs involving ₹ 35.91 crore (7.99 *per cent*) were pending for more than five years.
- 371 UCs involving ₹ 390.35 crore (86.87 *per cent*) were pending for periods ranging from five to one year.

Pendency of 453 UCs for an aggregate amount of ₹ 317.01 crore pertained to departments of Adi-Dravidar Welfare, Local Administration and Town and Country Planning.

The details of age-wise arrears in submission of UCs are given in **Table 4.5**.

Table 4.5: Age-wise arrears in submission of Utilisation Certificates

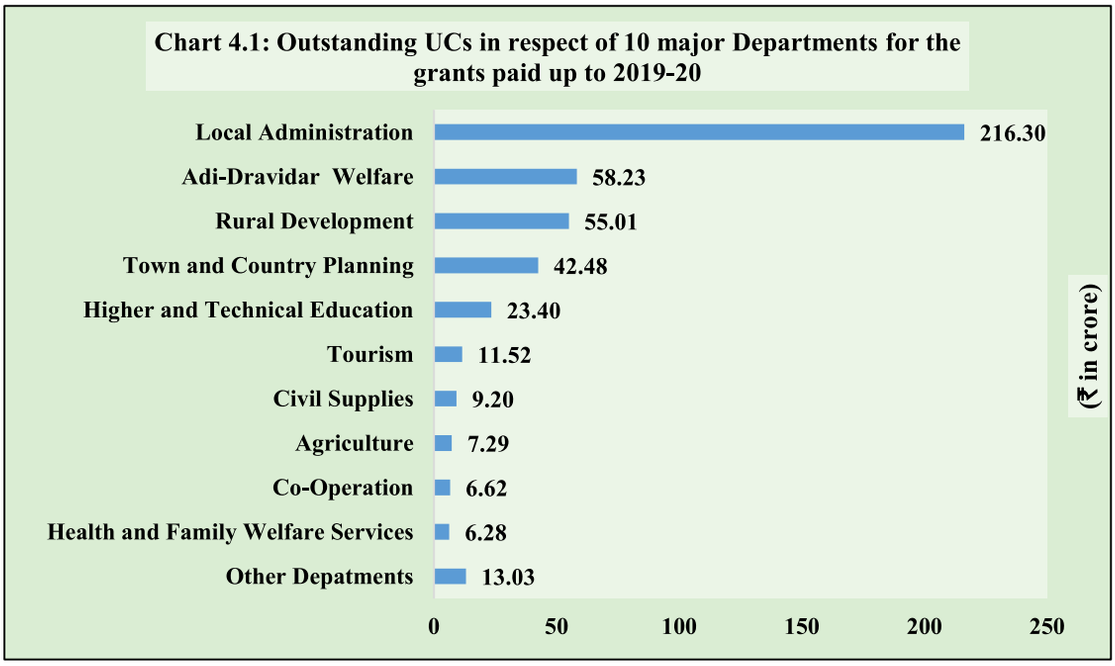
(₹ in crore)

Year	Opening Balance	Amount	Closing Balance	Amount
Upto 2015-16	318	82.37	350	103.54
2016-17	350	103.54	426	140.10
2017-18	426	140.10	515	278.29
2018-19	515	278.29	653	449.36
2019-20	653	449.36	658*	450.41

* UCs for the GIA disbursed during 2019-20 become due only during 2020-21

(Source: Data furnished by the Directorate of Accounts and Treasuries)

The details of department-wise break-up of UCs pending are depicted in **Chart 4.1**.



(Source: Data furnished by the Directorate of Accounts and Treasuries)

Non-submission of the UCs meant that the authorities have not explained as to how funds were spent over the years. Therefore, there is no assurance that the expenditure against the grants has actually been incurred for the purpose for which it was authorised. Since high pendency of UCs is fraught with the risk of misappropriation of funds, it is imperative that the UT Government should monitor this aspect closely and hold the concerned persons accountable for submission of UCs in a timely manner.

4.6 Non-adjustment of Temporary Advances

The Drawing and Disbursing Officers (DDOs) draw temporary advances for the purpose of meeting contingent and miscellaneous expenditure either on the authority of standing orders or specific sanctions of UT Government. As per Rule 323 (1) of the GFR, 2017, adjustment bills along with balances, if any, should be submitted by the Government servants within 15 days of the drawal of advances, failing which, the advances/balances would be recovered from the next salary of the Government servants.

As of 31 March 2020, 1,456 advances aggregating to ₹ 114.62 crore were pending in respect of 257 DDOs out of 665 DDOs as per the records of the Directorate of Accounts and Treasuries, Puducherry. Age-wise analysis of the pending advances is given in **Table 4.6**.

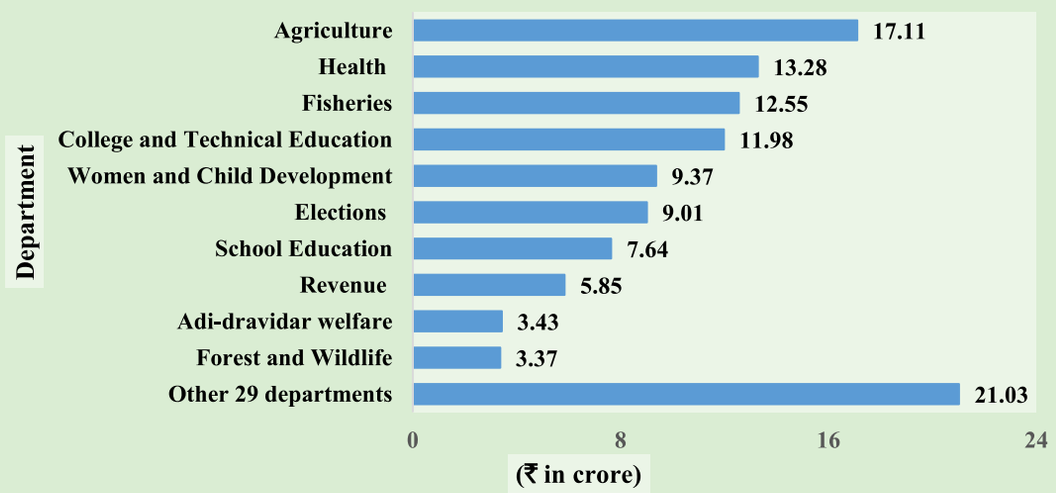
Table 4.6: Age-wise analysis of pending advances

Sl. No.	Pendency	Number of advances	Amount (₹ in crore)
1	More than 10 years	265	15.75
2	More than five years but less than 10 years	214	12.82
3	More than one year but less than five years	342	28.57
4	Less than one year	635	57.48
Total		**1,456**	**114.62**

(Source: Data furnished by the Directorate of Accounts and Treasuries)

The department-wise details of pending advances are depicted in **Chart 4.2**.

Chart 4.2: Pendency of temporary advances



(Source: Data furnished by the Directorate of Accounts and Treasuries)

The pendency in respect of 265 advances involving ₹ 15.75 crore for more than 10 years indicated serious laxity on the part of the departments in enforcing the provisions contemplated for adjustment of the advances. Further, there is no assurance that the expenditure of ₹ 114.62 crore has actually been incurred during the financial year for the purpose for which it was authorised by the Legislature. Advances drawn and not accounted for increased the possibility of wastage/misappropriation/malfeasance, etc.

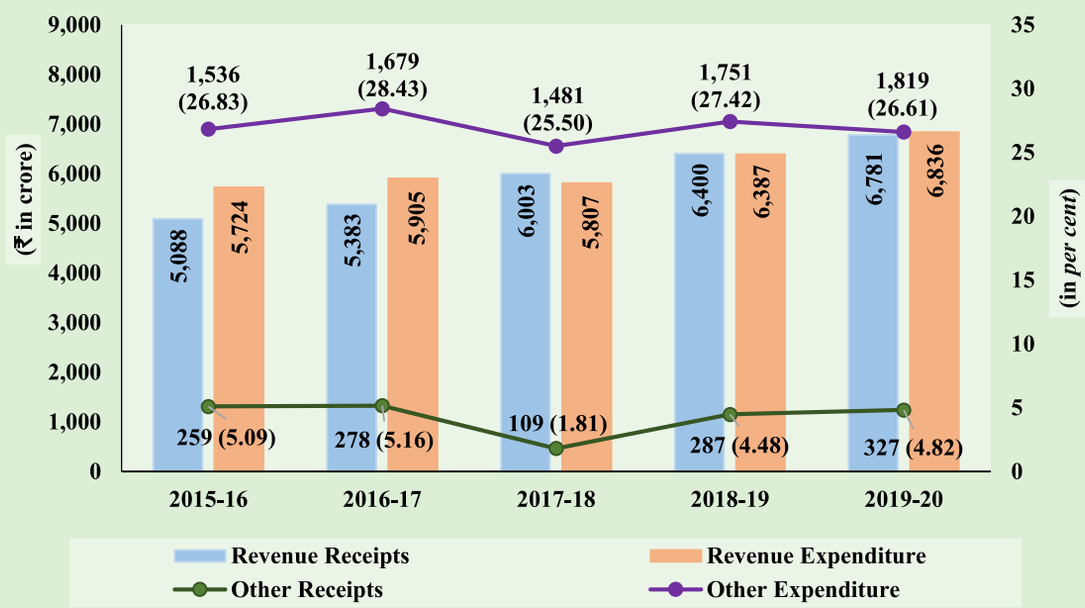
4.7 Indiscriminate use of Minor Head '800'

Minor Head 800 - Other Receipts/Other Expenditure are intended to be operated only when the appropriate minor head has not been provided in the

accounts. Routine operation of minor head '800' is to be discouraged since it renders the accounts opaque.

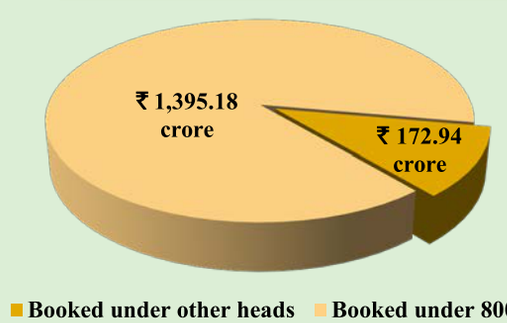
The details of total revenue expenditure/receipts incurred and the expenditure/receipts booked under the Minor Head "800 - Other expenditure/receipts" and its percentage to revenue receipts/expenditure for the years 2015-16 to 2019-20 are given in **Chart 4.3**.

Chart 4.3: Operation of Minor Head 800 - Other Receipts/Expenditure during 2015-20



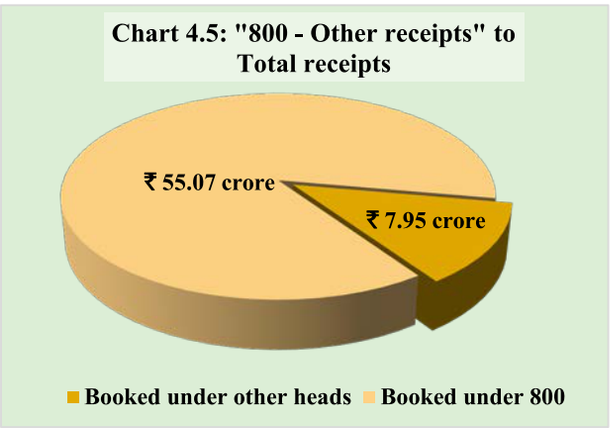
Figures in brackets indicates percentages to Revenue Receipts/Revenue Expenditure
(Source: Data furnished by the Director of Accounts and Treasuries)

Chart 4.4: "800 - Other expenditure" to Total expenditure



During 2019-20, under six Major Heads, expenditure aggregating to ₹ 1,395.18 crore (88.97 *per cent* of the total expenditure of ₹ 1,568.12 crore under these heads) were classified under the minor head '800 - Other Expenditure'. A major portion of the expenditure under "2216 - Housing", "2217 - Urban Development", and "2801 - Power Projects" were classified under the omnibus minor head '800 - Other Expenditure'. Under Electricity Department, the expenditure of ₹ 1,278.80 crore (90 *per cent* of the total expenditure of ₹ 1,420.39 crore) was classified under the minor head '800 - Other

Expenditure', instead of depicting the same under relevant minor heads below the functional major heads. The details are given in **Appendix 4.1**.



Similarly, under 10 major heads, revenue receipts aggregating ₹ 55.07 crore (87.38 *per cent* of the total receipt of ₹ 63.02 crore under these heads), were classified under minor head '800 - Other Receipts'. The entire receipts under "Public Works", "Social Security and Welfare", "Ports and Light Houses" and "Roads and Bridges" were classified under the omnibus minor head '800 - Other Receipts'. The details are given in **Appendix 4.2**.

Classification of an amount of ₹ 1,450.25 crore under the omnibus minor head "800 - Other Expenditure/Receipts" reflected lack of transparency in financial reporting.

4.8 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

In order to identify the institutions, which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act), the Government/Heads of the Department are required to furnish to the Accountant General every year, detailed information about the financial assistance given to various institutions, the purposes for which the assistance was given and the total expenditure of these institutions. These details were not furnished by the departments to audit as prescribed. However, based on the details collected from DAT, the institutions are identified for the purpose of conducting audit.

The audit of accounts of 71 autonomous bodies is conducted under Section 14 and 15 of the CAG's DPC Act, 1971. The audit of accounts of two autonomous bodies/authorities in the UT of Puducherry is conducted under Section 19 (2) of the CAG's DPC Act, 1971.

The details of the accounts which were due and not received are given in **Appendix 4.3** and their age-wise pendency is presented in **Table 4.7**.

Table 4.7: Age-wise arrears of annual accounts due from Autonomous Bodies/Authorities

Sl. No.	Pendency in number of years	Number of Bodies/Authorities
1	More than 5 years	15
2	5 – 3 years	3
3	3 – 1 years	35
	Total	**53**

(Source: Compiled from the information furnished by the Heads of Department)

Due to non-furnishing of details by the Departments and non-submission of annual accounts by autonomous bodies/authorities, the utilisation of Government grants for the intended purposes could not be ensured. Non-submission of accounts violates Rule 236 (1) of the GFR, 2017, which contemplate audit of accounts by the CAG. The delay in finalisation and submission of accounts would hamper audit in assuring the legislature that the grants were being utilised for the intended objective.

4.9 Misappropriations, losses, thefts, etc.

Rule 33 and 34 of GFR, 2017 stipulate that Heads of Offices should report any loss or shortage in Public moneys and property due to misappropriation, loss, theft and defalcation to the next higher authority as well as to the Statutory Audit Officer.

The department of UT Government reported 317 cases of misappropriation, loss and defalcation up to March 2020, involving Government money amounting to ₹ 27.88 crore on which final action was pending. The department-wise breakup of the pending cases and the nature of cases is given in **Appendix 4.4**. The Electricity Department accounted for large number of cases (255) involving an amount of ₹ 26.55 crore.

The age-profile of the pending cases of theft and misappropriation/loss are summarised in **Table 4.8**.

Table 4.8: Age-wise profile of misappropriation/losses and defalcation

Range in years	Number of cases	Amount involved (₹ in lakh)
More than 25	51	1.41
20-25	112	11.56
15-20	72	8.17
10-15	27	257.14
5 - 10	28	2,468.54
0 - 5	27	41.40
Total	**317**	**2,788.22**

(Source: Compiled from the information furnished by the Heads of Department)

In respect of all the above 317 cases of misappropriation, theft/loss of materials, FIRs were lodged, but results of the investigations are awaited. The reasons for the pendency in outstanding cases of theft and misappropriation/ losses are given in **Table 4.9**.

Table 4.9: Reasons for outstanding cases of theft and misappropriation/loss and defalcation

Reasons for the pendency		Number of cases	Amount (₹ in lakh)
(i)	Awaiting departmental and criminal investigation	24	6.95
(ii)	Departmental actions initiated but not finalised / Pending in Courts of Law	21	2,706.03
(iii)	Awaiting orders for recovery or write-off	272	75.24
Total		**317**	**2,788.22**

(Source: Compiled from the information furnished by the Heads of Department)

4.10 Follow up action on Union Territory Finances Audit Report

Separate Report on UT Finances is being prepared from the year 2008-09 onwards and presented to UT Legislature. The UT Finances Audit Reports for the year upto 2017-18 have been tabled in the UT Legislature. The Public Accounts Committee had discussed the reports till the year 2013-14.

4.11 Conclusion

Undischarged liability: Provision for discharge of clear-cut liabilities to the tune of ₹ 654.37 crore was not made in the Budget Estimates. There was an undischarged liability of ₹ 22.76 crore on interest bearing deposits.

Direct transfer of funds: Funds transferred directly to various implementing agencies/Non-Government Organisations by Government of India to the tune of ₹ 172.02 crore was not reflected in the accounts of the UT Government.

Utilisation Certificates: There was huge pendency in furnishing of UCs by various grantee institutions in respect of Grant-in-aid of ₹ 449.36 crore and it ranged from one year to more than nine years.

Temporary Advances: Temporary Advances aggregating to ₹ 114.62 crore were pending adjustment by Drawing and Disbursing Officers.

Classification under Minor Head 800-other expenditure: In respect of six major heads, an amount of ₹ 1,395.18 crore (88.97 *per cent*) of the Revenue expenditure was classified under the omnibus Minor Head 800-Other Expenditure reflecting lack of transparency in financial reporting.

Misappropriation and losses: The Departments of UT Government reported 317 cases of misappropriation, loss, theft upto March 2020 involving Government money of ₹ 27.88 crore.

4.12 Recommendations

- The Departments should ensure submission of UCs by the grantee before releasing subsequent grant to the grantee institutions.
- Budget provision needs to be made for clearing the long pending dues of the Government to avoid payment of penalty.
- Government/departments should furnish detailed information about financial assistance given to Autonomous Bodies/ authorities.
- Government should expedite completion of departmental action as required and exercise more checks to prevent, reduce recurrence of misappropriation, loss and theft cases.

CHAPTER V

UNION TERRITORY PUBLIC SECTOR UNDERTAKINGS

CHAPTER V - UNION TERRITORY PUBLIC SECTOR UNDERTAKINGS

This chapter discusses the financial performance of Government Companies as revealed from their accounts. The term Union Territory Public Sector Undertakings (PSUs) encompasses those Government companies in which the direct holding of the Union Territory (UT) Government of Puducherry is 51 *per cent* or more and includes subsidiary of such Government companies.

5.1 Definition of Government Companies

A Government Company is defined in Section 2 (45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary of a Government Company.

Besides, any other company[1] owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government controlled other Companies.

5.2 Mandate

Audit of Government Companies and Government controlled other companies is conducted by the CAG under the provisions of Section 143 (5) to 143 (7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for companies under Section 139 (5) and (7) of the Companies Act (Act), 2013 and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct supplementary audit and issue comments upon or supplement the Audit Report of the Statutory Auditor. The statutes governing some Statutory Corporations require their accounts to be audited only by CAG.

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[1] Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs vide Gazette Notification dated 04 September 2014.

5.3 Coverage and nature of PSUs

As on 31 March 2020, there were 13[2] PSUs (including one non-functional PSU[3]) under the audit jurisdiction of the CAG as indicated in **Table 5.1**.

Table 5.1: Coverage and nature of PSUs covered in this report

Nature of the PSUs	Total number of PSUs	Number of UTPSUs covered in the Report				
		Accounts up to			2016-17[4] and prior	Total
		2019-20	2018-19	2017-18		
Working Government Companies	12	Nil	2	3	7	12
Total Companies	12	Nil	2	3	7	12
Non-Functional Government Companies	1#	--	--	--		--
Total	**13[5]**	**Nil**	**2**	**3**	**7**	**12**

Pondicherry Electronics Limited is in the process of winding up since 2013-14 and its accounts are not anticipated

There is no Statutory Corporation in the UT of Puducherry. The details of Government Companies under the purview of CAG's audit during 2019-20 are given in **Appendix 5.1**. None of these Government Companies are listed on the Stock Exchange.

5.4 Contribution of the PSUs to the GSDP of the UT

A ratio of turnover of the PSUs to the Gross State Domestic Product (GSDP) shows the extent of activities of the PSUs in its economy. The details of turnover of PSUs and the GSDP for a period of three years ending 31 March 2020 are given in **Table 5.2**.

Table 5.2: Details of turnover of PSUs *vis-à-vis* GSDP of UT of Puducherry

(₹ in crore)

Particulars	2017-18	2018-19	2019-20
Turnover	387.18	376.43	414.89
GSDP of Puducherry	32,129	34,433	38,253
Percentage of Turnover to GSDP of Puducherry	1.21	1.09	1.08

2 There are no Statutory Corporation/Government controlled other companies in the UT of Puducherry.

3 Non-functional PSUs are those which have not been carrying on any business or operation and defined as 'inactive company' under Section 455 of the Companies Act, 2013 as "non-functional companies" in this Report.

4 Accounts for the years 2012-13:1, 2013-14:1, 2014-15:2, 2015-16:1 and 2016-17: 2.

5 None of the companies are listed in the Stock Exchange.

As per their latest audited accounts available in respective years, the turnover of these PSUs recorded increase of 7.16 *per cent* during 2019-20 as compared to 2017-18. However, the contribution of PSUs in GSDP is marginal.

5.5 Investment in UT Government Companies

5.5.1 Equity holding and Loans in PSUs

The amount of investment in equity and loans in 12[6] working UT Government companies as at the end of 31 March 2020 was ₹ 728.36 crore (₹ 759.90 crore till 31.03.2019) as shown in **Table 5.3**.

Table 5.3: Equity investment and loans in Government Companies

(₹ in crore)

Sl. No.	Sources of investment	As on 31 March 2020			As on 31 March 2019		
		Equity	Long Term Loans	Total	Equity	Long Term Loans	Total
1.	UT Government	712.39	5.70	718.09	706.57	2.86	709.43
2.	Central Government	1.68	0.00	1.68	1.68	40.20	41.88
3.	Financial Institutions and Others	8.59	0.00	8.59	8.59	0.00	8.59
Total		**722.66**	**5.70**	**728.36**	**716.84**	**43.06**	**759.90**
	Percentage of investment of UT Government to Total investment	98.58	100	98.59	98.57	6.64	93.36

(Source: Details received from PSUs)

The total long-term loans outstanding in two PSUs[7] out of 12 Government companies from UT Government as on 31 March 2020 was ₹ 5.70 crore. During 2019-20, the long-term loans of Government Companies registered decrease of ₹ 37.36 crore as the PSUs had repaid the loans.

5.5.2 Disinvestment, restructuring or privatisation

During the year 2019-20, there was no case of privatisation of PSUs. The UT Government has not prepared any policy on disinvestment of UT Government equity invested in the PSUs.

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6 The accounts of all the 12 PSUs were in arrears for one to seven years.

7 Puducherry Adi-dravidar Development Corporation Limited and Puducherry Road Transport Corporation Limited.

5.6 Returns from PSUs

5.6.1 Profit earned by PSUs

Six PSUs earned profit in 2019-20 as compared to four in 2018-19 as per the latest accounts finalised during the respective years. The profit earned increased to ₹ 28.05 crore in 2019-20 from ₹ 9.35 crore in 2018-19. Two PSUs which incurred losses during the previous year reported profit in 2019-20 *viz.,* Swadeshee Bharathee Textile Mills Limited (SBTML) due to receipt of revenue grant from Government of UT of Puducherry for settlement of its electricity dues of ₹ 21.53 crore and Puducherry Tourism Development Corporation Limited (PTDC) due to increase in its revenue from operations.

The increase in profit to ₹ 28.05 crore (2019-20) from ₹ 9.35 crore (2018-19) increased the Return on Equity (ROE) of the six PSUs from 8.36 *per cent* in 2019-20 as compared to 4.79 *per cent* in four PSUs in 2018-19. However, despite the increase in profit, the ROE of all the 12 PSUs (*i.e.,* including six loss making companies) was negative in 2019-20.

5.6.2 Dividend pay-out by PSUs

During 2019-20, out of the 12 working PSUs, two PSUs declared dividend. The details of profit earned and dividend declared by Government companies as per the latest finalised accounts is given in the **Table 5.4**.

Table 5.4: Profit earned and dividend declared

Category	No. of PSUs	Paid up capital (₹ in crore)	Net profit (₹ in crore)	Dividend declared (₹ in crore)
PSUs	2[8]	108.23	3.58	1.16
Total	**2**	**108.23**	**3.58**	**1.16**

(Source: As per the latest finalised accounts during the respective years)

The dividend declared by two PSUs was ₹ 1.16 crore as against dividend of ₹ 1.21 crore declared by one PSU[9] during the previous year. The dividend declared as a percentage of net profit of these two profit earning PSUs was 32.40.

The UT Government had not formulated any policy for payment of minimum dividend on the share capital contributed by it. The return in the form of dividend on aggregate investment of ₹ 712.39 crore made by the UT Government in equity capital of 12 PSUs was a meagre 0.16 *per cent.*

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[8] Puducherry Power Corporation Limited and Puducherry Distilleries Limited.

[9] Puducherry Power Corporation Limited.

5.7 Debt Servicing

5.7.1 Interest Coverage

Interest coverage ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An ICR below one indicated that the company was not generating sufficient revenues to meet its expenses on interest. The details of positive and negative interest coverage ratio of PSUs, which had outstanding loans during the period from 2017-18 to 2019-20 are given in **Table 5.5**.

Table 5.5: Interest Coverage Ratio

Year	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	No. of PSUs	No. of PSUs having ICR > 1	No. of PSUs having ICR < 1
2017-18	19.82	(-) 23.77	7	2	5
2018-19	20.13	(-) 36.29	7	2	5
2019-20	19.46	0.01	8	4	4

(Source : As per the latest finalised accounts during the respective years)

Of the eight PSUs with interest liability, four PSUs were having interest coverage ratio less than one indicating that they were not generating sufficient revenues to meet their expenses on interest.

5.8 Operating efficiency of Government Companies

5.8.1 Return on Capital Employed (ROCE)

ROCE is a ratio that measures a company's profitability and the efficiency with which its capital is employed. ROCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed[10]. The PSU- wise details of ROCE are given in **Appendix 5.2**. The consolidated ROCE of 12 working Government Companies during the period from 2017-18 to 2019-20 is given in **Table 5.6**.

Table 5.6: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in percentage)
2017-18	(-) 13.26	55.59	--
2018-19	(-) 34.42	62.72	--
2019-20	(-) 3.03	62.11	--

(Source: As per the latest finalised accounts during the respective years)

[10] Capital Employed = Paid up Share capital + Free Reserves and surplus + Long term loans –Accumulated losses – Deferred Revenue Expenditure.

The EBIT of the 12 PSUs was negative during the three-year period ended 2019-20 and consequently, the ROCE of all these companies remained negative during the same period.

ROCE in respect of Monopoly[11] and Non-monopoly PSUs are given in **Table 5.7**.

Table 5.7: ROCE of Monopoly vs. Non-monopoly PSUs

Year	Monopoly				Non-monopoly			
	No. of PSUs	EBIT	Capital employed	ROCE (in %)	No. of PSUs	EBIT	Capital employed	ROCE (in %)
		(₹ in crore)				(₹ in crore)		
2017-18	6	15.63	194.15	8.05	6	(-) 28.89	(-) 138.56	--
2018-19	6	(-) 1.77	208.49	--	6	(-) 32.65	(-) 145.77	--
2019-20	6	(-) 9.62	213.62	--	6	6.59	(-) 151.51	--

(Source: As per the latest finalised accounts during the respective years)

The ROCE of the six monopoly sector companies was 8.05 in 2017-18 whereas, during 2018-19 and 2019-20 the return was negative though the capital employed was positive in all the three years and was also on the increasing trend. The ROCE and Capital Employed of all the six non monopoly sector companies was negative in all the three years.

5.8.2 Return on Equity (ROE) of PSUs

ROE[12] is a measure of financial performance of companies calculated by dividing net income by shareholders' equity. The PSU-wise details of ROE are given in **Appendix 5.3**. The consolidated ROE of 12 Government companies during the period from 2017-18 to 2019-20 is given in **Table 5.8**.

Table 5.8: Return on Equity

Year	Net Profit after Tax (₹ in crore)	Shareholders Equity (₹ in crore)	ROE (in percentage)
2017-18	(-) 39.05	39.00	--
2018-19	(-) 57.76	19.66	--
2019-20	(-) 24.32	19.34	--

(Source: As per the latest finalised accounts during the respective years)

It was observed from **Table 5.8** that during all the last three years ending 2019-20, net income was negative and therefore, the ROE also remained negative.

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[11] A PSU is classified as monopoly if there is no competition in the geographical area in which it operates, whereas non-monopoly refers to PSUs in competitive sector.

[12] Return on Equity = (Net Profit after Tax and preference Dividend/Equity) *100 where Equity = Paid up capital + Free Reserves – Accumulated loss – Deferred Revenue Expenditure.

ROE in respect of Monopoly and Non-monopoly PSUs are given in **Table 5.9**.

Table 5.9: ROE of Monopoly Vs. Non-monopoly PSUs

Year	Monopoly				Non-monopoly			
	No. of PSUs	Equity	Net Profit after Tax	ROE (in percentage)	No. of PSUs	Equity	Net Profit after Tax	ROE (in percentage)
		(₹ in crore)				(₹ in crore)		
2017-18	6	180.28	8.21	4.55	6	(-) 141.28	(-) 47.26	--
2018-19	6	168.15	(-) 6.69	--	6	(-) 148.49	(-) 51.07	--
2019-20	6	173.65	(-) 13.32	--	6	(-) 154.31	(-) 11.00	--

(Source: As per the latest finalised accounts during the respective years)

It could be seen that the equity of monopoly PSUs was positive in all the three years whereas, the ROE was 4.55 *per cent* in 2017-18 and thereafter, it became negative during 2018-19 and 2019-20. The Equity of non-monopoly PSUs as well as ROE remained negative during all the three years ended 2019-20.

5.8.3 Rate of Real Return on Government Investment (RORR)

RORR measures the profitability and efficiency with which equity and similar non-interest bearing capitals have been employed, after adjusting them for their time value, and assumes significance when compared with the conventional Rate of Return (ROR), which is calculated by dividing the Net Profit after Tax by the sum of all such investments counted on historical cost basis.

The UT Government has direct investment in all the 12 PSUs. Audit examined the RORR in respect of these 12 PSUs.

The RORR of the UT Government investment in these PSUs was computed on the basis of following assumptions:

- The actual infusion by the UT Government in the PSUs in the form of equity and interest free loans have only been reckoned as investments whereas, the funds made available in the form of grants/subsidy given by the UT Government to the PSUs have not been reckoned as investment since they do not qualify to be considered as investment infusion by the UT Government.
- In the cases where interest free loans given to the PSUs were later converted into equity, the amount of loan converted into equity has been deducted from the amount of interest free loans and added to the equity of that year.

- The dividend actually paid during the year by the PSUs has been deducted from the total investment in the respective years.
- The average rate of interest on Government borrowings for the relevant financial year[13] was adopted as compounded rate for arriving at Present Value (PV) since they represent the cost incurred by the Government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments made by the Government.
- For the purpose of RORR calculation of UT Government investment, the period beginning 2009-10 till 2019-20 has been taken considering the investment of UT Government in these 12 PSUs as on 31 March 2010 as PV of UT Government investment in the beginning of 2009-10.

Table 5.10: Year-wise details of investment by the UT Government and RORR of Government Funds from 2009-10 to 2019-20

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Equity infused by the UT Government during the year	Interest free loan given by the UT Government during the year	Interest free loan converted as grant during the year	Dividend paid by the PSU	Total investment at the end of the year after adjusting dividend	Average rate of interest on Government borrowings (in *per cent*)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year	RORR (in percentage)
1	**2**	**3**	**4**	**5**	**6**	**(7)= (2+3+ 4-5-6)**	**8**	**(9)= (7+(7x8) /100))**	**(10)=(9x 8/100)**	**11**	**12**
Upto 2009-10	--	244.30	--	--	6.46	237.84	8.00	256.87	20.55	--	--
2010-11	256.87	21.24	--	--	5.47	272.64	7.81	293.93	22.96	(-) 58.80	(-) 20.00
2011-12	293.93	6.61	--	--	0.93	299.61	7.80	322.98	25.19	(-) 55.81	(-) 17.28
2012-13	322.98	0.25	--	--	3.62	319.61	8.00	345.18	27.61	(-) 31.68	(-) 9.18
2013-14	345.18	3.83	--	--	4.24	344.77	7.70	371.32	28.59	(-) 32.17	(-) 8.66
2014-15	371.32	7.96	--	--	4.52	374.76	7.90	404.36	31.94	(-) 32.50	(-) 8.04
2015-16	404.36	0.31	--	--	0.00	404.67	7.50	435.02	32.63	(-) 70.62	(-) 16.23
2016-17	435.02	--	--	--	1.39	433.63	7.20	464.85	33.47	(-) 24.79	(-) 5.33
2017-18	464.85	--	--	--	3.81	461.04	8.02	498.02	39.94	(-) 39.05	(-) 7.84
2018-19	498.02	--	--	--	1.21	496.81	7.88	535.96	42.23	(-) 57.76	(-) 10.78
2019-20	535.96	--	--	--	2.61	533.35	7.42	572.92	42.51	(-) 24.32	(-) 4.25
Total		**284.50**	**–**	**–**	**34.26**	**4,178.72**					

(Source: Details as per latest accounts finalised during the respective years)

[13] The average rate of interest on Government borrowings was adopted from the Reports of the CAG of India on Union Territory Finances for the concerned year wherein the calculation for the average rate for interest paid = Interest Payment/ [(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2] *100.

As the total earnings[14] of all the PSUs in aggregate was negative over the years, RORR was also negative in all the years.

Table 5.11: Consolidated RORR on UT Government investment for the year 2019-20

Total Earnings/Loss in 2019-20 (₹ in crore)	Investment by the UT Government since inception till 2019-20 (₹ in crore)	Return on UT Government investment on the basis of historical value (in percentage)	Present value of UT Government investment at the end of 2019-20 (₹ in crore)	RORR on UT Government investment considering the present value of investments (in percentage)
A	B	C	D	E
Value of column 11 of above table	Value of the column (3-6) of above table	A*100/B	Value of column 9 of above table	A*100/D
(-) 24.32	250.24	(-) 9.72	572.92	(-) 4.25

It could be seen from **Table 5.11** that since the PSUs incurred overall loss during 2019-20, the RORR calculated on historical value was negative at 9.72 *per cent* as compared to present value which was also negative and worked out to 4.25.

5.9 PSUs incurring losses

5.9.1 Loss incurred by Government Companies

There were six Government Companies that incurred losses during the year 2019-20. The losses incurred by these PSUs decreased to ₹ 52.37 crore in 2019-20 from ₹ 67.11 crore during 2018-19 (eight PSUs) as given in **Table 5.12**.

Table 5.12: Number of PSUs that incurred losses during 2019-20

Year	No of PSUs incurred loss	Net loss for the year (₹ in crore)	Accumulated loss (₹ in crore)	Net worth[15] (₹ in crore)
2017-18	7	54.49	743.91	(-) 158.47
2018-19	8	67.11	764.61	(-) 175.36
2019-20	6	52.37	720.17	(-) 274.43

(Source: As per the latest finalised accounts during the respective years)

The reasons for the decrease in loss were mainly due to two PSUs which incurred losses during 2018-19 reported profit during 2019-20 as stated in Paragraph 5.6.1. Heavy losses were incurred by Pondicherry Textile

[14] This includes Net Profit (+)/Loss (-) of all the PSUs including subsidiaries.

[15] Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account but do not include reserves created out of revaluation of assets and write back of depreciation provision.

Corporation Limited amounting to ₹ 27.31 crore due to heavy expenditure incurred towards employee cost and finance costs.

Thus, out of the total 12 working PSUs, six PSUs earned profit of ₹ 28.05 crore and six PSUs incurred losses of ₹ 52.37 crore aggregating to overall loss of ₹ 24.32 crore during 2019-20.

5.9.2 Erosion of capital in Government Companies

As on 31 March 2020, there were eight Government companies with accumulated losses of ₹ 801.88 crore. Of these eight PSUs, six PSUs incurred losses in the year 2019-20 amounting to ₹ 52.37 crore, two[16] PSUs had not incurred loss in the year 2019-20, even though they had accumulated loss of ₹ 81.71 crore.

Net worth of seven out of eight PSUs had been completely eroded by accumulated loss and their net worth was negative. The net worth of these seven PSUs was ₹ 305.59 crore against equity investment of ₹ 482.13 crore by UT Government in these PSUs as on 31 March 2020. Out of seven PSUs, whose capital had been eroded (negative net worth), two PSUs had earned profit of ₹ 23.24 crore during 2019-20 (**Appendix 5.4**).

In respect of one PSU[17] whose capital had been eroded, Government loans outstanding as on 3 1 March 2020 amounted to ₹ 2.72 crore.

Net worth was less than half of the paid up capital in respect of one out of five PSUs whose net worth was positive at the end of 31 March 2020, indicating its potential financial sickness.

Five PSUs had positive net worth of ₹ 324.93 crore. In the overall, net worth of all the 12 working Government companies was ₹ 19.34 crore against their paid up capital of ₹ 722.35 crore as per the latest finalised accounts.

5.10 Submission of accounts by PSUs

5.10.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the Legislature together with a copy of the Audit

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[16] Swadeshee Bharathee Textile Mills Limited (SBTML) and Puducherry Tourism Development Corporation Limited (PTDC).

[17] Puducherry Road Transport Corporation Limited (PRTC).

Report and any comments upon or supplement to the Audit Report, made by the CAG. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies from the Consolidated Fund of Union Territory.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statement for the financial year has to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including Directors of the Company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Despite the above, annual accounts of various PSUs were pending as detailed in the following paragraph.

5.10.2 Timeliness in preparation of accounts by Government Companies

As of 31 March 2020, there were 12 Government Companies and one Subsidiary Company under the purview of CAG's audit. Accounts of all the 12 Government Companies were in arrears for various reasons (**Appendix 5.5**). During the year, seven companies submitted their 15 arrear accounts for audit by CAG. Details of arrears in submission of accounts of Government Companies are given in **Table 5.13**.

Table 5.13: Details of arrears in submission of accounts of Government Companies

Particulars		Government Companies		
		Government Companies	Non Functional Company#	Total
Total number of Companies under the Purview of CAG's audit as on 31.03.2020		12	1	13
Number of companies from which accounts for 2019-20 were due		12	--	12
Number of companies which presented the accounts for 2019-20 for CAG's audit		--	--	--
Number of accounts in arrears[18]		12	--	12
Break-up of Arrears	(i) Under Liquidation			
	(ii) Defunct			
	(iii) First Accounts not submitted			
	(iv) Others	12	--	12

[18] as on 31 March 2021.

Particulars		Government Companies		
		Government Companies	Non Functional Company#	Total
Age–wise analysis of arrears	One year (2019-20)	2	0	2
	Two years (2019-20 and 2018-19)	3	0	3
	Three years and more	7	0	7

Refers to PELECON which is in the process of winding up and its assets and liabilities have been assumed by its holding company PIPDIC and hence, its accounts have not been considered due.

5.11 CAG's oversight - Audit of accounts and supplementary audit

5.11.1 Financial reporting frame work

Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards.

5.11.2 Audit of accounts of Government Companies by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of PSUs with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power to:

- issue directions to the statutory auditors under Section 143 (5) of the Companies Act, 2013 and
- supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

5.11.3 Supplementary Audit of accounts of Government Companies

The prime responsibility for preparation of financial statements in accordance with the financial reporting frame work prescribed under the Companies Act, 2013 is of the management of an entity.

The Statutory Auditors appointed by the CAG under Section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the

financial statements under Section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and directions given by the CAG. The Statutory Auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the Statutory Auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the Annual General Meeting.

5.12 Result of CAG's oversight role

None of the 12 Government Companies submitted its financial statements for the year 2019-20. As these companies are in arrears in submission of their financial statements, they failed to comply with the provisions of Section 96 and Section 129 of the Companies Act, 2013 with respect to the provisions relating to holding the AGM. However, these companies submitted their 15 arrear accounts during the year 2020-21. Of these, five accounts[19] were reviewed in audit by the CAG.

The results of the review are detailed below:

5.12.1 Revision of Auditor's Report

As a result of supplementary audit of the financial statements of the five companies selected for review, by the CAG, the statutory auditors of one Government Company *viz.,* Swadeshee Bharathee Textile Mills Limited had revised their report based on the observations of CAG.

5.12.2 Non Compliance with provisions of Accounting Standards/ IND AS

In exercise of the powers conferred by Section 469 of the Companies Act, 2013, read with Section 129 (1), Section 132 and Section 133 of the said Act, the Central Government prescribed Accounting Standards 1 to 7 and 9 to 29. Besides these, the Central Government notified 41 Indian Accounting Standards (Ind AS) through Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules,

[19] Puducherry Road Transport Corporation Limited, Swadeshee Bharathee Textile Mills Limited, Puducherry Tourism Development Corporation Limited, Puducherry Distilleries Limited and Puducherry Power Corporation Limited.

2016. However, Ind AS is not applicable to any of the PSUs as they do not fall under the criteria stipulated for compliance to Ind AS.

The statutory auditors reported that two companies[20] as detailed in **Appendix 5.6** did not comply with mandatory Accounting Standards.

5.13 Management Letters

One of the objectives of financial audit is to establish communication on audit matters arising from the audit of financial statements between the auditor and those charged with the responsibility of governance of the corporate entity.

The material observations on the financial statements of PSUs were reported as comments by the CAG under Section 143 (5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by CAG in the financial reports or in the reporting process, were also communicated to the management through a 'Management Letter' for taking corrective action.

During the year, CAG issued 'Management Letters' to four PSUs[21] **(Appendix 5.7)**.

The deficiencies brought to the notice of the management were mainly related to their failure to take corrective action on the qualifications of statutory auditors.

5.14 Conclusion

- As on March 2020, the UT Government of Puducherry had made a total investment (Equity and Long term loans) of ₹ 718.09 crore in 12 PSUs. Out of these PSUs, six PSUs earned a profit of ₹ 28.05 crore and six PSUs incurred a loss of ₹ 52.37 crore, leading to overall loss of ₹ 24.32 crore.
- The Net worth of seven PSUs was negative at ₹ 305.59 crore as its equity had been completely eroded by accumulated losses.
- Accounts of all the 12 Government PSUs were in arrears ranging from one to seven years.

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[20] Puducherry Road Transport Corporation Limited and Swadeshee Bharathee Textile Mills Limited.

[21] Puducherry Road Transport Corporation Limited, Swadeshee Bharathee Textile Mills Limited, Puducherry Tourism Development Corporation Limited and Puducherry Distilleries Limited.

5.15 Recommendations

- The UT Government may reconsider continuing with those Government Companies which have been loss making for very long, especially if these companies are not fulfilling any social welfare purpose.
- UT Government may ensure timely submission of Financial Statements of PSUs, as in the absence of finalisation of accounts, Government investments in such PSUs remain outside the oversight of the UT Legislature.



Chennai,
The 24 July 2021

(**VISHWANATH SINGH JADON**)
Accountant General (Audit - II),
Tamil Nadu and Puducherry

Countersigned



New Delhi,
The 26 July 2021

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendices

Appendix 2.1
(Reference: Paragraph 2.1; Page 15)

Time series data on the Union Territory Government finances

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Part A. Receipts					
1. Revenue Receipts	**5,088 (74)**	**5,383 (76)**	**6,003 (77)**	**6,400 (78)**	**6,781 (77)**
(i) Tax Revenue	**2,260 (44)**	**2,401(45)**	**2,806 (47)**	**3,188 (50)**	**2,475 (37)**
Goods and Services Tax (GST)	Nil	Nil	852	1,499	781
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc.	1,439	1,576	1,008	632	596
State Excise	674	671	770	850	868
Taxes on Vehicles	69	87	104	114	139
Stamp Duty and Registration Fees	76	66	71	92	88
Land Revenue	2	1	1	1	2
Taxes on Goods and Passengers	Nil	Nil	Nil	Nil	Nil
(ii) Non-Tax Revenue	**1,138 (22)**	**1,245 (23)**	**1,374 (23)**	**1,584 (25)**	**1,638 (24)**
(iii) State's share of Union taxes and duties	**Nil**	**Nil**	**Nil**	Nil	**Nil**
(iv) Grants-in-aid from Government of India	**1,690 (33)**	**1,737 (32)**	**1,823 (30)**	**1,628 (25)**	**2,668 (39)**
2. Miscellaneous Capital Receipts	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
3. Recoveries of Loans and Advances	**2**	**2**	**1**	1	**Nil**
4. Total Revenue and Non-debt capital receipts (1+2+3)	**5,090**	**5,385**	**6,004**	**6,401**	**6,781**
5. Public Debt Receipts	**741 (11)**	**820 (12)**	**1,061(14)**	**1,007 (12)**	**1,044 (12)**
External Debt	-	-	-	50	--
Internal Debt and Market Loan	642	748	989	957	1,043
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	99	72	72	Nil	1
6. Total Receipts in the Consolidated Fund (4+5)	**5,831**	**6,205**	**7,065**	**7,408**	**7,825**
7. Contingency Fund Receipts	Nil	Nil	Nil	Nil	Nil
8. Public Account Receipts	**1,015 (15)**	**845 (12)**	**717 (9)**	**778 (10)**	**928 (11)**
9. Total Receipts of UT (6+7+8)	**6,846**	**7,050**	**7,782**	**8,186**	**8,753**

	2015-16	2016-17	2017-18	2018-19	2019-20
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Part B. Expenditure/Disbursement					
10. Revenue expenditure	**5,285 (77)**	**5,458 (79)**	**5,807 (82)**	**6,387 (74)**	**6,836 (78)**
(i) Plan	1,668 (32)	1,644 (30)	1,659 (29)	6,387 (100)	6,836 (100)
(ii) Non-Plan	3,617 (68)	3,814 (70)	4,148 (71)	Nil	Nil
(iii) General Services (including interest payments)	1,469	1,639	1,874	2,154	2,313
(iv) Social Services	2,199	2,129	2,235	2,401	2,440
(v) Economic Services	1,611	1,684	1,694	1,832	2,083
(vi) Grants-in-aid and Contributions	6	6	4	Nil	Nil
11. Capital expenditure	**439 (6)**	**447 (6)**	**394 (6)**	**313 (4)**	**327 (4)**
(i) Plan	444 (101)	440 (98)	388 (98)	313 (100)	327 (100)
(ii) Non-Plan	(-) 5 (-1)	7 (2)	6 (2)	Nil	Nil
(iii) General Services	83	85	88	19	21
(iv) Social Services	134	121	107	126	160
(v) Economic Services	223	241	199	168	146
12. Disbursement of Loans and Advances	**1**	**Nil**	**Nil**	**3**	**Nil**
13. Total (10+11+12)	**5,725**	**5,905**	**6,201**	**6,703**	**7,163**
14. Repayments of Public Debt	**169 (2)**	**224 (3)**	**570 (8)**	**639 (7)**	**762 (9)**
External debt	..	..	..	..	..
Internal Debt (excluding Ways and Means Advances and Overdrafts)	52	98	434	488	611
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	117	126	136	151	151
15. Appropriation to Contingency Fund	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
16. Total disbursement out of Consolidated Fund (13+14+15)	**5,894**	**6,129**	**6,771**	**7,342**	**7,925**
17. Contingency Fund disbursements	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
18. Public Account disbursements	**938 (14)**	**800 (12)**	**269(4)**	**1,335 (15)**	**807 (9)**
19. Total disbursement by UT (16+17+18)	**6,832**	**6,929**	**7,040**	**8,677**	**8,732**
Part C. Deficits					
20. Revenue deficit(-)/Revenue surplus (+) (1-10)	**(-) 197**	**(-) 75**	**196**	**13**	**(-) 55**
21. Fiscal deficit (-)/Fiscal surplus (+) (4-13)	**(-) 635**	**(-) 520**	**(-) 197**	**(-) 302**	**(-) 381**
22. Primary deficit (-)/surplus (+) (21+23)	**(-) 83**	**58**	**489**	**405**	**308**

	2015-16	2016-17	2017-18	2018-19	2019-20
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Part D. Other data					
23. Interest payments (included in revenue expenditure)	**552**	**578**	**686**	**707**	**690**
24. Financial Assistance to local bodies etc.	**716**	**669**	**660**	**748**	**779**
25. Ways and Means Advances/Overdraft availed (days)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Ways and Means Advances availed (days)	Nil	Nil	Nil	Nil	Nil
Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil
26. Interest on Ways and Means Advances/ Overdraft	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
27. Gross State Domestic Product (GSDP)	**26,617**	**29,573**	**32,129**	**34,433**	**38,253**
28. Outstanding fiscal liabilities (year-end)	**7,754**	**8,299**	**8,799**	**9,144**	**9,449**
29. Outstanding guarantees (year-end) (including interest)	**45**	**45**	**51**	**51**	**44**
30. Maximum amount guaranteed (year-end)	**56**	**56**	**63**	**63**	**63**
31. Number of incomplete projects	**14**	**14**	**12**	**30**	**74**
32. Capital blocked in incomplete projects	**78.58**	**75.71**	**76.96**	**184.49**	**151.53**
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP	0.08	0.08	0.09	0.09	0.06
Own Non-Tax Revenue/GSDP	0.04	0.04	0.04	0.04	0.04
Central Transfers/GSDP	Nil	Nil	Nil	Nil	Nil
II Expenditure Management					
Total Expenditure/GSDP	0.22	0.20	0.19	0.19	0.19
Total Expenditure/Revenue Receipts	1.13	1.10	1.03	1.05	1.06
Revenue Expenditure/Total Expenditure	0.92	0.92	0.94	0.95	0.95
Expenditure on Social Services/Total Expenditure	0.38	0.36	0.36	0.36	0.34
Expenditure on Economic Services/Total Expenditure	0.28	0.29	0.27	0.27	0.29
Capital Expenditure/Total Expenditure	0.08	0.08	0.06	0.05	0.05
Capital Expenditure on Social and Economic Services/Total Expenditure	0.06	0.06	0.05	0.04	0.04
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	(-) 0.007	(-) 0.003	0.006	0.000	-0.001

	2015-16	2016-17	2017-18	2018-19	2019-20
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Fiscal deficit/GSDP	(-) 0.024	(-) 0.018	(-) 0.006	(-) 0.008	(-) 0.010
Primary Deficit (surplus) /GSDP	(-) 0.003	0.002	0.015	0.011	0.008
Revenue Deficit/Fiscal Deficit	0.310	0.144	(-) 0.995	(-) 0.043	0.144
Primary Revenue Balance/GSDP	0.013	0.017	0.027	0.020	0.017
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.29	0.28	0.27	0.25	0.25
Fiscal Liabilities/RR	1.52	1.54	1.47	1.43	1.39
Primary deficit vis-à-vis quantum spread	(-) 0.45	0.17	2.93	1.38	0.92
Debt Redemption (Principal +Interest)/ Total Debt Receipts	0.93	0.96	1.12	1.18	1.37
V Other Fiscal Health Indicators					
Return on Investment (₹ in crore)	3.93	Nil	0.09	0.09	Nil
Financial Assets/Liabilities	0.85	0.85	0.89	0.89	0.89
Revenue Expenditure /Revenue Receipts	104	101	97	100	101

Figures in brackets represent percentages (rounded) to total of each sub-heading

Appendix 3.1
(Reference: Paragraph 3.1; Page 61)

Glossary of important Budget related terms

1. ***'Accounts' or 'actuals' of a year* -** are the amounts of receipts and disbursements for the financial year beginning on *April 1st* and ending on *March 31st* following, as finally recorded in the Accounting authority's books (as audited by CAG). Provisional Accounts refers to the unaudited accounts.

2. ***'Administrative approval' of a scheme, proposal or work* -** is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.

3. ***'Annual financial statement'* -** Also referred to as Budget means the statement of estimated receipts and expenditure of the UT Government for each financial year, laid before the UT Legislature.

4. ***'Appropriation'* -** means the amount authorised by the UT Legislature for expenditure under different primary unit of appropriation or part thereof placed at the disposal of a disbursing officer.

5. ***'Charged Expenditure'* -** means such expenditure as is not to be submitted to the vote of the Legislature under the provisions of the Constitution.

6. ***'Consolidated Fund of UT* -** All revenues of the UT Government, loans raised by it and all moneys received in repayment of loans form the Consolidated Fund of UT. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.

7. ***'Contingency Fund'*** is in the nature of an imprest. The Contingency Fund is intended to provide advances to the executive/Government to meet unforeseen expenditure arising in the course of a year pending its authorisation by the UT Legislature. The amounts drawn from the Contingency Fund are recouped after the UT Legislature approves it through the Supplementary Demands.

8. **'*Controlling Officer (Budget)'* -** means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.

9. ***'Drawing and Disbursing Officer' (DDO)* -** means a Head of Office and also any other Officer so designated by the Finance Department of the UT Government, to draw bills and make payments on behalf of the UT Government. The term shall also include a Head of Department where he himself discharges such function.

10. ***'Excess Grant'* -** Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires regularisation by obtaining excess grant from the UT Legislature under Section 30 of UT Act, 1963.

11. ***'New Service' -*** New Service means expenditure arising out of a new policy decision, not brought to the notice of UT Legislature earlier, including a new activity or a new form of investment.

12. ***'New Instrument of Service'-*** means relatively large expenditure arising out of important expansion of an existing activity.

13. ***'Public Accounts'***- means the Public Account referred to in Section 47 A of UT Act, 1963. The receipts and disbursements such as deposits, reserve funds, remittances, etc., which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the UT Legislature, as they are not moneys issued out of the Consolidated Fund of UT.

14. ***'Re-appropriation' -*** means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.

15. ***'Revised Estimate' -*** is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued.

16. ***'Supplementary Demands for Grants' -*** means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorised in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive/cash.

17. **Cash Supplementary** is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant. It should be obtained as a last resort and after proper due diligence. Presently, this method is followed by the UT.

18. There are four Sections in each Demand i.e., Revenue Voted, Revenue Charged, Capital Voted and Capital Charged. **Technical Supplementary**, after obtaining the approval of the UT Legislature, allows to utilise the savings of one of the Sections for any other Section.

19. **Token Supplementary** allows to utilise the savings within the same section of the grant.

20. ***'Major Head' -*** means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the UT. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a 'function' of Government such as Agriculture, Education, Health, etc.

21. ***'Sub-Major Head' -*** means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.

22. ***'Minor Head' -*** means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a 'programme' undertaken to achieve the objectives of the function represented by the Major Head.

23. ***'Sub-Head'*** **-** means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.

24. ***'Major Work'*** **-** means an original work, the estimated cost of which exclusive of departmental charges exceeds the amount as notified by the Government from time to time.

25. ***'Minor Work'*** **-** means an original work, the estimated cost of which exclusive of departmental charges does not exceed the amount as notified by the Government from time to time.

26. ***'Modified Grant or Appropriation'*** **-** means the sum allotted to any Sub-Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.

27. ***'Supplementary or Additional Grant or Appropriation'*** **-** means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.

28. ***'Schedule of New Expenditure'*** **-** means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.

29. ***'Token demand'*** **-** means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.

Appendix 3.2
(Reference: Paragraph 3.3.4; Page 68)

Supplementary provision of ₹ 50 lakh or more proved wholly unnecessary

(₹ in crore)

Sl. No.	Grant No.	Head of account					Original	Supple-mentary	Total Provision	Expen-diture	Savings
1	12	2055	00	001	04	01	1,369.60	50.00	1,419.60	1,129.79	289.81
2	18	2210	80	004	02	01	587.00	170.00	757.00	578.00	179.00
3	18	2210	80	800	06	01	2,520.86	971.15	3,492.01	2,495.00	997.01
4	21	2225	03	277	08	01	100.00	130.00	230.00	76.08	153.92
5	21	2235	02	102	12	01	608.19	50.00	658.19	607.87	50.32
6	21	2235	02	102	23	01	300.13	235.00	535.13	108.13	427.00
7	21	2235	02	102	23	02	19.63	90.00	109.63	12.39	97.24
8	21	2236	02	101	01	01	1,063.92	117.79	1,181.71	647.50	534.21
9	24	2401	00	119	07	01	79.79	49.03	128.82	0.00	128.82
10	25	2403	00	102	01	01	347.27	80.00	427.27	347.13	80.14
11	25	2403	00	102	03	01	198.84	60.00	258.84	132.91	125.93
Total							**7,195.23**	**2,002.97**	**9,198.20**	**6,134.80**	**3,063.40**

Appendix 3.3
(Reference: Paragraph 3.3.4; Page 68)

Supplementary provision of ₹ 50 lakh or more proved unnecessary

(₹ in lakh)

Sl. No.	Grant No.	Head of account					Original	Supple-mentary	Total Provision	Expen-diture	Savings
1	03	2013	00	800	01	01	188.89	57.00	245.89	223.74	22.15
2	03	2052	00	090	02	01	303.05	34.50	337.55	312.90	24.65
3	12	2055	00	104	01	01	3,543.50	95.00	3,638.50	3,556.96	81.54
4	12	2055	00	104	02	01	4,963.50	893.00	5,856.50	5,805.61	50.89
5	12	2055	00	108	01	01	931.30	100.00	1,031.30	1,020.19	11.11
6	12	2055	00	109	01	01	5,405.00	560.00	5,965.00	5,896.19	68.81
7	12	2055	00	109	01	02	1,123.00	185.96	1,308.96	1,222.56	86.40
8	12	2055	00	109	01	03	357.00	45.00	402.00	381.02	20.98
9	12	2055	00	115	01	01	2,278.50	310.00	2,588.50	2,553.96	34.54
10	12	2070	00	107	01	01	765.25	352.94	1,118.19	1,113.93	4.26
11	12	2070	00	107	01	02	107.80	50.00	157.80	157.20	0.60
12	17	2202	80	800	13	01	0.00	256.34	256.34	201.77	54.57
13	17	2202	80	800	17	01	0.00	110.00	110.00	5.24	104.76
14	17	2203	00	112	05	01	4,073.00	496.49	4,569.49	4,298.60	270.89
15	18	2210	01	110	01	02	3,807.00	250.00	4,057.00	4,026.71	30.29
16	18	2210	01	110	02	01	5,344.00	700.00	6,044.00	5,742.29	301.71
17	18	2210	03	110	01	01	3,014.10	250.00	3,264.10	3,154.94	109.16
18	18	2210	80	800	16	01	2,000.00	1,840.00	3,840.00	3,107.99	732.01
19	18	4210	80	800	01	01	700.00	1,200.00	1,900.00	1,898.47	1.53
20	18	4210	80	800	02	01	8,500.00	54.37	8,554.37	8,554.36	0.01
21	19	5452	01	800	02	01	175.00	95.00	270.00	268.14	1.86

Sl. No.	Grant No.	Head of account					Original	Supple-mentary	Total Provision	Expen-diture	Savings
22	20	2230	03	789	12	01	31.69	54.15	85.84	71.71	14.13
23	21	2235	02	103	26	01	5,168.00	290.00	5,458.00	5,422.63	35.37
24	21	2235	60	102	01	01	21,098.53	275.00	21,373.53	21,275.61	97.92
25	21	2235	60	102	01	03	806.94	85.00	891.94	877.05	14.89
26	24	2435	01	101	05	01	322.37	213.00	535.37	508.01	27.36
27	24	4406	01	102	02	01	0.00	43.00	43.00	43.00	0.00
28	25	2403	00	101	09	01	1,550.00	150.00	1,700.00	1,579.08	120.92
29	29	2801	05	001	02	01	20.00	11.90	31.90	29.62	2.28
Total							**76,577.42**	**9,057.65**	**85,635.07**	**83,309.48**	**2,325.59**

Appendix 3.4
(Reference: Paragraph 3.3.5; Page 69)

Re-appropriation of ₹ 10 lakh or more proved wholly unnecessary

(₹ in lakh)

Sl. No.	Grant	Head of account					Original	Supple-mentary	Provi-sion	Re-appro-priation	Expen-diture	Savings in Provision
1	03	2013	00	104	01	01	225.00	0.00	225.00	17.11	206.19	18.81
2	04	2014	00	114	01	01	134.00	0.00	134.00	16.00	123.57	10.43
3	06	2235	60	101	01	01	351.00	0.00	351.00	30.85	350.85	0.15
4	06	3454	02	800	01	01	5.62	0.00	5.62	23.33	5.61	0.01
5	09	2052	00	090	02	01	324.00	0.00	324.00	21.00	301.07	22.93
6	09	3451	00	090	03	01	388.47	0.00	388.47	11.49	350.68	37.79
7	10	2216	80	789	11	01	534.60	0.00	534.60	39.40	324.00	210.60
8	10	2216	80	789	11	02	89.10	0.00	89.10	15.90	80.55	8.55
9	10	2216	80	800	02	01	78.00	0.00	78.00	10.80	30.40	47.60
10	10	2216	80	800	04	01	1,274.20	0.00	1,274.20	331.10	1,002.29	271.92
11	10	2217	01	191	01	01	123.00	0.00	123.00	73.60	0.00	123.00
12	10	2217	80	001	07	01	297.00	0.00	297.00	85.00	247.27	49.73
13	10	2217	80	191	17	01	39.00	0.00	39.00	61.00	0.00	39.00
14	10	2217	80	800	06	01	361.10	0.00	361.10	164.10	0.00	361.10
15	10	2217	80	800	07	01	4,489.00	0.00	4,489.00	345.00	0.00	4,489.00
16	12	2055	00	001	05	02	16.50	0.00	16.50	12.93	12.23	4.27
17	12	2055	00	109	01	02	1,123.00	185.96	1,308.96	13.92	1,222.56	86.40
18	12	2055	00	115	01	01	2,278.50	310.00	2,588.50	11.40	2,553.96	34.54
19	16	3054	04	800	05	01	122.23	0.00	122.23	25.63	121.43	0.80
20	16	4059	01	051	10	01	446.19	0.00	446.19	117.33	284.77	161.42
21	16	5054	04	800	09	02	800.00	0.00	800.00	400.00	762.15	37.85
22	17	2202	01	800	01	03	716.55	0.00	716.55	31.09	712.81	3.74
23	17	2202	02	109	17	01	7,153.70	0.00	7,153.70	311.66	6,833.06	320.64
24	17	2202	02	109	17	03	1,065.37	0.00	1,065.37	22.49	1,059.40	5.97
25	17	2202	02	109	18	03	765.45	0.00	765.45	36.74	754.04	11.41
26	17	2202	03	103	01	01	1,085.72	0.00	1,085.72	21.77	1,060.19	25.53
27	17	2202	03	103	05	01	2,235.74	0.00	2,235.74	21.40	2,163.74	72.00

Sl. No.	Grant	Head of account					Original	Supple-mentary	Provi-sion	Re-appro-priation	Expen-diture	Savings in Provision
28	17	2202	03	103	06	03	997.13	0.00	997.13	34.24	990.78	6.35
29	17	2202	03	103	08	02	774.03	0.00	774.03	12.55	752.73	21.30
30	17	2202	03	789	14	01	22.50	0.00	22.50	39.79	0.00	22.50
31	17	2202	03	789	15	01	0.01	0.00	0.01	101.21	0.00	0.01
32	17	2202	03	800	02	01	77.50	0.00	77.50	65.51	0.00	77.50
33	17	2202	03	800	03	01	0.01	0.00	0.01	52.27	0.00	0.01
34	17	2202	80	107	12	01	30.00	0.00	30.00	20.77	16.80	13.20
35	17	2202	80	800	13	01	0.00	256.34	256.34	255.16	201.77	54.57
36	17	2202	80	800	15	01	0.00	260.00	260.00	103.16	0.00	260.00
37	17	2203	00	112	05	01	4,073.00	496.49	4,569.49	143.43	4,298.60	270.89
38	17	2204	00	101	03	01	1,264.61	0.00	1,264.61	41.78	685.92	578.69
39	18	2210	01	110	01	02	3,807.00	250.00	4,057.00	55.22	4,026.71	30.29
40	18	2210	01	110	01	04	1,503.60	0.00	1,503.60	92.71	1,503.19	0.41
41	18	2210	80	789	01	01	26.67	0.00	26.67	30.50	16.67	10.00
42	18	2210	80	800	06	01	2,520.86	971.15	3,492.01	34.91	2,495.00	997.01
43	18	2210	80	800	14	07	290.00	0.00	290.00	55.03	120.65	169.35
44	18	4210	01	110	01	01	94.00	0.00	94.00	11.00	72.81	21.19
45	18	4210	04	107	02	01	0.00	0.01	0.01	44.99	0.00	0.01
46	19	2070	00	115	01	01	76.00	0.00	76.00	111.40	75.31	0.69
47	19	2220	60	001	04	01	3.50	0.00	3.50	13.80	1.95	1.55
48	20	2230	03	789	12	01	31.69	54.15	85.84	31.85	71.71	14.13
49	21	2225	03	190	05	01	45.00	0.00	45.00	90.00	35.00	10.00
50	21	2225	80	800	03	02	60.00	0.00	60.00	24.50	59.50	0.50
51	21	2235	02	102	01	01	512.24	46.00	558.24	12.51	509.25	48.99
52	21	2235	02	107	03	01	24.10	0.00	24.10	15.00	8.15	15.95
53	21	2235	60	107	01	01	1,260.00	0.00	1,260.00	14.00	1,099.44	160.56
54	21	6225	01	789	01	01	0.01	0.00	0.01	199.99	0.00	0.01
55	22	2425	00	001	01	01	758.45	0.00	758.45	22.09	744.69	13.76
56	24	2401	00	102	01	04	38.00	0.00	38.00	14.24	9.10	28.90
57	24	2401	00	119	07	01	79.79	49.03	128.82	21.18	0.00	128.82
58	24	2401	00	119	08	04	15.00	0.00	15.00	10.50	1.40	13.60

Sl. No.	Grant	Head of account					Original	Supple-mentary	Provi-sion	Re-appro-priation	Expen-diture	Savings in Provision
59	24	2702	02	001	03	02	29.34	0.00	29.34	13.00	13.69	15.65
60	25	2403	00	102	03	02	34.54	11.00	45.54	13.20	20.17	25.37
61	25	2403	00	102	03	04	0.64	0.00	0.64	15.36	0.00	0.64
62	25	2403	00	789	03	01	27.73	0.00	27.73	10.85	0.00	27.73
63	26	2405	00	800	01	02	110.65	0.00	110.65	13.41	72.34	38.31
64	26	2405	00	800	20	01	1,625.85	0.00	1,625.85	71.11	1,472.51	153.34
65	27	2505	02	101	01	01	350.31	0.00	350.31	49.92	336.72	13.59
66	27	2505	02	101	02	01	450.00	0.00	450.00	43.75	284.69	165.31
67	27	2515	00	800	05	01	49.00	0.00	49.00	22.90	16.94	32.06
68	29	2801	05	001	02	03	425.36	0.00	425.36	12.26	405.70	19.66
69	29	4801	05	800	54	01	451.50	0.00	451.50	309.50	292.80	158.70
70	32	4070	00	800	06	01	0.00	0.01	0.01	22.99	0.00	0.01
71	32	4202	01	202	02	01	340.00	0.00	340.00	25.00	289.30	50.70
72	32	4202	04	800	03	01	0.00	0.01	0.01	249.99	0.00	0.01
73	32	4405	00	104	01	04	50.00	0.00	50.00	63.00	45.09	4.91
74	32	5425	00	800	01	02	0.00	0.01	0.01	59.99	0.00	0.01
Total							**48,851.66**	**2,890.16**	**51,741.82**	**5,043.56**	**41,609.90**	**10,131.93**

Appendix 3.5
(Reference: Paragraph 3.3.6.1; Page 69)

Details of saving of ₹ one crore and above not surrendered

(₹ in crore)

Sl. No.	Grant No.	Description	Savings	Amount Surrendered	Amount not Surrendered
	(A) Revenue - Voted				
1	04	Administration of Justice	2.66	1.05	1.61
2	06	Revenue and Food	5.40	0.00	5.40
3	09	Secretariat	23.28	21.60	1.68
4	10	District Administration	111.71	0.00	111.71
5	12	Police	9.11	0.00	9.11
6	13	Jails	1.86	0.44	1.42
7	15	Retirement Benefits	3.96	0.00	3.96
8	16	Public Works	20.84	11.85	9.00
9	17	Education	92.54	0.00	92.54
10	18	Medical	32.08	0.00	32.08
11	19	Information and Publicity	11.13	2.73	8.40
12	20	Labour and Employment	4.72	0.00	4.72
13	21	Social Welfare	47.12	0.00	47.12
14	22	Co-operation	4.85	0.49	4.36
15	24	Agriculture	13.02	0.00	13.02
16	25	Animal Husbandry	6.68	0.00	6.68
17	26	Fisheries	10.67	3.84	6.82
18	27	Community Development	27.17	19.72	7.45
19	28	Industries	10.81	2.75	8.06
20	29	Electricity	9.46	0.00	9.46
21	32	Building Programmes	5.67	0.00	5.67
Total (A)			**454.74**	**64.47**	**390.27**

Sl. No.	Grant No.	Description	Savings	Amount Surrendered	Amount not Surrendered
(B) Revenue - Charged					
22	33	Public Debt	240.40	190.33	50.07
Total (B)			**240.40**	**190.33**	**50.07**
(C) Capital - Voted					
23	12	Police	6.45	0.14	6.31
24	16	Public Works	114.93	63.51	51.42
25	18	Medical	2.44	0.09	2.34
26	21	Social Welfare	4.08	1.99	2.09
27	26	Fisheries	5.32	2.43	2.89
28	29	Electricity	21.89	0.00	21.89
29	32	Building Programmes	35.88	6.37	29.51
Total (C)			**191.00**	**74.54**	**116.46**
(D) Capital Charged					
30	16	Public Works	5.00	0.00	5.00
31	17	Education	3.93	0.00	3.93
Total (D)			**8.93**	**0.00**	**8.93**
Grant Total			**895.07**	**329.34**	**565.73**

Appendix 3.6
(Reference: Paragraph 3.3.6.2; Page 69)

Details of cases where more than 50 *per cent* of the total provision and more than ₹ 10 lakh was surrendered

(₹ in lakh)

Sl. No.	Grant No.	Head of account					Voted/ Charged	Provi-sion	Re-appro-priation	Expen-diture	Savings	Surren-der	Surren-der (in *per cent*)
1	09	3451	00	090	07	01	V	2,247.00	(-) 87.00	0.00	2,160.00	2,160.00	100.00
2	12	4055	00	800	02	01	V	17.00	0.00	0.00	17.00	13.00	76.47
3	16	2216	01	106	02	01	C	22.21	0.00	0.00	22.21	22.21	100.00
4	16	2702	01	103	02	01	V	294.54	(-) 0.54	135.88	294.00	179.00	60.88
5	16	4059	01	800	02	01	V	1,584.75	(-) 174.75	467.99	1,410.00	800.00	56.74
6	16	4215	01	101	05	01	V	5,000.00	0.00	0.00	5,000.00	5,000.00	100.00
7	16	4215	01	800	03	04	V	1,000.00	(-) 600.00	0.00	400.00	300.00	75.00
8	16	4711	03	800	04	04	V	1,000.00	(-) 648.86	93.21	351.14	251.14	71.52
9	19	2220	60	001	01	01	V	461.61	(-) 3.72	195.99	457.89	253.33	55.33
10	19	5452	01	800	03	01	V	652.00	0.00	0.00	652.00	652.00	100.00
11	19	5452	01	800	04	01	V	510.95	0.00	0.00	510.95	510.95	100.00
12	19	5452	01	800	05	01	V	857.00	0.00	0.00	857.00	857.00	100.00
13	19	5452	80	800	05	01	V	300.00	0.00	0.00	300.00	300.00	100.00
14	21	4225	01	789	01	01	V	207.98	(-) 0.99	0.00	206.99	198.99	96.14
15	22	4425	00	107	04	01	V	500.00	(-) 220.83	0.00	279.17	279.17	100.00
16	23	3454	02	800	01	01	V	40.00	0.00	17.58	40.00	21.49	53.73
17	26	2405	00	800	21	01	V	685.37	(-) 1.07	156.71	684.30	384.30	56.16
18	27	2515	00	102	06	01	V	1,655.00	0.00	0.00	1,655.00	1,654.00	99.94
19	28	2851	00	001	02	03	V	17.08	(-) 1.99	0.03	15.09	15.00	99.40
20	28	2851	00	800	11	02	V	15.00	0.00	2.57	15.00	10.00	66.67

Sl. No.	Grant No.	Head of account					Voted/ Charged	Provi-sion	Re-appro-priation	Expen-diture	Savings	Surren-der	Surren-der (in *per cent*)
21	30	5051	02	200	06	01	V	100.00	(-) 8.50	0.00	91.50	91.50	100.00
22	31	7610	00	201	01	07	V	12.50	0.00	0.00	12.50	12.50	100.00
23	32	4405	00	104	02	03	V	150.00	(-) 52.96	0.00	97.04	97.04	100.00
24	32	5452	01	800	28	04	V	300.00	(-) 3.61	61.38	296.39	235.00	79.29
25	32	5452	01	800	49	04	V	250.00	(-) 2.03	92.96	247.97	155.00	62.51
Total								**17,879.99**				**14,452.62**	

Appendix 3.7
(Reference: Paragraph 3.3.6.3; Page 71)

Details of cases where savings exceeded ₹ 50 lakh in each case and by more than 50 *per cent* of the total provision

(₹ in lakh)

Sl. No.	Grant No.	Head of account					Provision	Expenditure	Savings	percentage of savings
1	06	2029	00	101	07	01	55.06	0.00	55.06	100.00
2	06	2245	05	101	01	01	500.00	245.00	255.00	51.00
3	06	2245	05	101	02	01	125.00	0.00	125.00	100.00
4	09	3451	00	090	07	01	2,247.00	0.00	2,247.00	100.00
5	10	2216	80	103	01	01	200.00	0.00	200.00	100.00
6	10	2216	80	800	04	02	261.20	76.80	184.40	70.60
7	10	2216	80	800	04	04	128.40	5.40	123.00	95.79
8	10	2216	80	800	14	01	500.00	0.00	500.00	100.00
9	10	2216	80	800	19	02	445.80	208.20	237.60	53.30
10	10	2216	80	800	19	04	227.40	32.40	195.00	85.75
11	10	2216	80	800	21	01	138.90	0.00	138.90	100.00
12	10	2216	80	800	22	01	150.00	0.00	150.00	100.00
13	10	2217	01	191	01	01	123.00	0.00	123.00	100.00
14	10	2217	05	800	03	01	58.00	0.00	58.00	100.00
15	10	2217	05	800	03	04	250.00	84.90	165.10	66.04
16	10	2217	80	191	18	01	300.00	0.00	300.00	100.00
17	10	2217	80	800	06	01	361.10	0.00	361.10	100.00
18	10	2217	80	800	07	01	4,489.00	0.00	4,489.00	100.00
19	10	2217	80	800	10	01	123.20	0.00	123.20	100.00
20	10	2217	80	800	10	02	61.60	0.00	61.60	100.00
21	10	2250	00	789	01	01	100.00	5.00	95.00	95.00

Sl. No.	Grant No.	Head of account					Provision	Expenditure	Savings	percentage of savings
22	10	2515	00	789	09	02	71.64	0.00	71.64	100.00
23	10	2575	60	101	01	01	1,400.00	0.00	1,400.00	100.00
24	10	6216	80	201	01	01	200.00	0.00	200.00	100.00
25	12	2055	00	003	01	01	162.75	14.73	148.02	90.95
26	12	4055	00	207	03	01	278.26	0.00	278.26	100.00
27	12	4055	00	800	01	01	200.86	32.50	168.36	83.82
28	12	4070	00	800	03	01	200.00	59.49	140.51	70.25
29	16	2702	01	103	02	01	294.54	135.88	158.66	53.87
30	16	4059	01	800	02	01	1,584.75	467.99	1,116.76	70.47
31	16	4215	01	101	05	01	5,000.00	0.00	5,000.00	100.00
32	16	4215	01	800	03	04	1,000.00	0.00	1,000.00	100.00
33	16	4217	60	001	01	01	550.01	0.00	550.01	100.00
34	16	4702	00	800	04	01	82.30	25.40	56.90	69.14
35	16	4711	03	800	02	01	229.52	0.00	229.52	100.00
36	16	4711	03	800	04	02	200.00	0.00	200.00	100.00
37	16	4711	03	800	04	04	1,000.00	93.21	906.79	90.68
38	16	5054	04	800	05	04	400.00	73.44	326.56	81.64
39	16	5054	04	800	09	01	2,793.00	207.36	2,585.64	92.58
40	16	5054	04	800	09	03	200.00	48.52	151.48	75.74
41	17	2202	01	800	06	01	546.37	254.76	291.61	53.37
42	17	2202	01	800	06	02	124.70	52.48	72.22	57.92
43	17	2202	03	107	06	07	4,100.00	1,588.13	2,511.87	61.27
44	17	2202	03	800	02	01	77.50	0.00	77.50	100.00
45	17	2202	80	789	05	01	67.82	0.00	67.82	100.00

Sl. No.	Grant No.	Head of account					Provision	Expenditure	Savings	percentage of savings
46	17	2202	80	789	06	01	167.01	38.12	128.89	77.18
47	17	2202	80	800	11	01	803.46	177.20	626.26	77.95
48	17	2202	80	800	12	01	944.38	230.32	714.06	75.61
49	17	2202	80	800	15	01	260.00	0.00	260.00	100.00
50	17	2202	80	800	17	01	110.00	5.24	104.76	95.23
51	17	2203	00	789	07	02	70.00	0.00	70.00	100.00
52	17	2205	00	107	08	01	59.00	2.98	56.02	94.95
53	17	4202	01	202	01	01	503.00	110.00	393.00	78.13
54	18	2210	05	105	10	01	250.00	0.00	250.00	100.00
55	18	2210	80	800	14	07	290.00	120.65	169.35	58.40
56	18	2210	80	800	15	07	500.00	100.00	400.00	80.00
57	18	2211	00	001	04	01	161.00	76.21	84.79	52.66
58	18	4210	01	110	02	01	100.00	13.91	86.09	86.09
59	19	2220	60	001	01	01	461.61	195.99	265.62	57.54
60	19	2220	60	101	01	01	373.77	133.41	240.36	64.31
61	19	2220	60	800	02	01	62.00	9.90	52.10	84.03
62	19	3452	80	104	08	01	100.00	0.00	100.00	100.00
63	19	3452	80	800	30	01	100.00	0.00	100.00	100.00
64	19	5452	01	800	03	01	652.00	0.00	652.00	100.00
65	19	5452	01	800	04	01	510.95	0.00	510.95	100.00
66	19	5452	01	800	05	01	857.00	0.00	857.00	100.00
67	19	5452	80	800	05	01	300.00	0.00	300.00	100.00
68	20	2230	03	101	28	01	147.00	61.25	85.75	58.33
69	20	2230	03	800	03	01	90.00	0.00	90.00	100.00

Sl. No.	Grant No.	Head of account					Provision	Expenditure	Savings	percentage of savings
70	21	2225	01	277	17	01	611.98	146.67	465.31	76.03
71	21	2225	01	789	23	04	94.60	32.35	62.25	65.81
72	21	2225	01	789	24	01	150.00	42.41	107.59	71.73
73	21	2225	01	789	27	04	100.00	0.00	100.00	100.00
74	21	2225	02	796	01	01	85.01	13.05	71.96	84.65
75	21	2225	03	277	08	01	230.00	76.08	153.92	66.92
76	21	2235	02	101	35	01	182.00	86.19	95.81	52.65
77	21	2235	02	102	23	01	535.13	108.13	427.00	79.79
78	21	2235	02	102	23	02	109.63	12.39	97.24	88.70
79	21	2235	02	103	18	01	51.78	0.00	51.78	100.00
80	21	2236	02	101	01	02	265.20	132.33	132.87	50.10
81	21	4225	01	789	01	01	207.99	0.00	207.99	100.00
82	21	4225	01	789	29	01	200.00	0.00	200.00	100.00
83	21	6225	03	190	01	01	500.00	0.00	500.00	100.00
84	22	2216	02	104	01	01	250.00	0.00	250.00	100.00
85	22	2404	00	195	04	01	62.50	0.00	62.50	100.00
86	22	4425	00	107	04	01	500.00	0.00	500.00	100.00
87	24	2401	00	109	07	01	135.00	11.49	123.51	91.49
88	24	2401	00	119	07	01	128.82	0.00	128.82	100.00
89	24	2401	00	119	08	03	75.80	11.36	64.44	85.02
90	26	2405	00	103	05	01	99.85	35.06	64.79	64.88
91	26	2405	00	103	05	02	108.44	50.55	57.89	53.39
92	26	2405	00	800	21	01	685.37	156.71	528.66	77.14
93	26	4405	00	104	02	01	533.09	2.00	531.09	99.62

Sl. No.	Grant No.	Head of account					Provision	Expenditure	Savings	percentage of savings
94	27	2505	02	101	07	01	1,445.00	645.54	799.46	55.33
95	27	2505	02	101	08	01	145.00	40.65	104.35	71.97
96	27	2515	00	102	06	01	1,655.00	0.00	1,655.00	100.00
97	27	2515	00	800	10	01	100.00	0.00	100.00	100.00
98	29	2801	80	800	02	01	266.00	0.00	266.00	100.00
99	29	4801	05	799	01	01	1,677.50	677.68	999.82	59.60
100	29	4801	05	800	48	01	990.50	367.54	622.96	62.89
101	30	5051	02	200	05	01	65.50	0.00	65.50	100.00
102	30	5051	02	200	06	01	100.00	0.00	100.00	100.00
103	32	2202	02	109	04	02	115.00	36.58	78.42	68.19
104	32	2202	02	109	05	02	80.00	22.39	57.61	72.02
105	32	4070	00	800	01	01	100.00	30.75	69.25	69.25
106	32	4070	00	800	03	01	100.00	0.00	100.00	100.00
107	32	4070	00	800	04	01	126.01	1.87	124.14	98.52
108	32	4202	01	202	02	02	280.00	131.88	148.12	52.90
109	32	4202	01	800	02	02	284.00	64.00	220.00	77.47
110	32	4202	03	800	01	01	150.00	31.26	118.74	79.16
111	32	4210	01	110	04	03	180.00	25.49	154.51	85.84
112	32	4210	01	800	03	01	142.00	45.67	96.33	67.84
113	32	4210	01	800	03	03	358.00	25.75	332.25	92.81
114	32	4225	01	789	01	02	102.50	0.00	102.50	100.00
115	32	4405	00	104	02	03	150.00	0.00	150.00	100.00
116	32	5452	01	800	28	04	300.00	61.38	238.62	79.54
117	32	5452	01	800	29	01	80.00	0.00	80.00	100.00

Sl. No.	Grant No.	Head of account					Provision	Expenditure	Savings	percentage of savings
118	32	5452	01	800	49	04	250.00	92.96	157.04	62.81
119	33	2049	03	104	01	07	6,000.00	222.36	5,777.64	96.29
120	33	2049	05	105	01	07	200.00	0.10	199.90	100.00
121	33	2049	05	105	02	07	200.00	92.72	107.28	53.64
122	33	6003	00	109	03	07	357.45	0.00	357.45	100.00
Total							**61,382.51**	**8,520.11**	**52,862.40**	

Appendix 3.8
(Reference: Paragraph 3.4.3; Page 77)

Details of the schemes for which provision (₹ one crore and above) was made but no expenditure was incurred

(₹ in crore)

Sl. No.	Grant No.	Head of Account	Description	Total Provision	Re-appropriation	Expenditure	Surrender
1	09	3451.00.090.07.01	State Share for Centrally Sponsored Schemes implemented by all departments	22.47	(-) 0.87	0.00	21.60
2	10	2217.80.800.10.01	Implementation of AMRUT Mission by Town & Country Planning Dept.,(CSS) (Central Share)	1.23	(-) 1.23	0.00	0.00
3	16	4215.01.101.05.01	Augumentation of water supply source and rehabilitation of system in urban areas of Pondicherry (Agency Francaise Development)	50.00	0.00	0.00	50.00
4	16	4217.60.001.01.01	Extension of sewerage facilities to urbanisable area	5.50	(-) 5.50	0.00	0.00
5	16	4711.03.800.04.02	Creation of infrastructural facilities (Negotiated Loan)	2.00	(-) 2.00	0.00	0.00
6	19	5452.01.800.03.01	Development of Heritage Circuit in Pondicherry under Swadesh Darshan Scheme (CSS)	6.52	0.00	0.00	6.52
7	19	5452.01.800.04.01	Development of Spiritual Circuit in Pondicherry under Swadesh Darshan Scheme (CSS)	5.11	0.00	0.00	5.11
8	19	5452.01.800.05.01	Development of UT of Pondicherry at tourist circuit under Swadesh Darshan Scheme (Coastal Circuit) (CSS)	8.57	0.00	0.00	8.57
9	19	5452.80.800.05.01	Development of Pondicherry as Mega Tourism Circuit Scheme (CSS)	3.00	0.00	0.00	3.00

Sl. No.	Grant No.	Head of Account	Description	Total Provision	Re-appropriation	Expenditure	Surrender
10	30	5051.02.200.06.01	Development of Pondicherry Port activities (Negotiated Loan)	1.00	(-) 0.09	0.00	0.91
11	32	4405.00.104.02.03	Construction of Fishing Harbour (Negotiated Loan)	1.50	(-) 0.53	0.00	0.97
Total				**106.90**	**(-) 10.22**	**0.00**	**96.69**

Appendix 3.9
(Reference: Paragraph 3.4.4; Page 77)

Rush of Expenditure

(₹ in crore)

Sl. No.	Grant No.	Head of Account					Description	Expenditure For March	Total Expenditure 2019- 2020	Percentage
1	06	2245	05	101	01	01	Contribution to Puducherry Disaster Response Fund	2.45	2.45	100.00
2	06	2245	80	789	01	02	Coastal Disaster Risk Reduction Project (EAP)	9.00	9.00	100.00
3	06	2245	80	800	01	09	Coastal Disaster Risk Reduction Project (EAP)	47.01	47.01	100.00
4	06	3456	00	190	01	01	Assistance to PAPSCO	3.51	3.51	100.00
5	10	2216	80	789	02	11	Housing for all - Pradhan Manthri Awas Yojana (Central Share) (CSS)	0.59	0.81	72.84
6	10	2216	80	800	02	19	Housing for all - Pradhan Manthri Awas Yojana (Central Share) (CSS)	1.07	2.08	51.44
7	10	2217	80	800	01	08	Implementation of Smart Cities Mission (CSS) (Central Share)	3.00	3.00	100.00
8	10	2217	80	800	01	09	Implementation of AMRUT Mission by Local Admn. Dept.(CSS)	12.73	14.91	85.38
9	10	2501	04	105	01	01	Strengthening of Renewable Energy Wing	0.55	0.55	100.00
10	10	2575	60	789	01	01	M.L.A's Local Area Development Scheme	8.50	8.50	100.00
11	10	3475	00	108	01	03	National Urban Livelihood Mission (CSS)	2.17	4.14	52.42
12	16	2059	80	001	04	05	Payment of Current Consumption Charges, Water Consumption Charges, Telephone Charges, etc.	3.10	5.75	53.91
13	16	4215	01	800	01	03	Creation of Infrastructural facilities (Negotiated Loan)	4.46	8.12	54.93
14	16	5054	04	800	03	01	District and other Roads	2.00	2.15	93.02
15	16	5054	04	800	01	11	Creation of infrastructural facilities (Negotiated Loan) (State Share)	0.79	1.17	67.52
16	17	2202	80	800	01	13	Samagra Shiksha - Elementary Education (CSS)	2.02	2.02	100.00

Sl. No.	Grant No	Head of Account					Description	Expenditure For March	Total Expenditure 2019- 2020	Percentage
17	18	2210	02	800	01	01	National Mission on Ayush including Mission on Medicinal Plants (CSS)	2.38	4.69	50.75
18	18	2210	80	800	07	15	National Health Protection Scheme (State Share)	1.00	1.00	100.00
19	18	4210	80	800	01	01	Setting up of a Medical College	12.08	18.98	63.65
20	20	2230	01	789	01	04	Assistance to the Puducherry Unorganised Labourers Welfare Society	0.90	0.90	100.00
21	20	2230	03	789	01	12	Pradhan Mantri Kaushal Vikas Yojana (CSS)	0.58	0.72	80.56
22	20	2230	03	800	01	02	Pradhan Mantri Kaushal Vikas Yojana (CSS)	3.58	4.87	73.51
23	21	2225	01	789	01	27	Providing Civic and Basic Amenities to the areas of Scheduled Castes	9.52	15.96	59.65
24	21	2225	01	789	02	27	Providing Civic and Basic Amenities to the areas of Scheduled Castes	1.51	2.65	56.98
25	21	2225	01	789	01	35	Financial assistance for Construction of low cost dwelling units/development of housing colonies/house sites and grant of house construction subsidies	8.00	12.96	61.73
26	21	2225	80	800	01	03	Award to inter-caste married couples	1.20	1.60	75.00
27	21	2235	02	101	01	16	Free supply of rice to all disabled persons	1.65	1.65	100.00
28	21	2235	02	102	01	13	Integrated Child Protection Scheme (State Share)	2.63	2.63	100.00
29	21	2235	02	103	01	28	Indra Gandhi National Widow Pension Scheme (IGNWPS) (CSS)	1.81	3.63	49.86
30	21	2235	02	104	01	12	National Social Assistance Programme (CSS Flagship) (DWCD)	4.32	8.64	50.00
31	22	2425	00	277	01	01	Assistance to Pondicherry State Co-operative Union for Co-operative Education Programme	1.50	1.53	98.04
32	22	4851	00	195	02	01	State Participation in Co-operative Spinning Mill	2.00	3.00	66.67

Sl. No.	Grant No	Head of Account					Description	Expenditure For March	Total Expenditure 2019- 2020	Percentage
33	24	2401	00	800	01	17	Sub-Mission on Agricultural Extension (CSS)	1.35	2.26	59.73
34	24	2406	01	102	01	06	Conservation and Management of Oussudu Sanctuary (CSS)	0.50	0.50	100.00
35	24	2435	01	101	02	05	Agricultural Marketing	0.70	1.31	53.44
36	29	4801	05	800	01	50	Modernisation of billing method and development and "E" Governance initiatives and improvement of Communication Methods of the Electricity Dept., Pondicherry (Negotiated Loan)	8.70	14.54	59.83
37	29	4801	05	800	01	54	Building up of infrastructure facilities in the Electricity Department (Negotiated Loan)	2.93	2.93	100.00
38	32	5452	01	800	03	34	Development of Riverside Walkway at Mahe (Phase II) (Negotiated Loan)	0.75	1.21	61.98
39	33	2049	03	108	07	01	Interest on Union Territory Government Employees Group Insurance Scheme	4.64	4.64	100.00
Total								**177.18**	**227.97**	

Appendix 3.10
(Reference: Paragraph 3.4.5.2; Page 80)

Unnecessary provision of funds

(₹ in lakh)

Sl. No.	Major Head	Budget Estimate 2019-20	Re-appro-priation	Total Provision	Expen-diture
2059 – Public Works					
1.	01.053.03.01 - Office buildings	5.64	4.36	10.00	1.89
2.	80.001.02.03 - General Execution	245.30	2.00	247.30	245.46
3.	80.053.01.02 - CC, Water Charges	8.00	2.00	10.00	7.99
4.	80.053.02.01 - Maintenance of office buildings	16.50	9.20	25.70	12.13
2216 – Housing					
5	01.106.06.01 – Repairs of Government Quarters	0.50	4.00	4.50	0.31
2217 – Urban Development					
6	01.789.04.01 – Maintenance of Tanks	0.50	1.50	2.00	0.00
2711 – Flood control and drainage					
7	01.789.02.01 – Maintenance of embankments	10.00	2.15	12.15	6.65
3054 – Roads & Bridges					
8	04.800.05.01- Maintenance of rural roads	122.23	25.63	147.86	121.43
4059 - Capital Outlay on Public Works					
9	01.051.10.01 – Construction of Court complex	446.19	117.33	563.52	2.85
4215 – Capital outlay on Water Supply & Sanitation					
10	01.101.02.04 – CWSS	33.00	1.50	34.50	0.00
11	01.800.05.04 – Creation of infrastructural facilities	0.50	9.50	10.00	0.00
4711 – Capital outlay on Flood Control					
12	03.103.01.01 - Drainage schemes	249.95	93.71	343.66	249.95
5054 – Roads & Bridges					
13	04.800.09.02- Creation of Infra facilities	800.00	400.00	1,200.00	762.15
Total		**1,938.31**	**672.88**	**2,611.19**	**1,410.81**

Appendix 4.1
(Reference: Paragraph 4.7; Page 91)

Booking under minor head "800 - Other Expenditure" during 2019-20

(₹ in crore)

Major Head		Total Expenditure	Expenditure under 800 - Other Expenditure	Percentage of 800 - Other Expenditure
2075	Miscellaneous General Services	1.93	1.93	100.00
2216	Housing	30.11	23.31	77.42
2217	Urban Development	64.85	50.93	78.53
2405	Fisheries	48.14	37.73	78.38
2801	Power	1,420.39	1,278.80	90.03
3425	Other Scientific Research	2.70	2.48	91.85
Total		**1,568.12**	**1,395.18**	

Appendix 4.2
(Reference: Paragraph 4.7; Page 91)

Booking under minor head "800 - Other Receipts" during 2019-20

(₹ in crore)

Major Head		Total Receipts	Receipts under 800 - Other Receipts	Percentage of 800 - Other Receipts
0029	Land Revenue	1.67	0.93	55.69
0059	Public Works	1.93	1.93	100.00
0075	Miscellaneous General Services	36.63	30.22	82.50
0216	Housing	7.00	6.56	93.71
0235	Social Security and Welfare	0.38	0.38	100.00
0401	Crop Husbandry	0.98	0.82	83.67
0405	Fisheries	0.49	0.31	63.27
0853	Non-Ferrous Mining and Mettallurgical	0.24	0.22	91.67
1051	Ports and Light Houses	12.24	12.24	100.00
1054	Roads and Bridges	1.46	1.46	100.00
Total		**63.02**	**55.07**	

Appendix 4.3
(Reference: Paragraph 4.8; Page 91)

List of Autonomous Bodies/Authorities from whom accounts were not received

Sl. No.	Name of the Autonomous Body/Authority	Year for which accounts were due
1	Puducherry Municipality, Puducherry	2008-09 to 2018-19
2	Oulgaret Municipality, Puducherry	2008-09 to 2018-19
3	Karaikal Municipality, Karaikal	2008-09 to 2018-19
4	Ariankuppam Commune Panchayat, Puducherry	2008-09 to 2018-19
5	Villianur Commune Panchayat, Puducherry	2008-09 to 2018-19
6	Bahour Commune Panchayat, Puducherry	2008-09 to 2018-19
7	Mannadipet Commune Panchayat, Puducherry	2008-09 to 2018-19
8	Nettapakkam Commune Panchayat, Puducherry	2008-09 to 2018-19
9	Neravy Commune Panchayat, Karaikal	2008-09 to 2018-19
10	Kottucherry Commune Panchayat, Karaikal	2008-09 to 2018-19
11	Thirunallar Commune Panchayat, Karaikal	2008-09 to 2018-19
12	Nedungadu Commune Panchayat, Karaikal	2008-09 to 2018-19
13	Mahe Municipality, Mahe	2008-09 to 2018-19
14	Yanam Municipality, Yanam	2008-09 to 2018-19
15	Thirumalairayanpattinam Commune Panchayat, Karaikal	2008-09 to 2018-19
16	PONLAIT, Puducherry	2014-15 to 2018-19
17	Puducherry Coastal Zone Management Authority	2014-15 to 2018-19
18	Dr.B.R. Ambedkar Polytechnic College, Yanam	2016-17 to 2018-19
19	SPINCO, Puducherry	2016-17 and 2018-19
20	Pondicherry Cooperative Sugar Mills, Lingareddipalayam, Puducherry	2016-17 and 2018-19

Sl. No.	Name of the Autonomous Body/Authority	Year for which accounts were due
21	Perunthalaivar Kamarajar Krishi Vigyan Kendra, Puducherry	2016-17 to 2018-19
22	Indira Gandhi College of Arts and Science, Kadhirkamam, Puducherry	2017-18 and 2018-19
23	Perunthalaivar Kamarajar Arts College, Kalitheerthalkuppam, Puducherry	2017-18 and 2018-19
24	Karaikal Polytechnic College, Karaikal	2017-18 and 2018-19
25	Pondicherry State Sports Council, Puducherry	2017-18 and 2018-19
26	Pandit Jawaharlal Nehru College of Agriculture and Research Institute (PAJANCOA), Karaikal	2017-18 and 2018-19
27	Pondicherry Institute of Hotel Management, Puducherry	2017-18 and 2018-19
28	Pondicherry Khadi and Village Industries Board, Puducherry	2017-18 and 2018-19
29	Indhra Gandhi Polytechnic College, Mahe	2017-18 and 2018-19
30	Puducherry Fishermen Welfare and Distress Relief Society, Puducherry	2017-18 and 2018-19
31	District Institute of Education and Training, Puducherry	2017-18 and 2018-19
32	Women's Polytechnic College, Karaikal	2017-18 and 2018-19
33	Puducherry e-Governance Society	2017-18 and 2018-19
34	Pondicherry State Social Welfare Advisory Board, Puducherry	2017-18 and 2018-19
35	Women's Polytechnic College, Puducherry	2017-18 and 2018-19
36	Perunthalaivar Kamarajar Medcial College, Society, Puducherry	2017-18 and 2018-19
37	Karaikal Market Committee, Karaikal	2018-19
38	Mother Theresa Institute of Health Science Society, Puducherry	2018-19
39	Mahatma Gandhi Post-Graduate Institute of Dental Sciences, Gorimedu, Puducherry	2018-19
40	Puducherry Urban Development Agency	2018-19
41	Puducherry State Fisherman Co-operative Federation	2018-19

Sl. No.	Name of the Autonomous Body/Authority	Year for which accounts were due
42	Renewable Energy Agency of Puducherry	2018-19
43	Pondicherry Pollution Control Committee, Puducherry	2018-19
44	Pondicherry Council for Science and Technology, Puducherry	2018-19
45	Rajiv Gandhi Institute of Veterinary and Research Institute	2018-19
46	Rajiv Gandhi Arts & Science College, Thavalakuppam	2018-19
47	Rajiv Gandhi Ayurvedha Medical College, Mahe	2018-19
48	Perunthalaivar Kamarajar Institute of Engineering and Technology	2018-19
49	Kasturba College of Women, Villianur	2018-19
50	Pondicherry Institute of Linguistics and Culture, Puducherry	2018-19
51	Pondicherry Agricultural Welfare Society, Puducherry	2018-19
52	Women's Polytechnic College, Puducherry	2018-19
53	Building and Other Construction Workers' Welfare Board, Puducherry	2016-17 to 2018-19

Appendix 4.4
(Reference: Paragraph 4.9; Page 92)

Cases of misappropriation/losses/theft of Government material

(₹ in lakh)

Name of Department	Cases of misappropriation/ losses /theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised		Criminal Proceedings finalised but recovery of the amount pending	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Adi Dravidar Welfare	4	3.68	1	0.34	2	0.64	1	2.70
Agriculture	7	16.64	3	1.77	2	9.59	2	5.28
Animal Husbandry & Animal Welfare	5	41.75	0	0	3	41.67	2	0.08
Art &Culture	3	0.37	1	0.02	1	0.03	1	0.32
Electricity	255	2,654.80	0	0	6	2,607.23	249	47.57
Health	9	1.40	7	0.79	1	0.56	1	0.05
Higher Education	7	41.49	5	1.57	2	39.92	0	0
Industries & Commerce	2	5.62	1	0	1	5.62	0	0
Information & Technology	1	1.15	0	0	0	0	1	1.15
Labour	3	1.27	0	0	0	0	3	1.27
Local Administration	6	2.51	2	1.49	1	0.47	3	0.55
Police	2	0.30	0	0	2	0.30	0	0
PWD	3	5.21	0	0	0	0	3	5.21
Revenue	3	0.87	0	0	0	0	3	0.87
School Education	5	7.19	3	0.75	0	0	2	6.44
Tourism	1	0.22	1	0.22	0	0	0	0
Women & Child Development	1	3.75	0	0	0	0	1	3.75
Total	**317**	**2,788.22**	**24**	**6.95**	**21**	**2,706.03**	**272**	**75.24**

Appendix 5.1
(Reference: Paragraph 5.3; Page 96)

List of Government Companies under the purview of CAG Audit during 2019-20

Sl. No.	Name of the company
Government Companies came under purview of CAG Audit	
1	Puducherry Agro Service & Industries Corporation Limited
2	Swadeshee Bharathee Textile Mills Limited
3	Puducherry Road Transport Corporation Limited
4	Puducherry Tourism Development Corporation Limited
5	Pondicherry Textiles Corporation Limited
6	Puducherry Distilleries Limited
7	Puducherry Power Corporation Limited
8	Pondicherry Industrial Promotion Development and Investment Corporation Limited
9	Puducherry Corporation for the Development of Women and Differently Abled Persons Limited
10	Puducherry Backward classes and Minorities Development Corporation Limited
11	Puducherry Adi-dravidar Development Corporation Limited
12	Puducherry Agro Products, Food and Civil Supplies Corporation Limited

Appendix 5.2
(Reference: Paragraph 5.8.1; Page 99)

Return on Capital Employed of PSUs

(₹ in crore)

Sl. No.	PSU	2017-18			2018-19			2019-20		
		EBIT	Capital Employed	ROCE (in *per cent*)	EBIT	Capital Employed	ROCE (in *per cent*)	EBIT	Capital Employed	ROCE (in *per cent*)
1	Puducherry Agro Service & Industries Corporation Limited	(-) 1.28	(-) 21.97	--	(-) 1.28	(-) 21.97	--	(-) 1.28	(-) 23.26	--
2	Swadeshee Bharathee Textile Mills Limited	(-) 9.59	(-) 14.58	--	(-) 9.59	(-) 14.58	--	23.17	(-) 21.11	--
3	Puducherry Road Transport Corporation Limited	(-) 0.06	(-) 0.90	--	(-) 5.29	(-) 6.19	--	(-) 5.65	(-) 15.98	--
4	Puducherry Tourism Development Corporation Limited	(-) 2.38	(-) 8.36	--	(-) 0.91	(-) 10.27	--	1.13	(-) 9.22	--
5	Pondicherry Textiles Corporation Limited	(-) 10.78	(-) 206.35	--	(-) 10.78	(-) 206.35	--	(-) 10.78	(-) 206.35	--
6	Puducherry Distilleries Limited	6.93	51.30	13.51	6.93	51.30	13.15	1.64	57.28	2.86
7	Puducherry Power Corporation Limited	10.51	133.87	7.85	1.87	134.08	1.39	3.89	135.69	2.87
8	Pondicherry Industrial Promotion Development and Investment Corporation Limited	(-) 4.80	113.60	--	(-) 4.80	113.59	--	0.00	124.41	0.00

Sl. No.	PSU	2017-18			2018-19			2019-20		
		EBIT	**Capital Employed**	**ROCE (in *per cent*)**	**EBIT**	**Capital Employed**	**ROCE (in *per cent*)**	**EBIT**	**Capital Employed**	**ROCE (in *per cent*)**
9	Puducherry Corporation for the Development of Women and Differently Abled Persons Limited	0.24	16.14	1.49	(-) 8.35	4.68	--	(-) 8.35	4.68	--
10	Puducherry Backward classes and Minorities Development Corporation Limited	1.84	5.64	32.62	1.66	31.23	5.32	1.66	31.23	5.32
11	Puducherry Adi-dravidar Development Corporation Limited	2.66	4.25	62.59	2.66	4.25	62.59	1.92	1.79	--
12	Puducherry Agro Products, Food and Civil Supplies Corporation Limited	(-) 6.55	(-) 17.05	--	(-) 6.54	(-) 17.05	--	(-) 6.54	(-) 17.05	--
Total		**(-) 13.26**	**55.59**	**--**	**(-) 34.42**	**62.72**	**--**	**(-) 3.03**	**62.11**	**--**

Appendix 5.3
(Reference: Paragraph 5.8.2; Page 100)

Return on Equity of PSUs

(₹ in crore)

Sl. No.	PSU	2017-18			2018-19			2019-20		
		Net Profit after Tax/Net loss (-)	Equity	ROE (in *per cent)*	Net Profit after Tax/ Net loss (-)	Equity	ROE (in *per cent*)	Net Profit after Tax/ Net loss (-)	Equity	ROE (in *per cent*)
1	Puducherry Agro Service & Industries Corporation Limited	(-) 1.28	(-) 21.97	--	(-) 1.28	(-) 21.97	--	(-) 1.28	(-) 23.26	--
2	Swadeshee Bharathee Textile Mills Limited	(-) 11.36	(-) 14.58	--	(-) 11.36	(-) 14.58	--	22.19	(-) 21.19	--
3	Puducherry Road Transport Corporation Limited	(-) 0.06	(-) 3.62	--	(-) 5.29	(-) 8.91	--	(-) 5.65	(-) 18.70	--
4	Puducherry Tourism Development Corporation Limited	(-) 2.45	(-) 8.36	--	(-) 1.03	(-) 10.27	--	1.05	(-) 9.22	--
5	Puducherry Textiles Corporation Limited	(-) 27.31	(-) 206.35	--	(-) 27.31	(-) 206.35	--	(-) 27.31	(-) 206.35	--
6	Puducherry Distilleries Limited	4.95	51.30	9.65	4.95	51.30	9.65	0.96	57.28	1.68
7	Puducherry Power Corporation Limited	6.51	133.87	4.86	0.64	134.08	0.48	2.62	135.69	1.93
8	Puducherry Industrial Promotion Development and Investment Corporation Limited.	(-) 4.80	113.60	--	(-) 4.80	113.59	--	0.00	124.41	--

Sl. No.	PSU	2017-18			2018-19			2019-20		
		Net Profit after Tax/Net loss (-)	**Equity**	**ROE (in *per cent*)**	**Net Profit after Tax/ Net loss (-)**	**Equity**	**ROE (in *per cent*)**	**Net Profit after Tax/ Net loss (-)**	**Equity**	**ROE (in *per cent*)**
9	Puducherry Corporation for the Development of Women and Differently abled persons limited	0.00	3.82	--	(-) 8.81	(-) 9.68	--	(-) 8.81	(-) 9.68	--
10	Puducherry Backward classes and Minorities Development Corporation Limited	1.45	5.64	25.71	1.23	6.80	18.09	1.23	6.80	18.09
11	Puducherry Adidravidar Development Corporation Limited	2.53	2.84	89.09	2.53	2.84	89.08	(-) 2.09	0.75	--
12	Puducherry Agro Products, Food and Civil Supplies Corporation Limited	(-) 7.23	(-) 17.19	--	(-) 7.23	(-) 17.19	--	(-) 7.23	(-) 17.19	--
	Total	**(-) 39.05**	**39.00**	**--**	**(-) 57.76**	**19.66**	**--**	**(-) 24.32**	**19.34**	**--**

Appendix 5.4
(Reference: Paragraph 5.9.2; Page 104)

List of PSUs having negative Net Worth as on 31 March 2020

(₹ in crore)

Sl. No	Company	Net Profit after tax/Net loss (-)	Net Worth	Paid up Capital
1	Puducherry Agro Service & Industries Corporation Limited	(-) 1.28	(-) 23.26	15.00
2	Puducherry Agro Products, Food and Civil Supplies Corporation Limited	(-) 7.23	(-) 17.19	9.93
3	Pondicherry Textiles Corporation	(-) 27.31	(-) 206.35	367.35
4	Puducherry Corporation for the Development of Women and Differently Abled Persons Limited	(-) 8.81	(-) 9.68	3.82
5	Puducherry Road Transport Corporation Limited	(-) 5.65	(-) 18.70	34.78
6	Puducherry Tourism Development Corporation Limited	1.05	(-) 9.22	17.59
7	Swadeshee Bharathee Textile Mills Limited	22.19	(-) 21.19	33.71

Appendix 5.5
(Reference: Paragraph 5.10.2; Page 105)

Details of PSUs whose accounts are in arrears

Sl. No	Name of the PSU	Year for which Accounts not received
1	Puducherry Agro Service & Industries Corporation Limited	2013-14 to 2019-20
2	Swadeshee Bharathee Textile Mills Limited	2015-16 to 2019-20
3	Puducherry Road Transport Corporation Limited	2018-19 to 2019-20
4	Puducherry Tourism Development Corporation Limited	2019-20
5	Pondicherry Textiles Corporation Limited	2016-17 to 2019-20
6	Puducherry Distilleries Limited	2017-18 to 2019-20
7	Puducherry Power Corporation Limited	2019-20
8	Pondicherry Industrial Promotion Development and Investment Corporation Limited	2018-19 to 2019-20
9	Puducherry Corporation for the Development of Women and Differently Abled Persons Limited	2018-19 to 2019-20
10	Puducherry Backward classes and Minorities Development Corporation Limited	2015-16 to 2019-20
11	Puducherry Adi-dravidar Development Corporation Limited	2017-18 to 2019-20
12	Puducherry Agro Products, Food and Civil Supplies Corporation Limited	2014-15 to 2019-20

Appendix 5.6
(Reference: Paragraph 5.12.2; Page 108)

Details of Government Companies where there were non-compliance with Accounting Standards as reported by the Statutory Auditors

Sl. No.	Name of the Company	Number of Accounting Standard (AS)
1	Swadeshee Bharathee Textile Mills Limited(SBTML)	AS 28
2	Puducherry Road Transport Corporation Limited (PRTC).	AS 15

Appendix 5.7
(Reference: Paragraph 5.13; Page 108)

List of PSUs where Management Letters issued by CAG

Sl. No.	Name of the Company
1	Swadeshee Bharathee Textile Mills Limited(SBTML)
2	Puducherry Road Transport Corporation Limited (PRTC).
3	Puducherry Tourism Development Corporation Limited (PTDC)
4	Puducherry Distilleries Limited (PDL)

Glossary of abbreviations

Abbreviations	Full form
AFD	Agency Francaise Development
AGM	Annual General Meeting
CAG	Comptroller and Auditor General of India
CE	Capital expenditure
CIRT	Central Institute of Road Transport
CSS	Centrally Sponsored Schemes
CTD	Commercial Taxes Department
DAT	Directorate of Accounts and Treasuries
DDOs	Drawing and Disbursing Officers
DPC Act	Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971
EBIT	Earnings Before Interest and Taxes
FPCs	Farmer Producer companies
FRBM	Fiscal Responsibility and Budget Management
FRM	Fiscal Road Map
GCS	General Category States
GDP	Gross Domestic Product
GFR	General Financial Rules, 2017
GIA	Grants-in-aid
GoI	Government of India
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
ICR	Interest coverage ratio
IDTR	Institute of Driving training and Research
IGNWPS	Indra Gandhi National Widow Pension Scheme

Abbreviations	Full form
IGST	Integrated Goods and Services Tax
Ind AS	Indian Accounting Standards
OD	Overdrafts
PADCO	Puducherry Adi Dravidar Development Corporation Limited
PAPSCO	Puducherry Agro Products, Food and Civil Supplies Corporation Limited
PASIC	Puducherry Agro Service and Industries Corporation Limited
PBCMDCL	Puducherry Backward Classes and Minorities Development Corporation Limited
PCDWDAP	Puducherry Corporation for the Development of Women and Differently Abled Persons Limited
PDL	Puducherry Distilleries Limited
PIPDIC	Pondicherry Industrial Promotion Development and Investment Corporation Limited
PONTEX / PTC	Pondicherry Textile Corporation Limited
PPCL	Puducherry Power Corporation Limited
PRTC	Puducherry Road Transport Corporation Limited
PSUs	Public Sector Undertakings
PTDC	Puducherry Tourism Development Corporation Limited
PV	Present Value
RE	Revenue expenditure
ROCE	Return on Capital Employed
ROE	Return on Equity
ROR	Rate of Return
RORR	Rate of Real Return
SBTML	Swadeshee Bharathee Textile Mills Limited

Abbreviations	Full form
SD	Security Deposits
SGST	State Goods and Services Tax
SWMA	Special Ways and Means Advances
TE	Total expenditure
UCs	Utilisation Certificates
UT	Union Territory
UT Act, 1963	Government of Union Territories Act, 1963
UTDRF	Union Territory Disaster Response Fund
UTFAR	Union Territory Finances Audit Report
UTGST	Union Territory Goods and Services Tax
VAT	Value Added Tax
WMA	Ways and Means Advances

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