सत्यमेव जयते

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

for the year ended March 2021

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

Government of the Union Territory of Puducherry

Report No. 1 of 2022

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

for the year ended March 2021

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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 2021.

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 12.48 lakh, which recorded a decadal growth rate of 25.83 *per cent* as compared to 2001 census. UT's Gross State Domestic Product (GSDP) in 2020-21 at current price was ₹ 36,402 crore.

(Paragraph 1.1)

Overview of Government Account

Snapshot of Finances: The Revenue receipts (₹ 5,890 crore) of the UT during 2020-21 decreased by ₹ 891 crore over the previous year. However, the same was lesser than the revenue expenditure of ₹ 7,260 crore which resulted in revenue deficit of ₹ 1,370 crore as against the revenue deficit of ₹ 55 crore during 2019-20. The Capital expenditure decreased from ₹ 327 crore in 2019-20 to ₹ 240 crore in 2020-21. The fiscal deficit increased from ₹ 381 crore in 2019-20 to ₹ 1,615 crore in 2020-21.

(Paragraph 1.4.1)

Snapshot of Assets and Liabilities: The Internal Debt of the UT increased by 15.44 *per cent* from ₹ 6,911.07 crore in 2019-20 to ₹ 7,978.35 crore in 2020-21. The Gross Capital Outlay increased by 3.38 *per cent* from ₹ 7,086.80 crore in 2019-20 to ₹ 7,326.36 crore in 2020-21.

(Paragraph 1.4.2)

Resources of the Union Territory

Revenue receipts: Revenue receipts decreased by ₹ 891 crore (13.14 *per cent*) in 2020-21 over the previous year. Buoyancy of revenue receipts to GSDP increased from 1.55 in 2019-20 to 3.20 in 2020-21.

(Paragraph 2.3.2.1)

Own resources: The annual growth rate of own tax revenue decreased by 21.29 *per cent* during 2020-21 over the previous year.

The arrears of revenue as on 31 March 2021 under the principal heads of revenue amounted to ₹ 1,241.99 crore, of which ₹ 552.59 crore was outstanding for more than five years.

(Paragraph 2.3.2.2)

Grants-in-aid: The Grants-in-aid from GoI decreased by ₹ 186 crore in 2020-21 over the previous year. The Grants-in-aid from GoI constituted 42.14 *per cent* of the Revenue receipts.

(Paragraph 2.3.2.3)

Application of resources

Total expenditure: The total expenditure increased from ₹ 7,163 crore in 2019-20 to ₹ 7,505 crore (4.77 *per cent*) in 2020-21. The expenditure on General, Social and Economic Services constituted 32.92 *per cent*, 33.80 *per cent* and 33.21 *per cent* of the total expenditure respectively.

(Paragraph 2.4.1)

Revenue expenditure: During 2020-21, the Revenue expenditure increased by ₹ 424 crore (6.20 *per cent*) over the previous year. Revenue expenditure constituted 96.73 *per cent* of the total expenditure. As a percentage of GSDP also it increased from 18.01 in 2019-20 to 19.94 in 2020-21. The buoyancy of Revenue expenditure with reference to Revenue receipts during 2020-21 was (-) 0.47.

(Paragraph 2.4.2)

Committed expenditure: The committed expenditure constituted 57.47 *per cent* of Revenue expenditure and 70.83 *per cent* of Revenue receipts during 2020-21.

(Paragraph 2.4.2.2)

Subsidies: Implicit subsidies to the tune of ₹ 17 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 ₹ 447 crore incurred during 2016-17, the expenditure incurred during 2020-21 was ₹ 240 crore which constituted only 3.20 *per cent* of total expenditure.

(Paragraph 2.4.3)

Incomplete projects: An amount of ₹ 212.95 crore was blocked in 58 incomplete projects by Public Works and Electricity Departments.

(Paragraph 2.4.3.3)

Expenditure priorities

The percentage of aggregate expenditure to GSDP increased from 19.97 *per cent* in 2016-17 to 20.62 *per cent* in 2020-21. In respect of General Category States, it was 17.12 *per cent* in 2016-17 and 16.18 *per cent* in 2020-21. Expenditure on Education, Sports, Art and Culture decreased from 13.05 *per cent* in 2016-17 to 12.20 *per cent* of the aggregate expenditure in 2020-21 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) increased from ₹ 8,299 crore in 2016-17 to ₹ 10,894 crore in 2020-21 and the rate of growth also increased from 7.03 *per cent* to 15.29 *per cent* during the same period. Out of the total debt receipt of ₹ 2,529 crore during 2020-21, an amount of ₹ 838 crore (33.14 *per cent*) was utilised for repayment of debt leaving a balance of ₹ 1,691 crore available for capital spending.

(Paragraph 2.6.1)

Maturity profile: The Maturity profile of Public debt indicated that nearly 66.61 *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 increased from 10.18 *per cent* in 2019-20 to 12.85 *per cent* of Revenue receipts during 2020-21.

Debt repayment: The debt repayment to debt receipts which was 27.32 *per cent* in 2016-17 increased to 53.72 *per cent* in 2017-18 and went upto 73.06 *per cent* in 2019-20. The sudden downfall in the debt repayment to debt receipts during 2020-21 to 33.14 *per cent* was mainly due to release of ₹ 742 crore as back-to-back loan in lieu of GST compensation shortfall by GoI.

(Paragraph 2.7)

Budgetary Management

Summary: The total provision authorised by the UT legislature including original and supplementary budget was ₹ 9,256.04 crore, out of which an expenditure of ₹ 8,361.93 crore was incurred resulting in savings of ₹ 894.11 crore.

(Paragraph 3.1.1)

Expenditure without budget provision: An amount of ₹ 4.21 crore was re-appropriated under 15 sub-heads without any original or supplementary budget provision and expenditure of ₹ 2.74 crore was incurred therein.

(Paragraph 3.3.1.1)

Unnecessary supplementary provision: Supplementary provision of ₹ 50 lakh or more aggregating ₹ 241.03 crore obtained in 10 grants/appropriations during the year 2020-21 was proved excessive to the extent of ₹ 214.86 crore.

(Paragraph 3.3.3)

Unnecessary/excessive re-appropriation: In 77 sub-heads, unnecessary provision of more than ₹ 10 lakh were made by re-appropriation to the tune of ₹ 116.92 crore wherein the expenditure incurred was ₹ 1,594.93 crore under these heads which was within the total provision of ₹ 1,696.53 crore. Out of these 77 sub-heads, no expenditure was incurred under 10 sub-heads.

(Paragraph 3.3.4)

Anticipated savings not surrendered: In respect of 24 grants/appropriations with saving of ₹ 882 crore (saving of ₹ one crore and above), ₹ 633.73 crore (71.85 *per cent* of savings) was not surrendered and in respect of nine grants/ appropriations with a savings of ₹ 222.18 crore, no amount was surrendered.

(Paragraph 3.3.5.1)

Grants having huge savings: Out of total 33 grants, there was savings of ₹ 812.14 crore (90.83 *per cent* of total savings of ₹ 894.11 crore) in 14 grants/ appropriations exceeding ₹ 10 crore in each case (above ₹ 50 crore in six grants). In 145 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 ₹ 510.25 crore, savings amounted to ₹ 421.01 crore (82.51 *per cent*).

(Paragraph 3.3.5.3)

Persistent savings: Out of 33 grants, savings of more than ₹ 50 lakh was noticed persistently under 19 grants during the last five years.

(Paragraph 3.3.5.4)

Rush of expenditure: In respect of 81 sub heads, expenditure exceeding ₹ 50 lakh and by more than 50 *per cent* of the total expenditure for the year was incurred in March 2021.

(Paragraph 3.4.4)

Financial Reporting

Funds kept outside Public Account: The service charge of ₹ 8.70 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: The Public Works Department had a committed pending liability of ₹ 102.14 crore as of March 2021 towards payment to contractors, land acquisition, court cases, arbitration etc.

(Paragraph 4.2)

Funds transferred directly to implementing agencies: During 2020-21, GoI transferred ₹ 189.55 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 788 cases amounting to ₹ 462.25 crore were outstanding. Of this, 226 cases amounting to ₹ 39.88 crore were pending for more than nine years.

(Paragraph 4.5)

Temporary advance: As of 31 March 2021, 1,460 temporary advances amounting to ₹ 129.14 crore drawn by various DDOs, remained unadjusted. Of this, 285 advances amounting to ₹ 19.26 crore remained unadjusted for more than 10 years.

(Paragraph 4.6)

Indiscriminate use of Minor Head 800: During 2020-21, under eight Major Heads, expenditure aggregating to ₹ 1,745.03 crore (90.13 *per cent* of the total expenditure of ₹ 1,936.10 crore under these heads) were classified under the minor head '800 - Other Expenditure'. Similarly, under nine Major Heads, Revenue receipts aggregating ₹ 37.32 crore (94.94 *per cent* of the total receipts

of ₹ 39.31 crore under these heads), were classified under minor head '800 - Other Receipts'.

(Paragraph 4.7)

Non-submission of accounts: The annual accounts of 68 out of 70 Bodies/Authorities due up to 2020-21, were not received by Audit. The pendency was more than five years in respect of 17 Bodies/Authorities.

(Paragraph 4.8)

Misappropriation and losses: The UT Government reported 321 cases of misappropriation, loss, theft and defalcation upto March 2021 involving Government money of ₹ 28.05 crore in various Departments. In respect of 49 cases, amounting to ₹ 27.31 crore, FIRs were lodged but results of investigation are awaited.

(Paragraph 4.9)

Union Territory Public Sector Undertakings

Nature of PSUs and Investments: As on 31 March 2021, 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 ₹ 738.03 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 0.38 *per cent*.

(Paragraph 5.6.2)

Rate of Real Return: Since the PSUs incurred overall loss during 2020-21, the Rate of Real Return on Government Investment calculated on historical value was negative at (-) 10.95 *per cent* as compared to present value which was also negative and worked out to (-) 4.45 *per cent.*

(Paragraph 5.8.3)

Profit earned: Out of 12 working PSUs, six PSUs earned a profit of ₹ 35.07 crore and six PSUs incurred a loss of ₹ 62.43 crore, leading to overall loss of ₹ 27.36 crore.

(Paragraph 5.9.1)

Timeliness in preparation of accounts: Accounts of all the 12 Government Companies were in arrears for various reasons. During 2020-21, two companies submitted their two arrear accounts for audit.

(Paragraph 5.10.2)

Non-compliance of Accounting Standards: The statutory auditors reported that one company 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 12.48 lakh, which recorded a decadal growth rate of 25.83 *per cent* as compared to 2001 census. The population projection as per National Commission on Population was 16.09 lakh during 2020-21 in UT of Puducherry. The percentage of population below the poverty line was 9.69, which was lower than the all India average of 21.92. 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 2020-21 at current price was ₹ 36,402 crore. The revenue receipts of the UT was ₹ 5,890 crore and revenue expenditure was ₹ 7,260 crore leading to revenue deficit of ₹ 1,370 crore. During 2020-21, the total receipts of UT of Puducherry was ₹ 8,419 crore and total disbursements was ₹ 8,342 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.151.

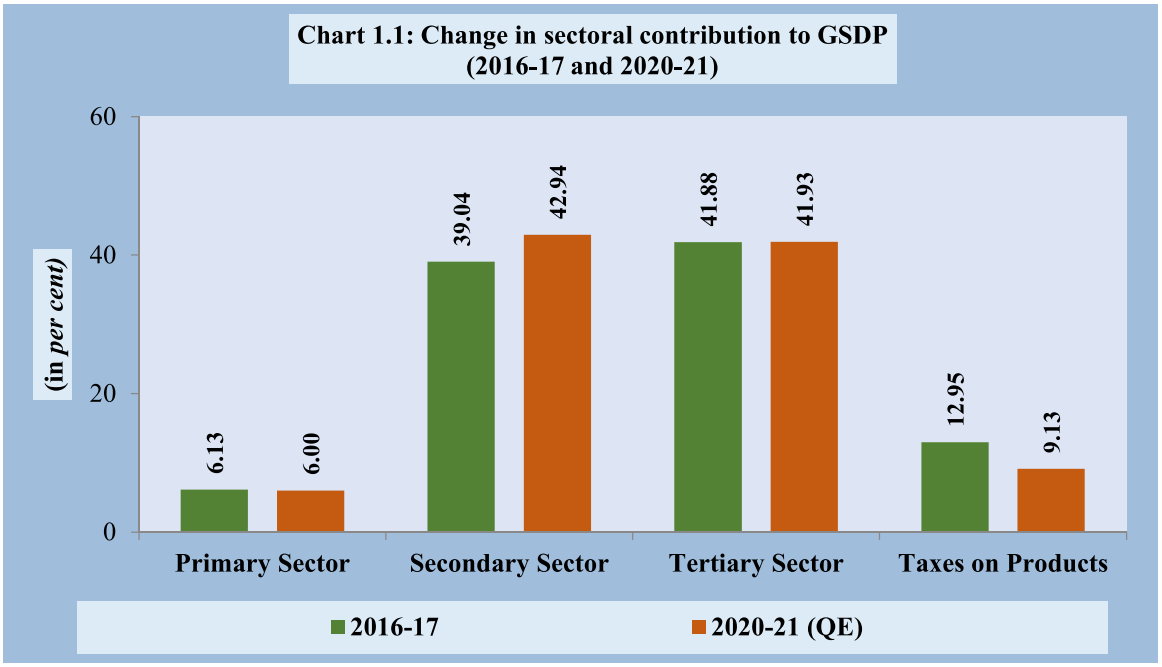
Table 1.1: Trends in GSDP compared to the National GDP

(₹ in crore)

Year	2016-17	2017-18	2018-19	2019-20	2020-21
National GDP (2011-12 Series)	1,53,91,669	1,70,90,042	1,88,86,957	2,03,51,013	1,97,45,670
Growth rate of GDP over previous year (in *per cent*)	11.76	11.03	10.51	7.75	(-) 2.97
UT's GSDP (2011-12 Series)	29,573	32,129	36,555	37,959	36,402
Growth rate of GSDP over previous year (in *per cent*)	11.11	8.64	13.78	3.84	(-) 4.10

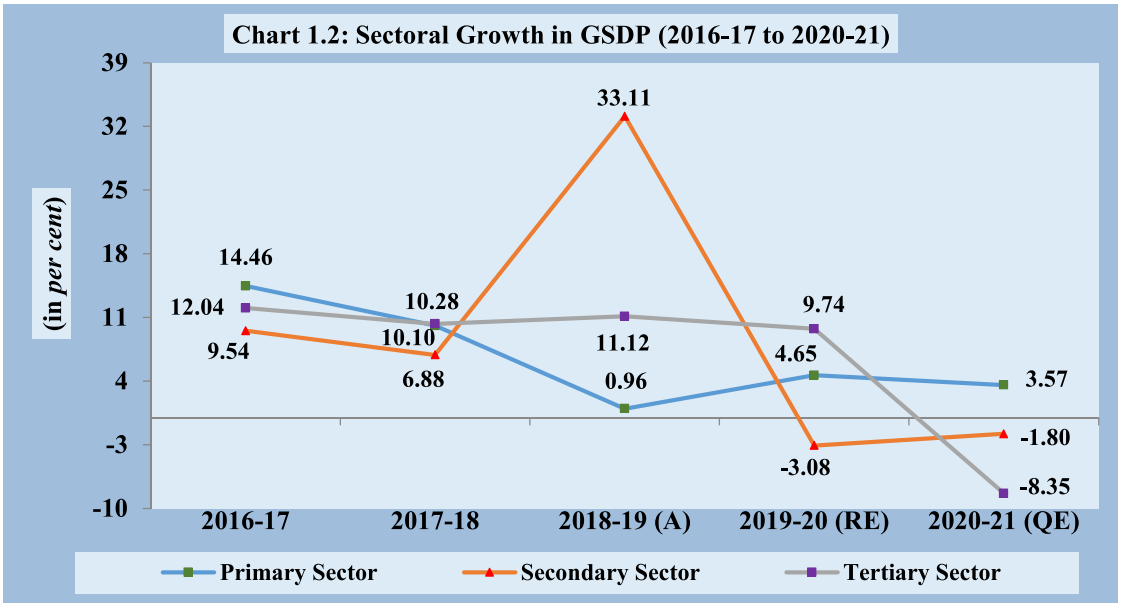
(Source of data: Directorate of Economics and Statistics, Puducherry)

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



QE: Quick Estimates

(Source of data: Directorate of Economics and Statistics, Puducherry)



(A: Actuals; RE: Revised Estimates; QE: Quick Estimates)
(Source of data: Directorate of Economics and Statistics, Puducherry)

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 December 2021. A meeting was held with the Finance Secretary of the Government of UT of Puducherry in January 2022 to discuss the Report. The views expressed by the Government during the meeting are suitably incorporated in the report.

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 Union Territory** 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 2016-17 to 2020-21, 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

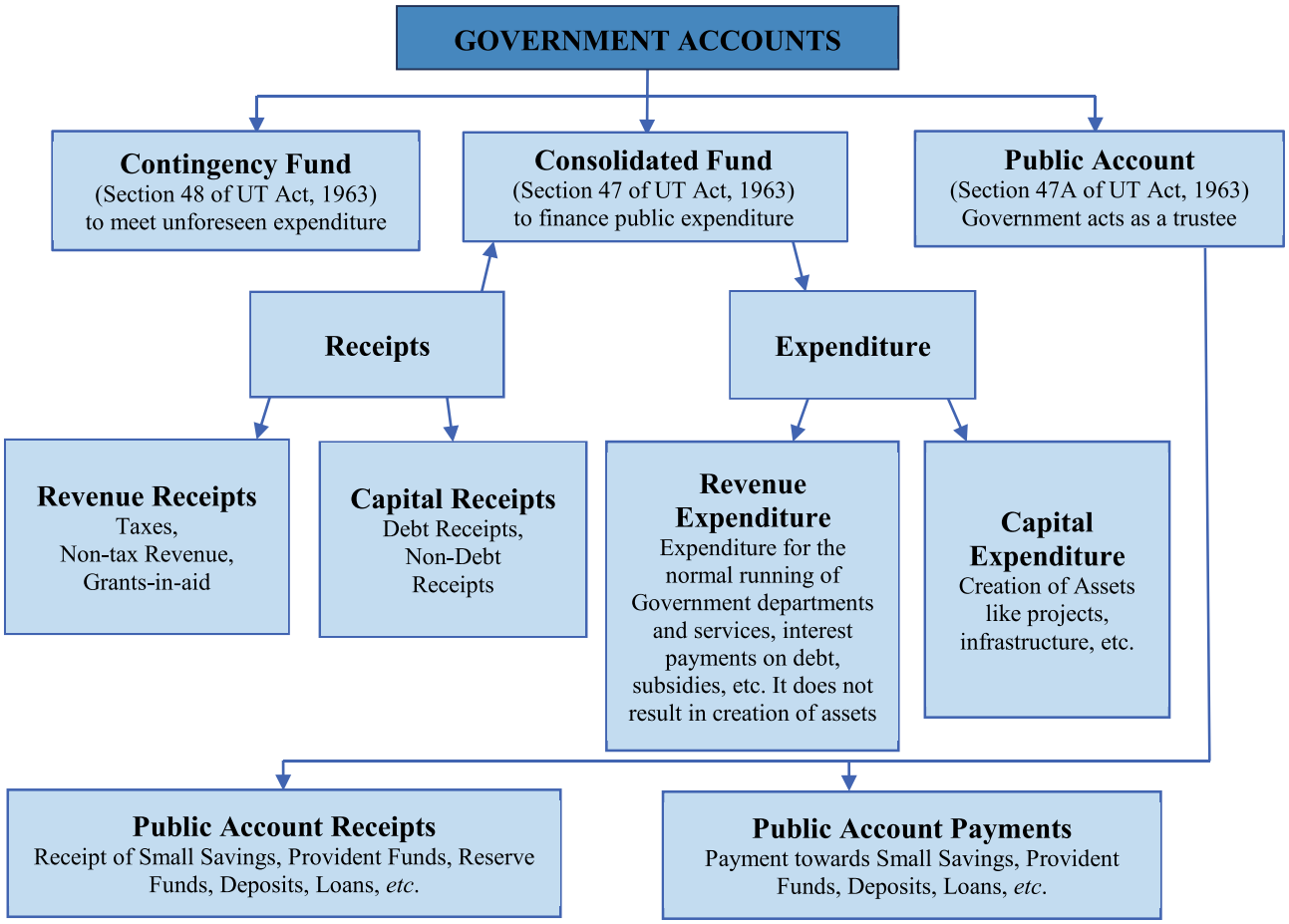
	conduct a supplementary audit of the audit on the accounts of Public Sector Undertakings (PSUs) conducted by statutory auditors who were appointed by the CAG.

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 Controller General of Accounts	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 Head. 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 2020-21 *vis-à-vis* actuals of 2019-20.

Table 1.2: Budget Estimates and actuals for the year 2020-21 *vis-à-vis* actuals of 2019-20

(₹ in crore)

Sl. No.	Components	2019-20	2020-21		Percentage of Actuals to Budget Estimate	Percentage of Actuals to GSDP*
		Actuals	Budget Estimate	Actuals		
1	Tax revenue	2,475	3,673	1,948	53.04	5.35
2	Non-tax revenue	1,638	1,574	1,460	92.76	4.01
3	Share of Union taxes/duties	Nil	Nil	Nil		
4	Grants from the Government of India	2,668	2,023	2,482	122.69	6.82
5	**Revenue receipts (1+2+3+4)**	**6,781**	**7,270**	**5,890**	**81.02**	**16.18**
6	Recoveries of loans and advances	1	2	0		
7	Other receipts	Nil	Nil	Nil		
8	Borrowings and other Liabilities #	1,043	1,410	2,529	179.36	6.95
9	**Capital Receipts (6+7+8)**	**1,044**	**1,412**	**2,529**	**179.11**	**6.95**
10	**Total Receipts (5+9)**	**7,825**	**8,682**	**8,419**	**96.97**	**23.13**
11	**Revenue expenditure**	**6,836**	**7,715**	**7,260**	**94.10**	**19.94**
12	Interest payments	690	737	757	102.71	2.08
13	**Capital expenditure**	**327**	**378**	**245**	**64.81**	**0.67**
14	Capital Outlay	327	372	240	64.52	0.66
15	Loans and advances	Nil	6	5	83.33	0.01
16	**Total Expenditure (11+13)**	**7,163**	**8,093**	**7,505**	**92.73**	**20.62**
17	**Revenue Deficit (-) / Surplus (+) (5-11)**	**(-) 55**	**(-) 445**	**(-) 1,370**	**307.87**	**(-) 3.76**
18	**Fiscal Deficit {16-(5+6+7)}**	**(-) 381**	**(-) 821**	**(-) 1,615**	**196.71**	**(-) 4.44**
19	**Primary Deficit/Surplus (18-12)**	**309**	**(-) 84**	**(-) 858**	**1,021.43**	**(-) 2.36**

* GSDP at current prices is ₹ 36,402 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 2020-21 decreased by ₹ 891 crore over the previous year. This coupled with the increase in Revenue expenditure of ₹ 424 crore had resulted in revenue deficit of ₹ 1,370 crore. The Capital outlay decreased by ₹ 87 crore from ₹ 327 crore in 2019-20 to ₹ 240 crore in 2020-21. The fiscal deficit increased steeply from ₹ 381 crore in 2019-20 to ₹ 1,615 crore in 2020-21.

The UT received total compensation of ₹ 1,348.79 crore on account of loss of revenue arising out of the implementation of GST during 2020-21. Out of this, ₹ 606.79 crore was received by the UT as grants under revenue receipts.

However, due to inadequate balance in GST compensation fund during the year 2020-21, the UT also received back-to-back loan of ₹ 742 crore from GoI which has been classified under debt receipts of the UT Government with repayment obligations from the cess collected in GST compensation fund and not from any other resources of the UT. Due to this arrangement, the revenue deficit of ₹ 1,370 crore and the fiscal deficit of ₹ 1,615 crore during the year 2020-21 may be read in conjunction with debt receipt of ₹ 742 crore in lieu of GST compensation.

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**				
		2019-20	**2020-21**	**increase (+)/ decrease (-) (in *per cent*)**			**2019-20**	**2020-21**	**increase (+)/ decrease (-) (in *per cent*)**
Consolidated Fund									
A	External Debt	49.61	49.61	--					
	Internal Debt	6,911.07	7,978.35	15.44	a.	Gross Capital Outlay	7,086.80	7,326.36	3.38
B	Loans and Advances from GoI	1,418.50	2,042.06	43.96	b.	Loans and Advances	9.87	14.56	47.52
Contingency Fund		**0.50**	**0.50**	**--**					
Public Account									
A	Small Savings, Provident Funds, etc.	697.81	419.13	(-) 39.94	a.	Advances	0.63	0 .58	(-) 7.94
B	Deposits	506.92	550.10	8.52	b.	Remittance	0.00	0.00	0
C	Reserve Funds	232.17	247.25	6.50	c.	Suspense and Miscellaneous	106.91	--	--
D	Remittances	154.98	154.98	--	**Cash balance (including investment in Earmarked Fund)**		**1,642.05**	1,675.39	2.03
E	Suspense and Miscellaneous	--	69.80	--					
					Total		**8,846.26**	**9,016.89**	1.93
					Deficit in Revenue Account		**1,125.30**	**2,494.89**	121.71
Total		**9,971.56**	**11,511.78**	**15.45**	**Total**		**9,971.56**	**11,511.78**	**15.45**

It could be seen that the Internal Debt of the UT increased by 15.44 *per cent* from ₹ 6,911.07 crore in 2019-20 to ₹ 7,978.35 crore in 2020-21. The loans and advances from GoI also increased by 43.96 *per cent* from ₹ 1,418.50 crore in 2019-20 to ₹ 2,042.06 crore in 2020-21. This was due to the fact that the Government of India released an amount of ₹ 742 crore as back-to-back loan in lieu of GST Compensation shortfall instead of as Grants-in-aid. The Gross Capital Outlay increased by 3.38 *per cent* from ₹ 7,086.80 crore in 2019-20 to ₹ 7,326.36 crore in 2020-21.

1.5 Fiscal Balance: Achievement of deficit and total debt targets

As the UT of Puducherry was not covered under Finance Commission, Fiscal Responsibility and Budget Management (FRBM) Act was not enacted. However, Fiscal Road Map (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 2020-21 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 2016-17 to 2020-21

Year	Fiscal variables	Revenue Deficit (-)/ Surplus(+) (₹ in crore)	Fiscal Deficit/ GSDP	Ratio of total outstanding debt of the Government to GSDP (in *per cent*)
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
2020-21	Targets proposed in FRM	(+) 100.00	0.95	21.12
	Targets proposed in the Budget	(-) 445.00	2.26	Not prescribed
	Actuals	(-) 1,369.59	4.44	25.62*

* Calculated excluding the back-to-back loan of ₹ 742 crore received from GoI in lieu of GST Compensation shortfall

(Source: Finance Audit Report of the respective years and FRM for the year 2020-21)

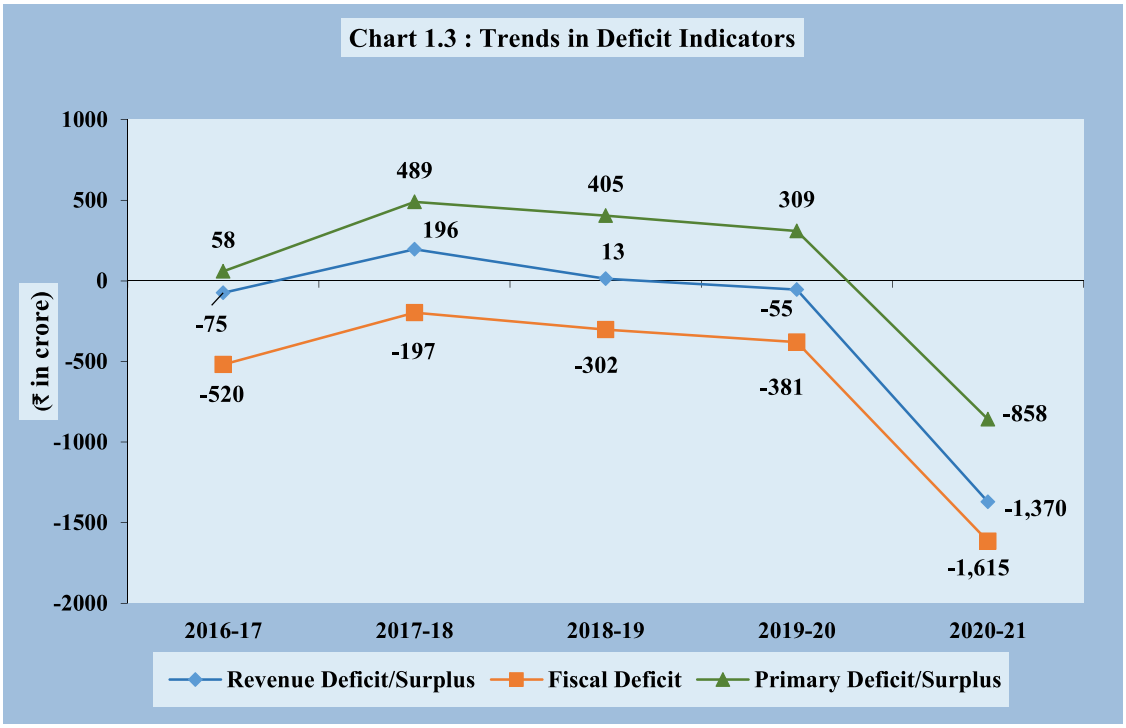
Table1.5: Actuals *vis-à-vis* projection in FRM for 2020-21

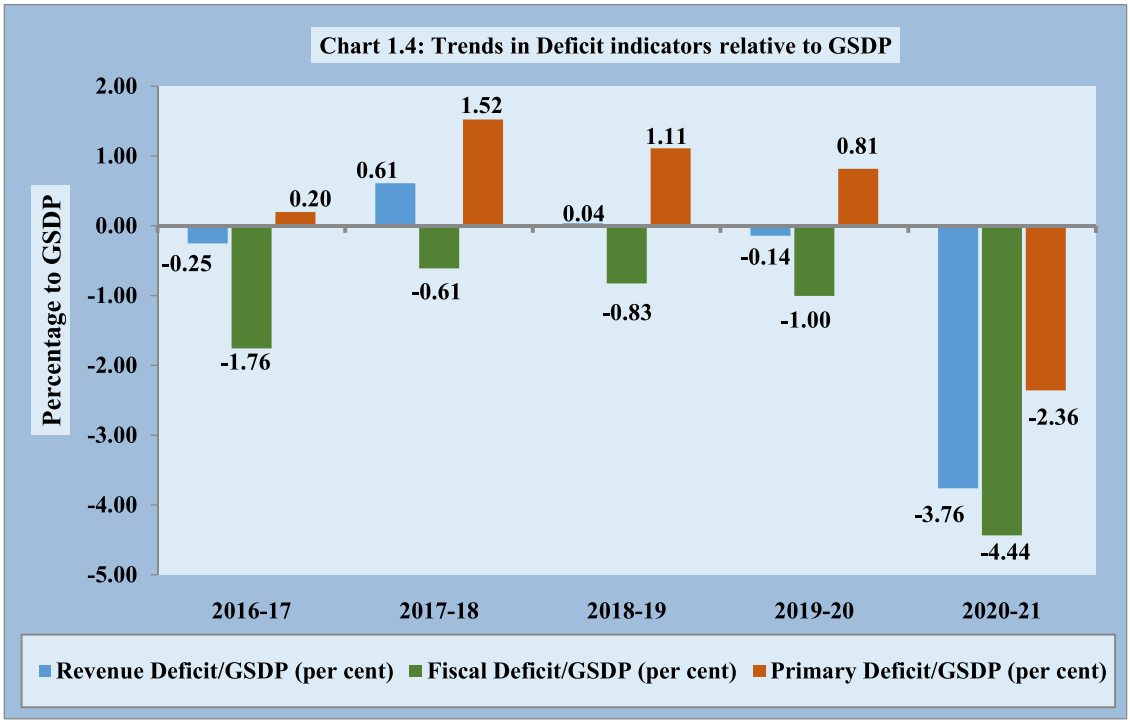
(₹ in crore)

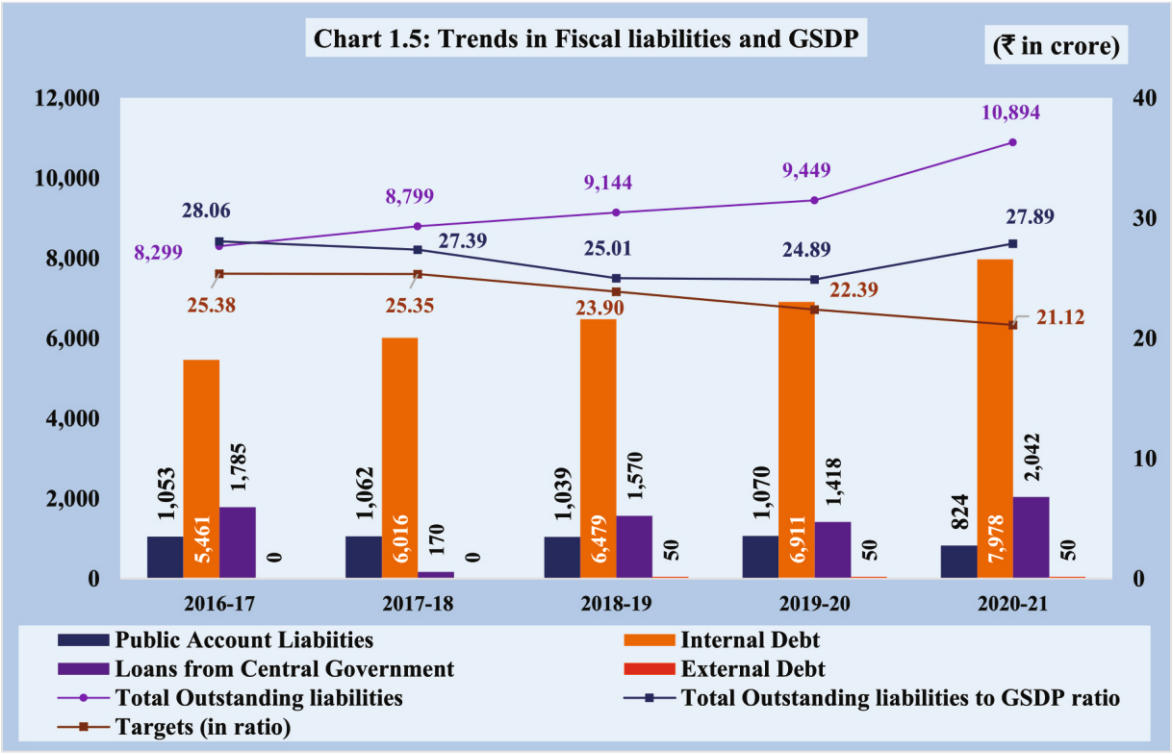
Sl. No.	Fiscal Variables	Projection as per FRM	Actuals (2020-21)	Variation between projection and actuals	Variation (in *per cent*)
1	Own Tax Revenue	3,678	1,948	(-) 1,730	(-) 47.04
2	Non-tax Revenue	1,644	1,460	(-) 184	(-) 11.19
3	Share of central taxes	0	0	0	0.00
4	Grants-in-aid from GoI	2,078	2,482	404	19.44
5	Revenue receipts (1+2+3+4)	7,400	5,890	(-) 1,510	(-) 20.41
6	Revenue expenditure	7,300	7,260	(-) 40	(-) 0.55
7	Revenue Deficit (-)/ Surplus (+) (5-6)	100	(-) 1,370	(-) 1,470	(-) 1,470.00
8	Fiscal Deficit (-)/ Surplus (+)	(-) 398	(-) 1,615	(-) 1,217	(-) 305.78
9	Debt-GSDP ratio (*per cent*)	21.12	25.62*	6.54	
10	GSDP growth rate at current prices (*per cent*)	10.95	(-) 4.10	(-) 15.05	

* Calculated excluding the back-to-back loan of ₹ 742 crore received from GoI in lieu of GST Compensation shortfall

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







- 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 and 2020-21. Though the revenue deficit during 2019-20 was ₹ 55 crore, it increased alarmingly to ₹ 1,370 crore during 2020-21 as against the revenue surplus target of ₹ 100 crore proposed in the FRM. This was mainly due to lower receipt of GST compensation (₹ 255 crore) from Government of India and decrease in Revenue receipts (₹ 891 crore) during 2020-21 and due to increase in Revenue expenditure (₹ 424 crore). 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.

- The total liabilities increased from ₹ 8,299 crore in 2016-17 to ₹ 10,894 crore in 2020-21, the ratio of outstanding liabilities to GSDP decreased from 28.06 in 2016-17 to 27.89[1] in 2020-21. The loans and advances from GoI increased from ₹ 1,785 crore in 2016-17 to ₹ 2,042 crore in 2020-21. This was due to release of ₹ 742 crore by the Government of India as back-to-back loan in lieu of GST Compensation shortfall instead of as Grants-in-aid.

1 Calculated excluding the back-to-back loan of ₹ 742 crore received from GoI in lieu of GST compensation shortfall

- The UT was not able to contain the ratio of fiscal deficit to GSDP as envisaged in the FRM during 2020-21. The ratio of fiscal deficit to GSDP during 2020-21 was 4.44 *per cent* as against the target of 0.95 *per cent* contemplated in the FRM and 2.26 *per cent* proposed in the budget as well.

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 atleast 0.5 *per cent* of the outstanding liabilities as at the end of the previous year. During the beginning of the financial year 2020-21, the outstanding liabilities stood at ₹ 8,030.64 crore. As such, an amount of ₹ 40.15 crore should have been contributed to the Fund. However, it was seen that only ₹ 15.08 crore has been contributed to the Fund during 2020-21 which resulted in understatement of Revenue/Fiscal deficit to the tune of ₹ 25.07 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)

	2016-17	2017-18	2018-19	2019-20	2020-21
Total outstanding debt/liabilities	8,299	8,799	9,137	9,449	10,894
Rate of growth of outstanding debt (in *per cent*)	7.03	6.02	3.84	3.41	15.29
GSDP at current prices	29,573	32,129	36,555	37,959	36,402
Ratio of total outstanding debt to GSDP (in *per cent*)	28.06	27.39	25.00	24.89	27.89*

* Calculated excluding the back-to-back loan of ₹ 742 crore received from GoI in lieu of GST compensation shortfall

(Source: Finance Accounts of the respective years)

- The outstanding debt grew by 15.29 *per cent* over previous year.
- Considering the capital expenditure of only ₹ 240 crore during 2020-21 and the fiscal deficit of ₹ 1,615 crore, it is indicative that the borrowing during the year was utilised for financing the revenue expenditure mainly on interest payments and lower priority accorded 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 2016-17 to 2020-21, 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 2020-21 *vis-à-vis* 2019-20

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 2020-21 compared to 2019-20.

Table 2.1: Changes in key fiscal aggregates in 2020-21 compared to 2019-20

Revenue Receipts	✓ Revenue receipts of the UT decreased by 13.14 *per cent* ✓ Own Tax receipts of the UT decreased by 21.29 *per cent* ✓ Non-tax receipts decreased by 10.87 *per cent* ✓ Grants-in-aid from Government of India decreased by 6.97 *per cent*
Revenue Expenditure	✓ Revenue expenditure increased by 6.20 *per cent* ✓ Revenue expenditure on General Services increased by 5.14 *per cent* ✓ Revenue expenditure on Social Services increased by 0.41 *per cent* ✓ Revenue expenditure on Economic Services increased by 14.16 *per cent* ✓ Expenditure on Grants-in-aid was Nil
Capital Expenditure	✓ Capital expenditure decreased by 26.61 *per cent* ✓ Capital expenditure on General Services increased by 85.71 *per cent* ✓ Capital expenditure on Social Services decreased by 45.63 *per cent* ✓ Capital expenditure on Economic Services decreased by 21.92 *per cent*
Loans and Advances	✓ Disbursement of Loans and Advances increased from Nil to ₹ 5 crore ✓ Recoveries of Loans and Advances decreased by 35.85 *per cent*
Public Debt	✓ Public Debt Receipts increased by 142.47 *per cent* ✓ Repayment of Public Debt increased by 9.97 *per cent*
Public Account	✓ Public account receipts decreased by 2.37 *per cent* ✓ Disbursement of Public account increased by 17.72 *per cent*
Cash Balance	✓ Cash balance increased by ₹ 33 crore (2.01 *per cent*) in 2020-21 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 2020-21 with 2019-20, while **Charts 2.1** and **2.2** give the details of receipts and expenditure from the Consolidated Fund during 2020-21 in terms of percentages.

Table 2.2: Details of Sources and Application of funds during 2019-20 and 2020-21

(₹ in crore)

	Particulars	2019-20	2020-21	Increase(+)/ Decrease(-)
Sources	Opening Cash Balance with RBI	1,621.28	1,642.05	20.77
	Revenue receipts	6,781.34	5,889.99	(-) 891.35
	Recoveries of Loans and Advances	0.53	0.34	(-) 0.19
	Public debt receipts (Net)	280.77	1,690.84	1,410.07
	Public Account receipts (Net)	120.68	(-) 43.66	(-) 164.34
	Total	**8,804.60**	**9,179.56**	**374.96**
Application	Revenue expenditure	6,835.83	7,259.58	423.75
	Capital expenditure	326.61	239.56	(-) 87.05
	Disbursement of Loans and Advances	0.11	5.03	4.92
	Closing Cash Balance with RBI	1,642.05	1,675.39	33.34
	Total	**8,804.60**	**9,179.56**	**374.96**

(Source: Finance Accounts 2020-21)

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

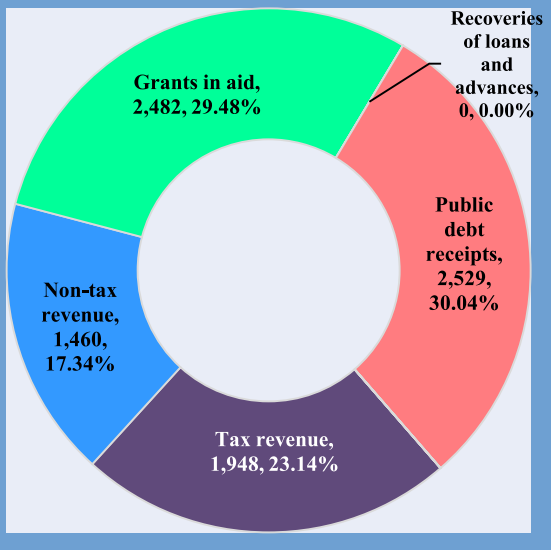
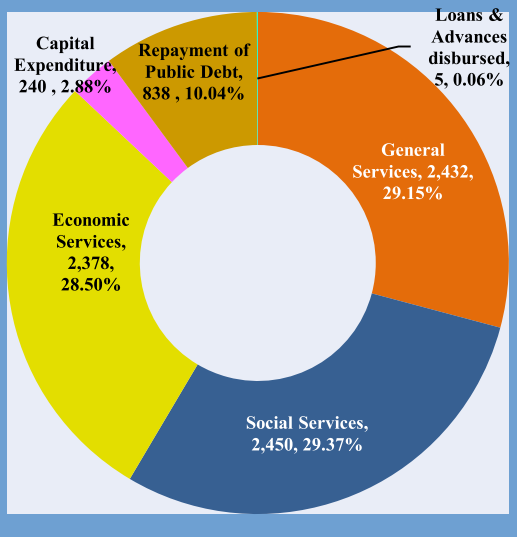


Chart 2.2: Application of Resources (₹ in crore) ₹ goes to



(Source: Finance Accounts 2020-21)

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.

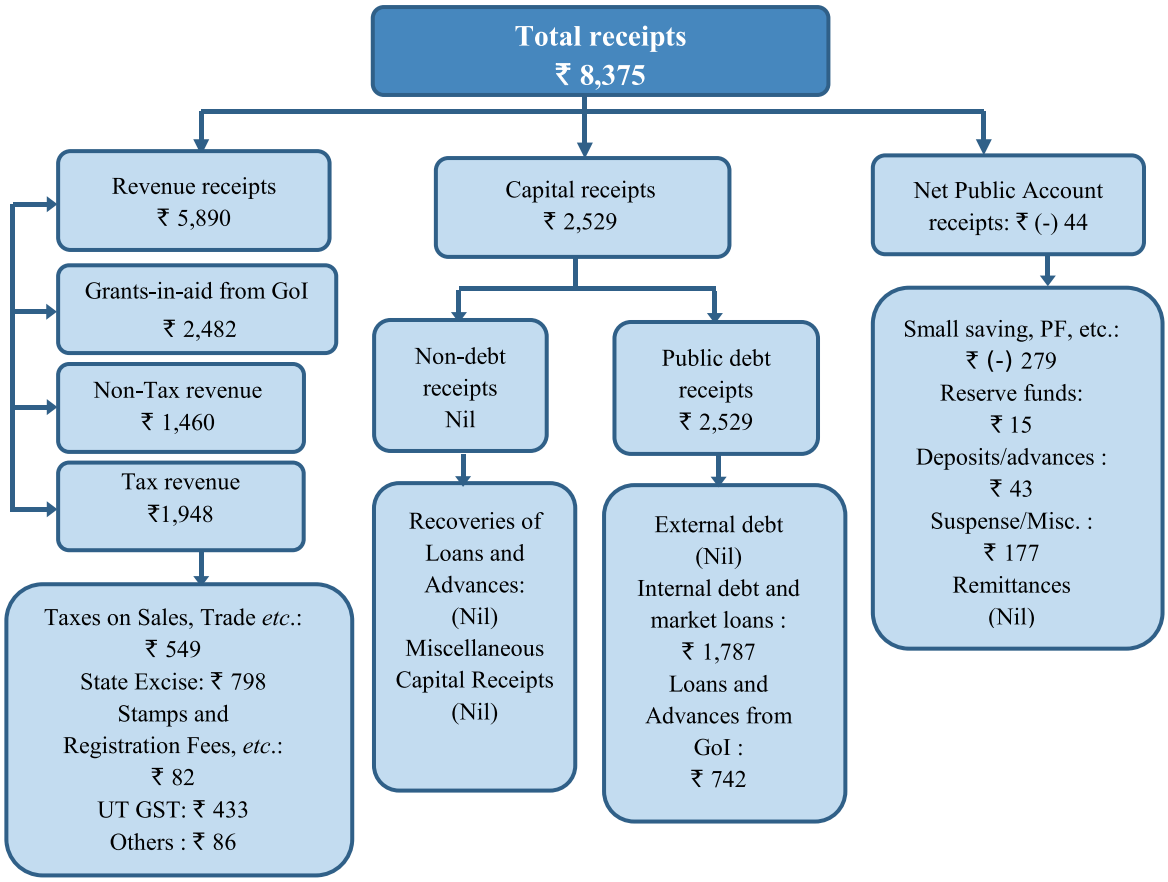
Net Public Accounts receipts: There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc*., which do not form part of the Consolidated Fund. These are kept in the Public Account set up under Section 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 2020-21

(₹ 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 2016-21. Further, trends in Revenue receipts relative to GSDP and composition of Revenue receipts are given in **Charts 2.4** and **2.5** respectively.

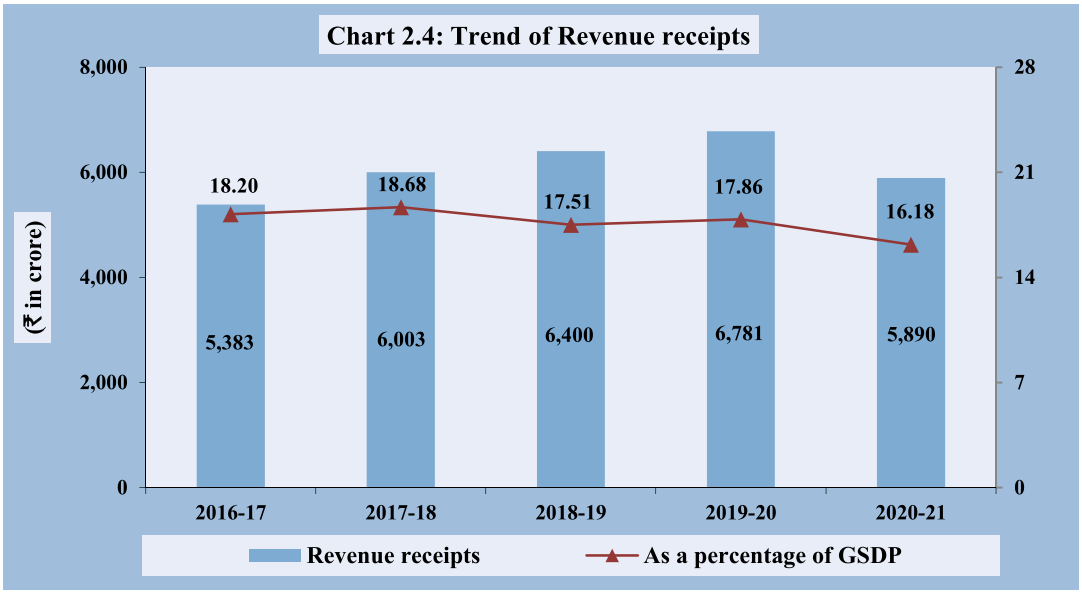
Table 2.3: Trends in Revenue receipts relative to GSDP

	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue receipts (RR) (₹ in crore)	5,383	6,003	6,400	6,781	5,890
Rate of growth of RR (*per cent*)	5.80	11.52	6.61	5.95	(-) 13.14
Own tax Revenue (₹ in crore)	2,401	2,806	3,188	2,475	1,948
Non-tax Revenue (₹ in crore)	1,245	1,374	1,584	1,638	1,460
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (*per cent*)	7.30	14.65	14.16	(-) 13.81	(-) 17.14
Gross State Domestic Product (₹ in crore) (2011-12 Series)	29,573	32,130	36,555	37,959	36,402
Rate of growth of GSDP (*per cent*)	11.11	8.64	13.78	3.84	(-) 4.10
RR/GSDP (*per cent*)	18.20	18.68	17.51	17.86	16.18
Buoyancy Ratios[1]					
Revenue buoyancy with reference to GSDP (ratio)	0.52	1.33	0.48	1.55	3.20
UT's own tax buoyancy with reference to GSDP (ratio)	0.56	1.95	0.99	(-) 5.83	5.19

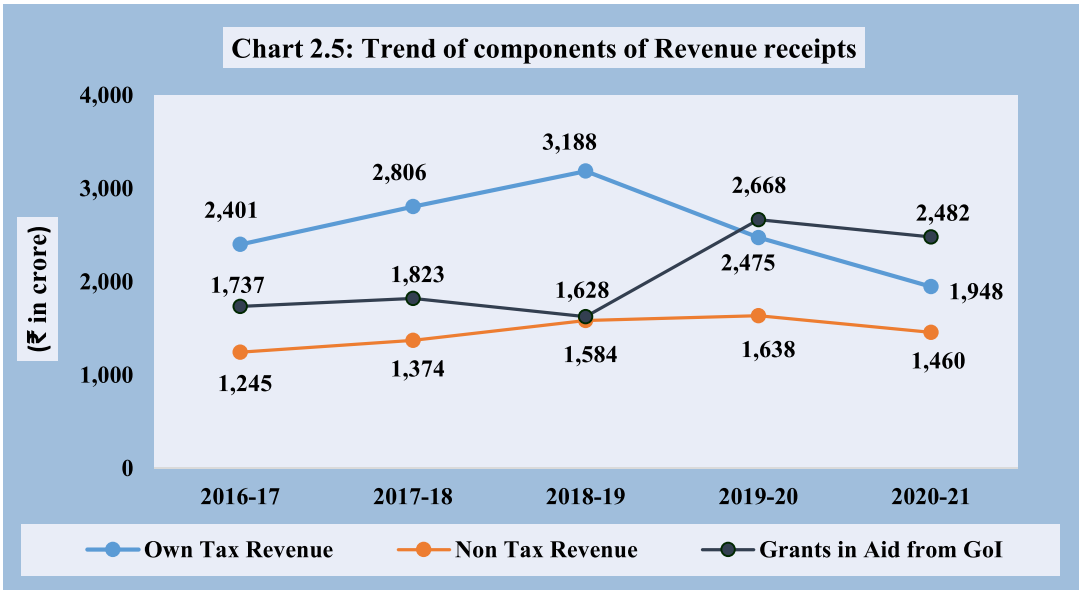
(Source: GSDP figures of Directorate of Economics and Statistics)

Revenue receipts of the UT comprising of own tax and non-tax revenue decreased by 3.19 *per cent* from ₹ 3,646 crore in 2016-17 to ₹ 3,408 crore in 2020-21. The rate of growth of own revenue decreased by 17.14 *per cent* when compared to the previous year leading to revenue deficit of ₹ 1,370 crore in 2020-21 when compared to the revenue deficit of ₹ 55 crore in the year 2019-20.

[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)



(Source: Finance Accounts of respective years)

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

Revenue receipts increased by 9.42 *per cent* from ₹ 5,383 crore in 2016-17 to ₹ 5,890 crore in 2020-21. During 2020-21, the growth rate of GSDP was negative at (-) 4.10 *per cent* whereas the growth rate of revenue receipts was (-) 13.14 *per cent*, which contributed to the revenue deficit.

About 57.86 *per cent* of the Revenue receipts during 2020-21 came from the UT's own resources (₹ 3,408 crore), while Grants-in-aid (₹ 2,482 crore) contributed 42.14 *per cent*.

The decrease in the Revenue receipts of the Union Territory by ₹ 891 crore over the previous year was due to decrease in Tax Revenue (₹ 527 crore), Non-tax revenue (₹ 178 crore) and Grants-in-aid from GoI (₹ 186 crore) during the year. The decrease in own tax revenue was mainly

under SGST (₹ 348.66 crore) and State Excise (₹ 69.98 crore) due to less receipts on apportionment of Integrated Goods and Services Tax (IGST) transfer in tax component to SGST and less sale of malt liquors. Similarly, the decrease under Non-tax revenue was mainly due to less sale of power (₹ 128.72 crore).

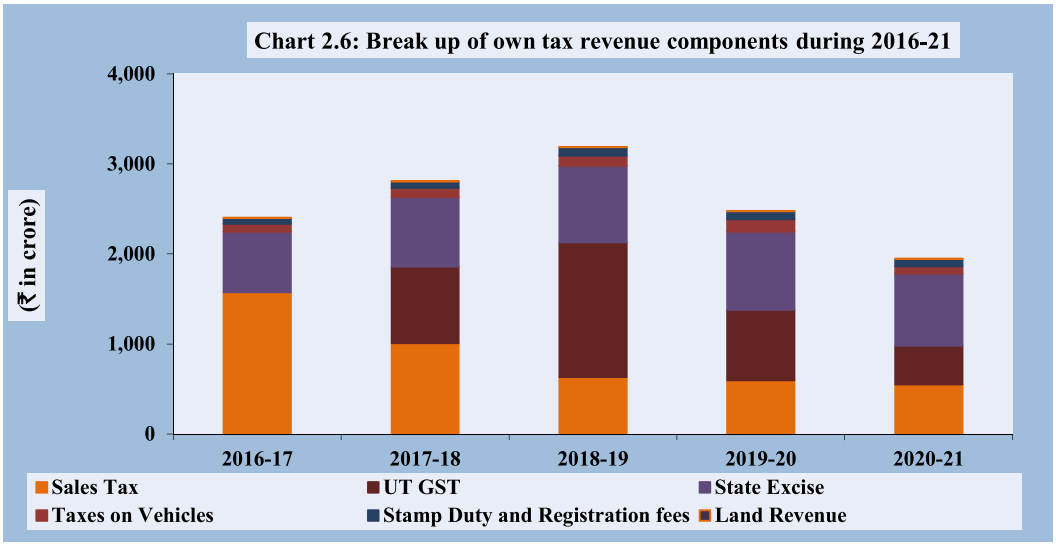
During the current year, the increase of 6.20 *per cent* (₹ 424 crore) in Revenue expenditure and the decrease of 13.14 *per cent* (₹ 891 crore) in Revenue receipts led to increase in revenue deficit from ₹ 55 crore in the year 2019-20 to ₹ 1,370 crore in 2020-21. The UT received total compensation of ₹ 1,348.79 crore on account of loss of revenue arising out of the implementation of GST during 2020-21. Out of this, ₹ 606.79 crore was received by the UT as grants under revenue receipts. However, due to inadequate balance in GST compensation fund during the year 2020-21, the UT also received back-to-back loan of ₹ 742 crore from GoI which has been classified under debt receipts of the UT Government with repayment obligations from the cess collected in GST compensation Fund and not from any other resources of the UT. Due to this arrangement, the revenue deficit of ₹ 1,370 crore and the fiscal deficit of ₹ 1,615 crore during the year 2020-21 may be read in conjunction with debt receipt of ₹ 742 crore in lieu of GST compensation.

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	2016-17	2017-18	2018-19	2019-20	2020-21	Spark line
Sales Tax	1,576	1,008	632	597	549	
UT GST	0	852	1,499	781	433	
State Excise	671	770	850	868	798	
Taxes on Vehicles	87	104	114	139	84	
Stamp Duty and Registration fees	66	71	92	88	82	
Land Revenue	1	1	1	2	2	
Total	**2,401**	**2,806**	**3,188**	**2,475**	**1,948**	

(Source: Finance Accounts of respective years)

UT's Tax revenue decreased from ₹ 2,475 crore in 2019-20 to ₹ 1,948 crore in 2020-21 by ₹ 527 crore (21.29 *per cent*) over the previous year. UT Goods and Services Tax (UTGST), Sales Tax, State Excise and Taxes on Vehicles decreased by ₹ 348 crore, ₹ 48 crore, ₹ 70 crore and ₹ 55 crore respectively during 2020-21. The decrease in UTGST was due to less receipts on apportionment of IGST transfer from GoI. The decrease in Sales Tax during 2020-21 was mainly due to less collection under Trade Tax, State Sales Tax and Central Sales Tax. Similarly, the decrease in respect of State Excise was due to less sale of Malt Liquors and in respect of Taxes on Vehicles, it was due to less receipts under the State Motor Vehicles Taxation Acts.

Government stated (January 2022) that due to COVID Pandemic there was decrease in collection of Tax/Non-tax revenue.

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 2020-21 is ₹ 2,109.04 crore. Revenue figure under GST for the year 2020-21 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 2020-21 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**	Back-to-back loan in lieu of shortfall in GST compen-sation	Total including compen-sation and loan-in-lieu of compen-sation	Deficit/ Excess
1	2	3	4	5	6= (3+4+5)	7	8	9= (6+7+8)	10 = (2-8)
2020-21	2,109.04	549.22	322.38	110.51	982.11	606.79	742.00	2,330.90	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 2020-21 is under reconciliation
*** This includes non-subsumed tax components also
(Figures excluding refunds as worked out by UT Government)
(Source: Finance Accounts 2020-21)

As seen from the above table, the projected revenue for the year 2020-21 is ₹ 2,109.04 crore. The UT Government had so far received ₹ 606.79 crore as compensation and ₹ 742 crore as back-to-back loan in lieu of the shortfall in compensation. The certification of revenue for 2020-21 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 2021 under the principal heads of revenue amounted to ₹ 1,241.99 crore, of which ₹ 552.59 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	822.03	258.67	Arrears were due to non-payment of electricity charges
2.	Commercial Taxes	288.94	231.05	Arrears related to collection of tax under PGST/ CST and VAT Acts, major portion is subjudice
3.	Excise	69.98	48.91	Arrears were mainly due to non-payment of *kist* by the lessees of arrack and toddy shops
4.	Public Works	48.84	12.92	Arrears in payment of water tax
5.	Transport (except RTO, Karaikal)	4.31	--	Arrears relating to collection of taxes on vehicles
6.	Higher and Technical Education	3.56	--	Arrears of tuition fee from students
7.	Accounts and Treasury	2.75	0.34	Arrears related to audit fee from Religious Institutions
8.	Revenue	0.81	0.12	Arrears due to land tax, licence fees towards mining, etc.
9.	Hindu Religious Institutions and Wakf Board	0.77	0.58	Arrears were due to shortfall in collection of dues from temples
Total		**1,241.99**	**552.59**	

(Source: Details furnished by respective Departments)

Table 2.6 further indicates that the amount of uncollected revenue as on 31 March 2021 was about 21.11 *per cent* of the total revenue (₹ 5,890 crore) raised by the Government during the year 2020-21.

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 2020-21	Total assessments due	Cases disposed of during 2020-21	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	20,527	Nil	20,527	1,806	18,721	8.80

(Source: Details furnished by the Department)

It was seen that out of 14,388 cases pertaining to the period from 2008-09 to 2014-15, only 1,078 cases were disposed during 2020-21. Similarly, out of 6,139 cases for the period 2015-17, only 728 cases were disposed of. 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 2020	Cases detected during 2020-21	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 2021
					No. of cases	Amount of demand (₹ in crore)	
1.	State Goods and Services Tax	21	47	68	42	1.01	26
2	Sales Tax / VAT	244	Nil	244	06	0.04	238
3	State Excise	Nil	140	140	140	0.33	Nil

(Source: Details furnished by the Department)

It was seen that out of 264 cases, 205 cases were pending for more than five years under Sales Tax/VAT and 41 cases[2] were pending for period ranging from three to five years. During the year, the Department could clear only 2.46 *per cent* of pending Sales Tax/VAT cases as against 244 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.

Government (January 2022) assured to look into the matter regarding the pendency in VAT assessment and delay in finalisation of cases of evasion of tax detected.

Pendency of refund cases

The number of refund cases pending at the beginning of the year 2020-21, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2020-21 relating to CTD (UT Goods and Services Tax) is given in **Table 2.9**.

[2] Sales Tax/VAT: 33 cases and State Goods and Services Tax: 8 cases

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	15	6.68
2.	Claims received during the year	130	42.35
3.	Refunds made during the year	124	47.93
4.	Refunds rejected during the year	18	0.28
5.	Balance outstanding at the end of year	3	0.82

(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 2016-21 are given in **Table 2.10**.

Table 2.10: Components of non-tax revenue

(₹ in crore)

Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21	Spark line
Interest receipts	66	99	95	99	67	
Dividends and Profits	0	2	1	3	0	
Other Non-Tax receipts, of which	1,179	1,273	1,488	1,536	1,393	
(a) Power	1,116	1,197	1,353	1,423	1,295	
(b) Medical and Public Health	13	17	26	11	17	
(c) Water Supply and Sanitation	7	15	24	21	17	
(d) Ports and Light Houses	9	12	11	12	10	
(e) Housing	1	1	7	7	7	
(f) Miscellaneous General Services	7	5	31	37	2	
(g) Education, Sports, Art and Culture	1	1	7	2	1	
(h) Others	25	25	29	23	44	
Total	**1,245**	**1,374**	**1,584**	**1,638**	**1,460**	

(Source: Finance Accounts of respective years)

Non-tax Revenue, which ranged between 23 and 25 *per cent* of total Revenue receipts of the UT during the five-year period from 2016-17 to 2020-21,

though increased from ₹ 1,245 crore in 2016-17 to ₹ 1,638 crore in 2019-20, it decreased to ₹ 1,460 crore in 2020-21. The decrease in sale of power from ₹ 1,423 crore in 2019-20 to ₹ 1,295 crore in 2020-21 mainly contributed to the decrease in Non-tax revenue.

2.3.2.3 Grants-in-aid from GoI

The Grants-in-aid (GIA) received from GoI for the years 2016-17 to 2020-21 are given in **Table 2.11** and **Chart 2.7** depicts the Grants-in-aid to Revenue receipts.

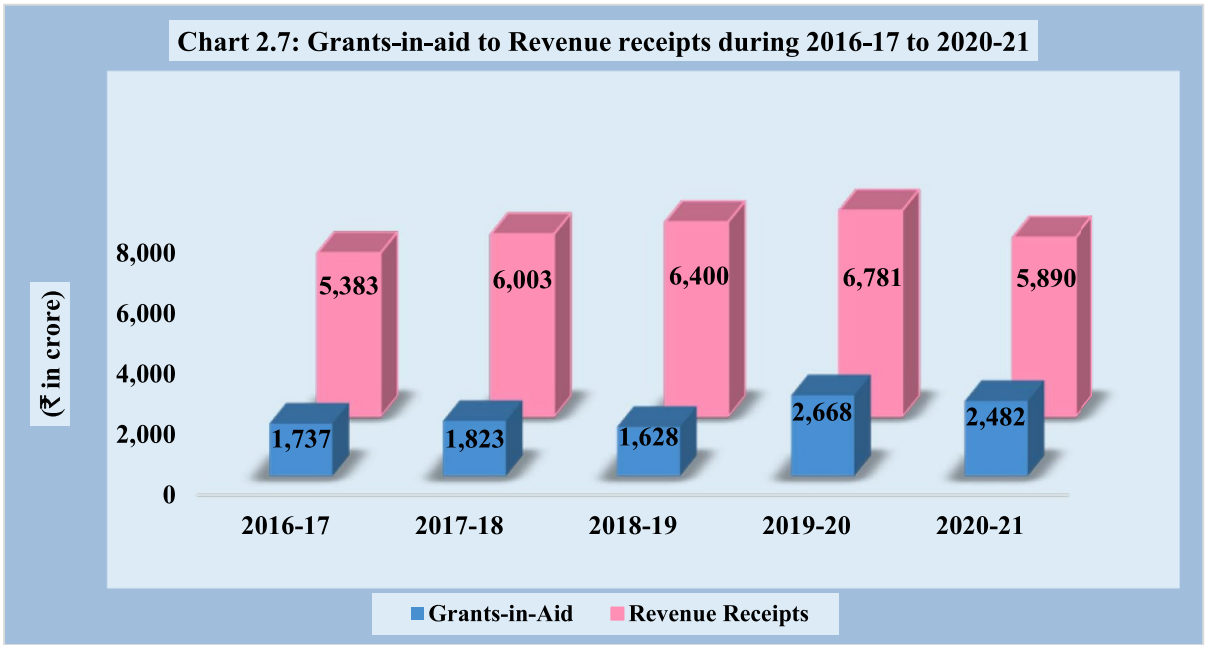
Table 2.11: Grants-in-aid from Government of India

(₹ in crore)

Head	2016-17	2017-18	2018-19	2019-20	2020-21
Non-Plan Grants	747	28	5	--	5
Grants for State/UT Plan Schemes	795	11	--	--	--
Grants for Central Plan Schemes	--	--	--	--	--
Grants for Centrally Sponsored Schemes (CSS)	195	383	152	201	164
Other transfers/Grants to States/Union Territories with Legislature	--	1,401	1,471	2,467	2,313
Total	**1,737**	**1,823**	**1,628**	**2,668**	**2,482**
Percentage of increase/decrease over the previous year	2.78	4.95	(-) 10.70	63.88	(-) 6.97
Percentage of GIA to Revenue receipts	32.27	30.37	25.44	39.35	42.14

(Source: Finance Accounts of respective years)

Chart 2.7: Grants-in-aid to Revenue receipts during 2016-17 to 2020-21



(Source: Finance Accounts of respective years)

Grants-in-aid received from GoI decreased by ₹ 186 crore (6.97 *per cent*) during 2020-21. However, the total grant as a percentage of Revenue receipts

increased from 39.35 in 2019-20 to 42.14 in 2020-21. Out of the central assistance of ₹ 1,698 crore, the release during February and March 2021 was ₹ 679.20 crore (40 *per cent*).

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 2016-21 are given in **Table 2.12**.

Table 2.12: Trends in growth and composition of Capital receipts

(₹ in crore)

Source of receipts	2016-17	2017-18	2018-19	2019-20	2020-21
Capital receipts	**822**	**1,062**	**1,008**	**1,044**	**2,529**
Miscellaneous Capital receipts	Nil	Nil	Nil	Nil	Nil
Recovery of Loans and Advances	2	1	1	1	Nil
Net Public Debt receipts	**820**	**1,061**	**1,007**	**1,043**	**2,529**
External Debt	Nil	Nil	50	Nil	Nil
Internal Debt	748	989	957	1,043	1,787
Growth rate	16.51	32.22	(-) 3.24	8.99	71.33
Loans and Advances from GoI	72	72	Nil	Nil	742
Growth rate	(-) 27.27	--	(-) 100.00	--	742
Rate of growth of debt Capital receipts (*per cent*)	10.66	29.39	(-) 5.09	3.57	142.47
Rate of growth of non-debt Capital receipts (*per cent*)	--	(-) 50.00	--	--	(-) 100
Rate of Growth of GSDP	11.11	8.64	13.78	3.84	(-) 4.10
Rate of growth of Capital receipts (*per cent*)	10.63	29.20	(-) 5.08	3.57	142.24

(Source: Finance Accounts of respective years)

The Capital receipts increased by ₹ 1,485 crore in 2020-21 on account of increase in Public Debt receipts. The debt Capital receipts of the UT increased from ₹ 1,043 crore in 2019-20 to ₹ 2,529 crore in 2020-21. The increase was mainly due to increase in Market loans (₹ 420 crore), loan from Public Account (₹ 297 crore) and back-to-back loan in lieu of GST compensation shortfall (₹ 742 crore).

Public debt receipts create future repayment obligation and these are taken from Market, Financial Institutions and Central Government. During the five-year period 2016-21, 46.95 *per cent* of Public debt receipts were used for

repayment of Public Debt taken in earlier years and the remaining 53.05 *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 for the year 2020-21 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	3,678	3,673	1,948	(-) 46.96	(-) 47.04
Non-tax revenue	1,644	1,574	1,460	(-) 7.24	(-) 11.19

(Source: Finance Accounts and Budget documents)

The own tax revenue decreased by ₹ 1,730 crore (47.04 *per cent*) and ₹ 1,725 crore (46.96 *per cent*) than the target proposed in the FRM and budget estimate respectively. Similarly, Non-tax revenue also decreased by ₹ 184 crore (11.19 *per cent*) and ₹ 114 crore (7.24 *per cent*) from the target proposed in the FRM and budget estimates respectively. The decrease in own tax revenue was mainly due to decrease in UTGST collection to the extent of ₹ 348 crore. Similarly, the decrease under Non-tax revenue was mainly due to less sale of power (₹ 128.72 crore).

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 ₹ 5,890 crore, the grants from GoI accounted for ₹ 2,482 crore which was 42.14 *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 2016-21 are given in **Tables 2.14** and **2.15** and **Charts 2.8** and **2.9**.

Table 2.14: Total expenditure and its composition

(₹ in crore)

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total expenditure (TE)	5,905	6,201	6,703	7,163	7,505
Revenue expenditure (RE)	5,458	5,807	6,387	6,836	7,260
Capital expenditure (CE)	447	394	313	327	240
Loans and Advances	0	0	3	0	5
As a percentage of GSDP					
TE/GSDP	19.97	19.30	18.34	18.87	20.62
RE/GSDP	18.46	18.07	17.47	18.01	19.94
CE/GSDP	1.51	1.23	0.86	0.86	0.66
Loans and Advances/GSDP	0.00	0.00	0.01	0.00	0.01

(Source: Finance Accounts of respective years)

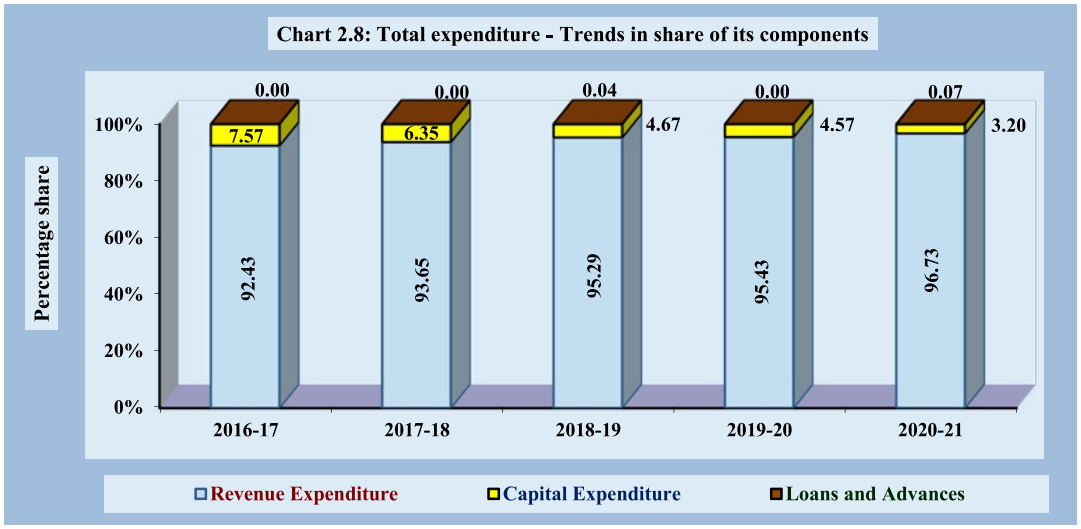
The **Table 2.14** shows that Total Expenditure of the UT increased by ₹ 1,600 crore (27.10 *per cent*) from ₹ 5,905 crore in 2016-17 to ₹ 7,505 crore in 2020-21. During the year 2020-21, it increased by 4.77 *per cent* from ₹ 7,163 crore in 2019-20 to ₹ 7,505 crore in 2020-21. As a percentage of GSDP, the total expenditure increased from 19.97 in 2016-17 to 20.62 in 2020-21. The significant increase in Revenue expenditure from ₹ 5,458 crore in 2016-17 to ₹ 7,260 crore in 2020-21 contributed to the increase in total expenditure, which resulted in revenue deficit of ₹ 1,370 crore in the year 2020-21.

Table 2.15: Relative share of various sectors of expenditure

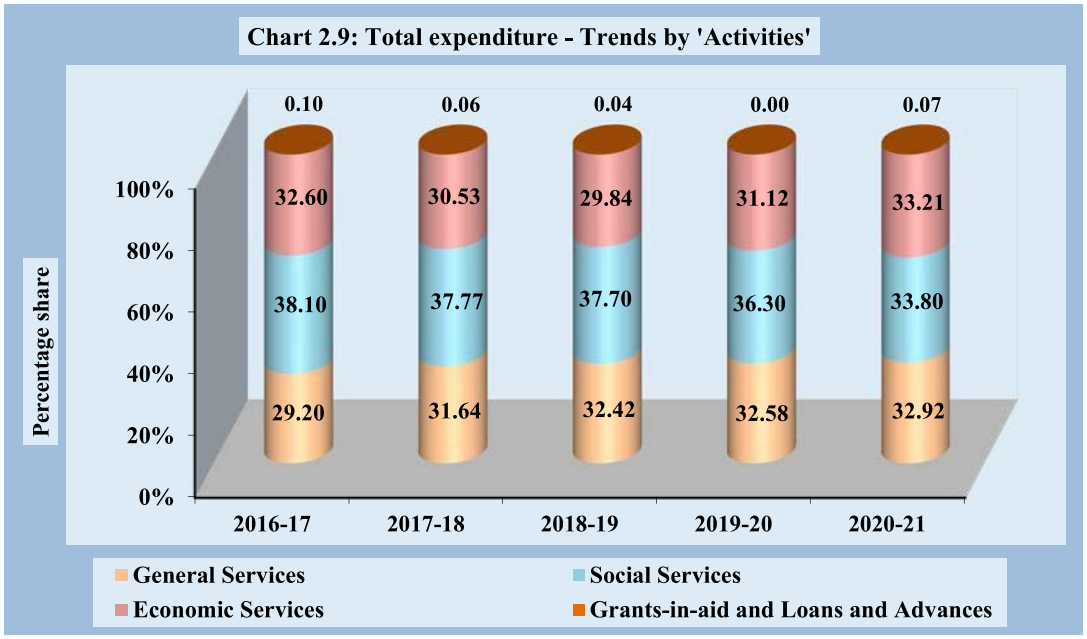
(in *per cent*)

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
General Services	29.20	31.64	32.42	32.58	32.92
Social Services	38.10	37.77	37.70	36.30	33.80
Economic Services	32.60	30.53	29.84	31.12	33.21
Others (Grants to Local Bodies and Loans and Advances)	0.10	0.06	0.04	0.00	0.07

(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 ₹ 424 crore (6.20 *per cent*) whereas Capital expenditure decreased by ₹ 87 crore (26.61 *per cent*) during 2020-21 as compared to the previous year. The Capital expenditure has significantly decreased in the last few years with its share as a percentage of GSDP decreasing from 1.51 in 2016-17 to 0.66 in 2020-21.

It could be seen from **Chart 2.8** that the Revenue expenditure as a share of total expenditure was increasing consistently over a period of five years (2016-21) and stood at 96.73 *per cent* of the total expenditure during 2020-21. Consistent increase in Revenue expenditure was due to the fact that the committed expenditure had gradually increased from ₹ 3,091 crore in 2016-17 to ₹ 4,172 crore in 2020-21. Further, as a percentage of total expenditure, the

expenditure under General Services increased from 29.20 to 32.92 during the period 2016-21, whereas the expenditure under Social Services gradually decreased from 38.10 to 33.80 during the same period.

The proportion of Capital expenditure to total expenditure decreased from 7.57 *per cent* in 2016-17 to 3.20 *per cent* in 2020-21 which indicated that lower priority was accorded to infrastructure development/creation of capital assets.

During 2020-21, the expenditure on General Services and Economic Services increased by ₹ 137 crore (5.87 *per cent*) and ₹ 263 crore (11.80 *per cent*) respectively whereas Social Services decreased by ₹ 63 crore (2.42 *per cent*) 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 ₹ 7,260 crore during 2020-21 increased by ₹ 424 crore as compared to ₹ 6,836 crore in 2019-20. It constituted 96.73 *per cent* of total expenditure of ₹ 7,505 crore during the year. As a percentage of GSDP also, the Revenue expenditure increased from 18.01 in 2019-20 to 19.94 in 2020-21. The buoyancy of Revenue expenditure with reference to Revenue receipts during 2020-21 stood at (-) 0.47.

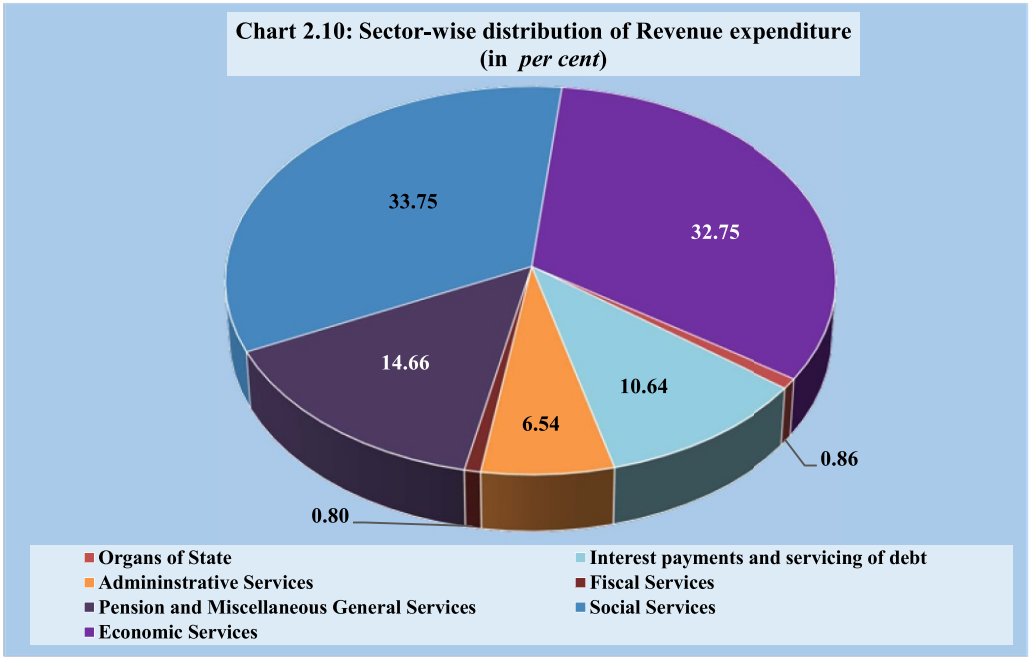
The overall Revenue expenditure, its rate of growth, its ratio to Total expenditure and buoyancy *vis-à-vis* GSDP and Revenue receipts during 2016-17 to 2020-21 are given in **Table 2.16** and the sectoral distribution of Revenue expenditure pertaining to 2020-21 are given in **Chart 2.10**.

Table 2.16: Revenue expenditure - Basic Parameters

(₹ in crore)

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total expenditure (TE)	5,905	6,201	6,703	7,163	7,505
Revenue expenditure (RE)	5,458	5,807	6,387	6,836	7,260
Rate of Growth of RE (*per cent*)	3.27	6.39	9.99	7.03	6.20
Revenue expenditure as percentage of TE	92.43	93.65	95.29	95.43	96.73
RE/GSDP (*per cent*)	18.46	18.07	17.47	18.01	19.94
RE as percentage of RR	101.39	96.73	99.80	100.81	123.25
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.29	0.74	0.73	1.83	(-) 1.51
Revenue receipts (ratio)	0.56	0.56	1.51	1.18	(-) 0.47

(Source: Finance Accounts of respective years)



(Source: Finance Accounts 2020-21)

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 raised from 18.01 *per cent* in 2019-20 to 19.94 *per cent* in 2020-21, although the rate of growth of GSDP was negative at (-) 4.10 *per cent* over the previous year, when compared to the rate of growth of Revenue expenditure, which stood at 6.20 *per cent* during 2020-21. As against the target of ₹ 7,300 crore fixed for Revenue expenditure in FRM, the actual Revenue expenditure was ₹ 7,260 crore.

2.4.2.1 Major changes in Revenue Expenditure

There was a net increase of ₹ 424 crore in the Revenue expenditure from ₹ 6,836 crore in 2019-20 to ₹ 7,260 crore in 2020-21. The significant variation under various heads of account with regard to Revenue expenditure of the UT during 2019-20 and 2020-21 are given in **Table 2.17**.

Table 2.17: Variation in Revenue expenditure during 2020-21 as compared to 2019-20

(₹ in crore)

Major Heads and description		**2019-20**	**2020-21**	**Increase (+)/ Decrease (-)**
2015	Elections	8.69	17.30	8.61
2202	General Education	700.25	740.23	39.98
2203	Technical Education	87.82	94.24	6.42
2210	Medical and Public Health	610.15	594.72	(-) 15.43

Major Heads and description		2019-20	2020-21	Increase (+)/ Decrease (-)
2216	Housing	30.11	62.28	32.17
2217	Urban Development	64.85	107.24	42.39
2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	131.41	113.36	(-) 18.05
2235	Social Security and Welfare	531.24	507.39	(-) 23.85
2245	Relief on account of Natural Calamities	60.66	12.37	(-) 48.29
2408	Food Storage and Warehousing	182.89	235.18	52.29
2505	Rural Employment	19.74	14.40	(-) 5.34
2801	Power	1,420.39	1,711.19	290.80
2852	Industries	86.97	40.24	(-) 46.73
3055	Road Transport	14.80	24.53	9.73

(Source: Finance Accounts of respective years)

Table 2.17 indicates that Revenue expenditure under Food Storage and Warehousing and Power projects increased due to increase in the expenses on food subsidies and on transmission and distribution respectively during 2020-21. Similarly, decrease in respect of Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities was mainly due to decrease in award of various scholarship, stipend and incentive to SC students (₹ 11.70 crore). Under Social Security and Welfare, the decrease was mainly due to decrease in financial assistance to Women's Development Corporation (₹ 13.98 crore) and under Industries, it was mainly due to decrease in financial assistance to Pondicherry Textile Corporation (₹ 38.51 crore).

2.4.2.2 Committed expenditure

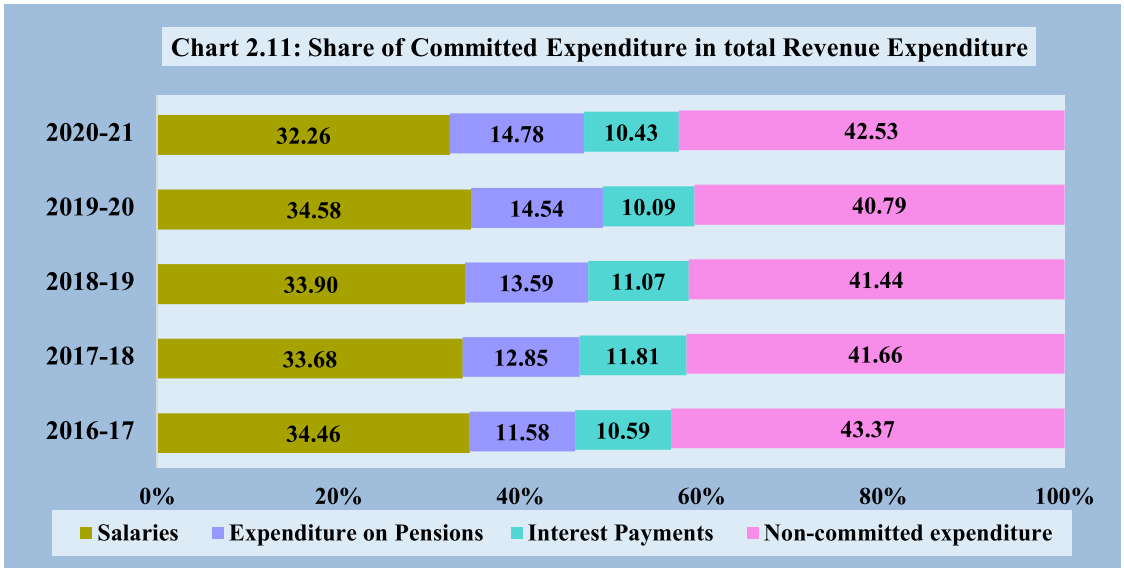
The committed expenditure of the UT Government on revenue account consists of interest payments, expenditure on salaries and pensions. It has first charge on Government resources. Upward trend in committed expenditure leaves the Government with lesser flexibility for development sector. The various components of committed expenditure and its share in total Revenue Expenditure are given in **Table 2.18** and **Chart 2.11**.

Table 2.18: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2016-17	2017-18	2018-19	2019-20	2020-21
Salaries[3]	1,881	1,956	2,165	2,364	2,342
Expenditure on Pensions	632	746	868	994	1,073
Interest Payments	578	686	707	690	757
Total	**3,091**	**3,388**	**3,740**	**4,048**	**4,172**
As a percentage of Revenue Receipts (RR)					
Salaries	34.94	32.58	33.83	34.86	39.76
Expenditure on Pensions	11.74	12.43	13.56	14.66	18.22
Interest Payments	10.74	11.43	11.05	10.18	12.85
Total	**57.42**	**56.44**	**58.44**	**59.70**	**70.83**
As a percentage of Revenue Expenditure (RE)					
Salaries	34.46	33.68	33.90	34.58	32.26
Expenditure on Pensions	11.58	12.85	13.59	14.54	14.78
Interest Payments	10.59	11.81	11.07	10.09	10.43
Total	**56.63**	**58.34**	**58.56**	**59.21**	**57.47**

(Source: Finance Accounts of respective years)



(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 ₹ 3,091 crore in 2016-17 to ₹ 4,172 crore in 2020-21 by ₹ 1,081 crore. Further, the committed expenditure constituted 57.47 *per cent* of Revenue expenditure and 70.83 *per cent* of Revenue receipts during 2020-21. The non-committed expenditure, a portion of which is being spent on

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

operation and maintenance of existing social and economic services, on an average constituted only 42 *per cent* of the Revenue expenditure.

Expenditure on salaries during the current year was ₹ 2,342 crore, which declined by ₹ 22 crore (0.93 *per cent*) over the previous year and stood at 39.76 *per cent* of Revenue receipts (₹ 5,890 crore) and 32.26 *per cent* of Revenue expenditure (₹ 7,260 crore) respectively. Over the five-year period 2016-21, it increased by ₹ 461 crore (24.51 *per cent*) from ₹ 1,881 crore in 2016-17 to ₹ 2,342 crore in 2020-21.

Pension payments increased by 7.95 *per cent* from ₹ 994 crore in 2019-20 to ₹ 1,073 crore in 2020-21 and it stood at 18.22 *per cent* and 14.78 *per cent* of Revenue receipts and Revenue expenditure respectively. Over the five-year period 2016-21, it increased by ₹ 441 crore (69.78 *per cent*) from ₹ 632 crore in 2016-17 to ₹ 1,073 crore in 2020-21.

Interest payments increased by ₹ 67 crore (9.71 *per cent*) in 2020-21 over the previous year. It constituted around 12.85 *per cent* and 10.43 *per cent* of Revenue receipts and Revenue expenditure respectively. As Public Debt increased from ₹ 7,246 crore in 2016-17 to ₹ 10,070 crore in 2020-21, the interest payment also increased from ₹ 578 crore to ₹ 757 crore during the same period. The increase in interest payments contributed to the revenue deficit.

The committed expenditure constituted 57.47 *per cent* of the Revenue expenditure in 2020-21. This indicated that only 42.53 *per cent* of the Revenue expenditure was utilised for maintenance of the existing General, Social and Economic Services.

2.4.2.3 Subsidies

The amount of subsidy provided by UT Government during 2016-17 to 2020-21 are given in **Table 2.19**.

Table 2.19: Expenditure on subsidies during 2016-21

	2016-17	2017-18	2018-19	2019-20	2020-21
Subsidies (₹ in crore)	134	157	173	223	282
Subsidies as a percentage of Revenue receipts	2.49	2.62	2.70	3.29	4.79
Subsidies as a percentage of Revenue expenditure	2.46	2.70	2.71	3.26	3.88

(Source: Finance Accounts of respective years)

Subsidies as a percentage of Revenue expenditure increased from 2.46 *per cent* (₹ 134 crore) in 2016-17 to 3.88 *per cent* (₹ 282 crore) in 2020-21 which represents the expenditure booked under the object head '33-Subsidies' mainly under Revenue and Food (₹ 235 crore), Agriculture and Farmer Welfare (₹ 25 crore) and Social Welfare (₹ 16 crore). The expenditure

on subsidies during 2020-21 contributed to 20.58 *per cent* of the revenue deficit of ₹ 1,370 crore.

During the year 2020-21, UT Government provided implicit subsidy of ₹ 17 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 kits to Artisans/Building construction workers, free supply of rice to all disabled persons.

Government stated (January 2022) that the issue regarding classification of subsidies would be examined.

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	2016-17	2017-18	2018-19	2019-20	2020-21
(A) Local Bodies					
Municipalities	41.95	7.64	9.79	6.66	17.93
Panchayati Raj Institutions	3.58	0.77	1.44	2.41	2.20
Total (A)	**45.53**	**8.41**	**11.23**	**9.07**	**20.13**
(B) Others					
Educational Institutions (Aided Schools, Aided Colleges, Universities, *etc*.)	32.12	104.37	48.36	36.43	44.74
Development agencies and Autonomous Bodies	504.92	381.23	319.68	229.72	310.10
Co-operatives	57.45	14.62	10.07	36.26	14.69
Other Institutions*	28.88	150.90	359.02	467.90	390.05
Total (B)	**623.37**	**651.12**	**737.13**	**770.31**	**759.58**
Total (A+B)	**668.90**	**659.53**	**748.36**	**779.38**	**779.71**
Revenue expenditure	5,458	5,807	6,387	6,836	7,260
Assistance as a percentage of Revenue expenditure	12.26	11.36	11.72	11.40	10.74

* Welfare societies and religious institutions

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

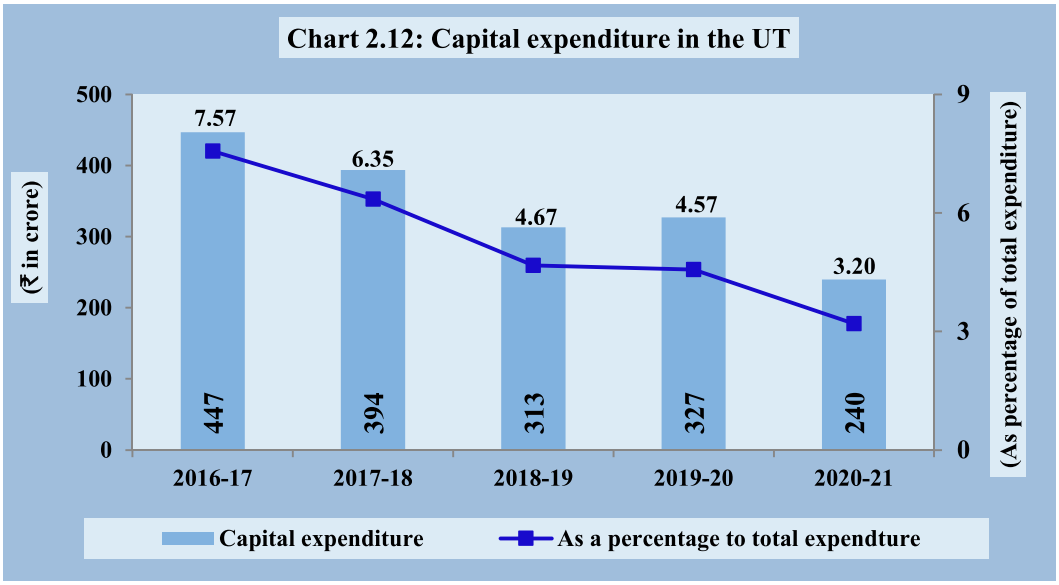
Financial assistance extended to Municipalities and Panchayati Raj Institutions increased by 121.94 *per cent* during 2020-21, whereas the overall financial assistance remained almost constant during 2019-20 and 2020-21.

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 ₹ 447 crore in 2016-17 to ₹ 240 crore in 2020-21. As a percentage of total expenditure, it stood at 3.20 during 2020-21. However, the UT did not expend the budgetary allocation on creation of assets in any year during the five-year period 2016-21. During 2020-21, as against the budgetary allocation of ₹ 372 crore, only ₹ 240 crore (64.52 *per cent*) was expended.

The details of year-wise Capital expenditure during 2016-17 to 2020-21 and its percentage to total expenditure are given in **Chart 2.12**.



(Source: Finance Accounts of respective years)

It could be seen from **Chart 2.12** that the Capital expenditure was on a decreasing trend. The steep decline in Capital expenditure by ₹ 207 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

There was a net decrease of ₹ 87.05 crore in the Capital expenditure from ₹ 326.61 crore in 2019-20 to ₹ 239.56 crore in 2020-21. The significant variations under various heads of account with regard to Capital expenditure of the UT during 2019-20 and 2020-21 are given in **Table 2.21**.

Table 2.21: Capital expenditure during 2020-21 compared to 2019-20

(₹ in crore)

	Major Heads of Account	2019-20	2020-21	Increase (+)/ Decrease (-)
4055	Capital Outlay on Police	3.88	5.53	1.65
4059	Capital Outlay on Public Works	15.52	30.29	14.77
4070	Capital Outlay on other Administrative Services	1.33	2.93	1.60
4202	Capital Outlay on Education, Sports, Art and Culture	17.01	54.16	37.15
4210	Capital Outlay on Medical and Public Health	108.86	7.18	(-) 101.68
4215	Capital Outlay on Water Supply and Sanitation	26.54	20.68	(-) 5.86
4702	Capital Outlay on Minor Irrigation	7.88	0.91	(-) 6.97
4711	Capital Outlay on Flood Control Projects	12.47	5.34	(-) 7.13
4801	Capital Outlay on Power Projects	32.17	14.88	(-) 17.29
4851	Capital Outlay on Village and Small Industries	9.27	0.46	(-) 8.81
5051	Capital Outlay on Ports and Light Houses	25.16	3.50	(-) 21.66
5054	Capital Outlay on Roads and Bridges	46.51	82.46	35.95
5452	Capital Outlay on Tourism	8.46	2.98	(-) 5.48

(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 decrease was due to less investments made on infrastructure, maintenance and development of small ports and in respect of Water and Supply and Sanitation, it was due to less developmental works to water supply system. Under Tourism, the decrease was due to reduction in expenditure for tourist infrastructure.

Government stated (January 2022) that due to COVID Pandemic, it was stuck up with committed expenditure and assured that capital expenditure would be boosted.

2.4.3.2 Quality of investments in Public Sector Undertakings

As of March 2021, Government invested ₹ 1,043.54 crore (₹ 714.58 crore[4] in 12 Government Companies and ₹ 328.96 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**.

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

Table 2.22: Return on Investment

Investment/return/cost of borrowings	2016-17	2017-18	2018-19	2019-20	2020-21
Investment at the end of the year (₹ in crore)	1,030.67	1,027.79	1,033.70	1,043.09	1,043.54
Return (₹ in crore)	Nil	0.09	0.09	0.06	0.03
Return (*per cent*)	Nil	0.01	0.01	0.01	Nil
Average rate of interest on Government Borrowings (*per cent*)	7.20	8.02	7.88	7.42	7.44
Difference between interest rate and return (*per cent*)	7.20	8.01	7.87	7.41	7.44
Difference between interest on Government borrowings and return on investment (₹ in crore)	74.21	82.34	81.37	77.34	77.61

(Source: Finance Accounts of respective years)

The average rate of return on investment was 0.01 *per cent* during 2017-18 to 2019-20 and negligible during 2020-21, while the average rate of interest paid by the UT Government during 2016-21 ranged between 7.20 and 8.02 *per cent*.

Out of the total 12 working PSUs, six PSUs earned profit of ₹ 35.07 crore and six PSUs incurred losses of ₹ 62.43 crore aggregating to overall loss of ₹ 27.36 crore during 2020-21. 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 2021. 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 2021 are given in **Table 2.23**.

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 2020-21	Cumulative investment as on 31 March 2021
			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

[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.

Sl. No.	Company	Status of PSU	Net profit/ loss after tax		Net Worth	Investment in Share Capital during 2020-21	Cumulative investment as on 31 March 2021
			Year	Amount			
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-	2018-19	(-) 15.71	(-) 34.41	Nil	34.78
	Sub-total			**(-) 62.43**	**(-) 290.14**	**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-	2019-20	9.64	141.48	Nil	99.78
	Subtotal			**35.07**	**299.56**	**Nil**	**268.38**
	Investments in 359 Co-operative Institutions						**328.96**
	Central Government Investment						**1.68**
	Other Investments[6]						**0.51**
Grand Total				**(-) 27.36**	**9.42**	**Nil**	**1,043.54**

(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 any of these PSUs during the last five years ending 2020-21.

Considering the average cost of borrowings of 7.44 *per cent* for the year 2020-21, these companies are required to earn a minimum return of ₹ 53 crore against which these companies reported a total net loss of ₹ 27.36 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 2021

(₹ in crore)

Year of commence-ment	No of incomp-lete projects	Estimated cost	Expen-diture (as on 31 March 2021)
2007	1	6.26	5.92
2009	1	8.00	6.99
2011	1	71.62	64.84
2014	1	11.00	4.17
2015	5	8.77	5.48
2016	6	90.57	57.53
2017	4	15.54	12.09
2018	5	33.56	9.95
2019	16	94.46	27.38
2020	17	64.51	18.49
2021	1	0.21	0.11
Total	**58**	**404.50**	**212.95**

(Source: Finance Accounts 2020-21)

Table 2.25: Department-wise profile of incomplete projects as on 31 March 2021

(₹ in crore)

Depart-ment	No of incom-plete projects	Estimated cost	Expen-diture
Public Work/ Irrigation	54	391.91	206.85
Electricity	4	12.59	6.10
Total	**58**	**404.50**	**212.95**

It could be seen from **Tables 2.24** and **2.25** that as against estimated amount of ₹ 404.50 crore, an amount of ₹ 212.95 crore has been incurred. The projects, however, remained incomplete as of March 2021. It was seen that in respect of 24 projects on which an expenditure of ₹ 166.97 crore incurred remained incomplete for periods ranging from four to 14 years. Similarly, ₹ 45.98 crore incurred on 34 projects remained incomplete for period ranging from one to four 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 ₹ 447 crore in 2016-17 to ₹ 240 crore in 2020-21. Thus, the funds borrowed for implementation of these projects during the respective years led to extra burden in term of servicing of debt and interest liabilities.

Government agreed (January 2022) that this was a matter of concern and the UT would work on this.

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) 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, the efficiency of expenditure use is also reflected by the ratio of Capital expenditure 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 and Capital expenditure during the current year and comparison of fiscal priority given to different categories of expenditure of UT of Puducherry in 2016-17 and 2020-21 are given in **Table 2.26**.

Table 2.26: Fiscal priority of UT Government in 2016-17 and 2020-21

Fiscal priority of UT		AE/ GSDP	DE/ AE	SSE/ AE	CE/ AE	ESE/ AE	Expenditure on Education, Sports, Art and Culture/AE	Expenditure on Health and Family Welfare/ AE
Puducherry (Percentage)	2016-17	19.97	70.70	38.09	7.57	32.60	13.05	8.30
	2020-21	20.62	67.01	33.81	3.20	33.21	12.20	8.20
General Category States (Percentage)	2016-17	17.12	70.97	35.81	19.97	35.16	14.93	5.49
	2020-21	16.18	66.29	37.81	13.03	28.48	15.00	6.74

AE: Aggregate Expenditure, DE: Development Expenditure, SSE: Social Sector Expenditure, CE: Capital Expenditure, ESE: Economic Sector Expenditure
(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.*, 2016-17 and 2020-21. The increase in aggregate expenditure of UT Government, as a percentage to GSDP from 19.97 in 2016-17 to 20.62 in 2020-21, indicated that UT Government spent more of its GSDP on aggregate expenditure in 2020-21. Capital expenditure of the UT was less than that of GCS during both the years and it reduced from 7.57 *per cent* in 2016-17 to 3.20 *per cent* of the aggregate expenditure in 2020-21. Expenditure on Health and Family Welfare had decreased from 8.30 *per cent* in 2016-17 to 8.20 *per cent* of the aggregate expenditure in 2020-21 and it was higher when compared to the GCS in both the years. Though the expenditure on Education, Sports, Art and Culture increased by ₹ 43.71 crore during 2020-21, as a percentage of aggregate expenditure, it decreased from 13.05 *per cent* in 2016-17 to 12.20 *per cent* in 2020-21. 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 2021 are given in **Table 2.27**.

Table 2.27: Component-wise net balances in Public Account

(₹ in crore)

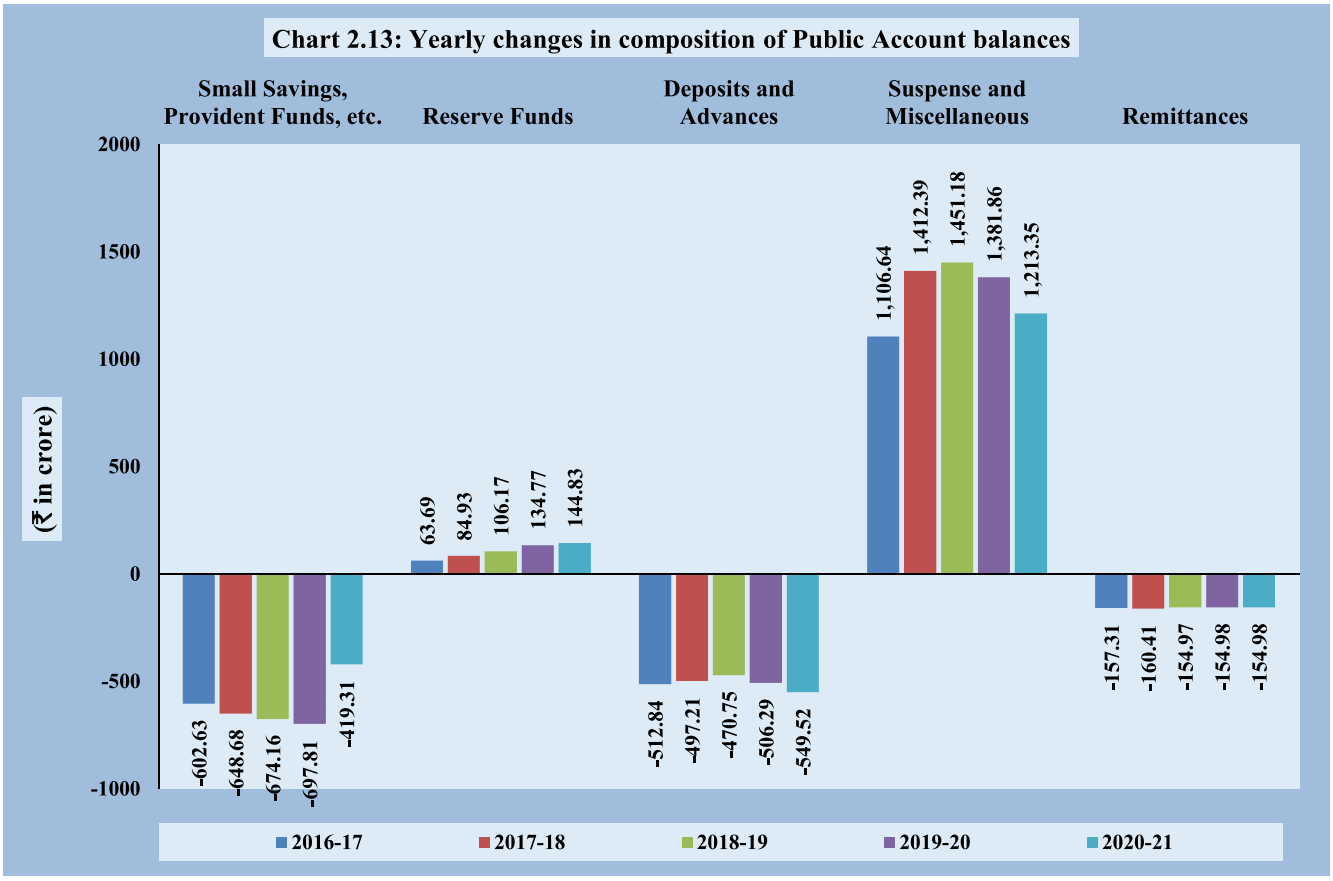
Sector	Sub Sector	2016-17	2017-18	2018-19	2019-20	2020-21
I. Small Savings, Provident Funds, *etc*.	Small Savings, Provident Funds, *etc*.	(-) 602.63	(-) 648.68	(-) 674.16	(-) 697.81	(-) 419.13
J. Reserve Funds	(a) Reserve Funds bearing Interest	--	--	--	--	--
	(b) Reserve Funds not bearing Interest	63.69	84.93	106.17	134.77	144.83
K. Deposits and Advances	(a) Deposits bearing Interest	(-) 97.82	(-) 116.07	(-) 135.49	(-) 165.49	(-) 161.94
	(b) Deposits not bearing Interest	(-) 415.64	(-) 381.82	(-) 335.89	(-) 341.43	(-) 388.16

Sector	Sub Sector	2016-17	2017-18	2018-19	2019-20	2020-21
	(c) Advances	0.62	0.68	0.63	0.63	0.57
L. Suspense and Miscellaneous	(b) Suspense	175.20	(-) 263.54	276.94	307.74	285.94
	(c) Other Accounts	931.44	1,675.93	1,174.24	1,074.12	927.41
	(d) Accounts with Governments of Foreign Countries	--	--	--	--	--
	(e) Miscellaneous	--	--	--	--	--
M. Remittances	(a) Money Orders and other Remittances	(-) 157.31	(-) 160.41	(-) 154.97	(-) 154.98	(-) 154.98
	(b) Inter-Governmental Adjustment Account	--	--	--	--	--
Total		**(-) 102.45**	**191.02**	**257.47**	**157.55**	**234.54**

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 2.13**.

Chart 2.13: Yearly changes in composition of Public Account balances



(Source: Finance Accounts of respective years)

The Public Account liability of the UT Government decreased from ₹ 1,070 crore in 2019-20 to ₹ 824 crore in 2020-21. This was mainly due to

decrease in Small Savings and Provident fund (₹ 278 crore) and increase in Deposits and advances (₹ 43 crore).

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

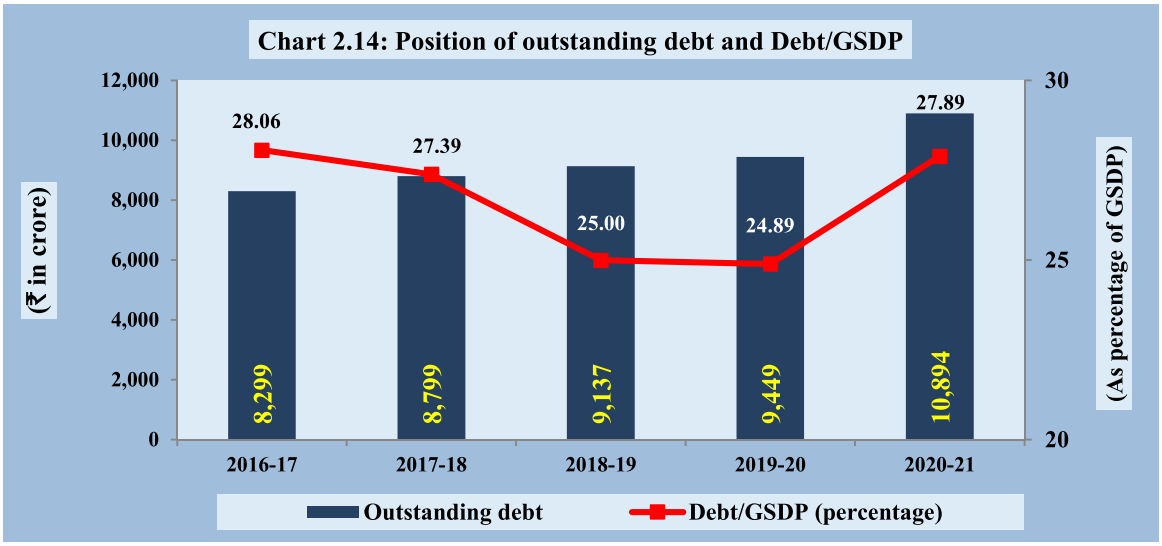
As per the request of the Reserve Bank of India, the UT Government have set up the Consolidated Sinking Fund from the financial year 2009-10. The fund is to be utilised as an Amortisation fund for redemption of the outstanding liabilities (comprise of internal debt and public account liabilities) of the Government. The Government may contribute to the Fund at least 0.5 *per cent* of the outstanding liabilities as at the end of the previous year. During the year 2020-21, the opening outstanding liabilities of the UT Government was ₹ 8,030.64 crore (Public Debt - ₹ 6,960.68 crore and Public Account - ₹ 1,069.96 crore) for which the UT Government had to contribute ₹ 40.15 crore at 0.5 *per cent* of the total outstanding liabilities for which the UT Government had contributed only ₹ 15.08 crore. 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 2021, the UT Government had invested ₹ 1,043.54 crore.

Government stated (January 2022) that it was not viable since the UT faced revenue deficit and further stated that it was not wise to borrow from the market at seven *per cent* and invest the amount at around four *per cent*. However, the non-compliance in this regard is reiterated.

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 2016-17 to 2020-21 are given in **Chart 2.14**.



(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 2.15, 2.16** and **2.17**.

Table 2.28: Component-wise debt trends

(₹ in crore)

Particulars		**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**
Outstanding overall Debt		8,299	8,799	9,137	9,449	10,894
Public Debt		**7,246**	**7,737**	**8,098**	**8,379**	**10,070**
	External Debt	Nil	Nil	50	50	50
	Internal Debt	5,461	6,016	6,479	6,911	7,978
	Loans from GoI	1,785	1,721	1,569	1,418	2,042
Public Account Liabilities		**1,053**	**1,062**	**1,039**	**1,070**	**824**
Rate of growth of outstanding debt (*per cent*)		7.03	6.02	3.84	3.41	15.29
Gross State Domestic Product (GSDP)		**29,573**	**32,129**	**36,555**	**37,959**	**36,402**
Debt/GSDP (*per cent*)		28.06	27.39	25.00	24.89	27.89*
Total Debt Receipts		820	1,061	1,007	1,043	2,529
Total Debt Repayments		224	570	639	762	838
Total Debt Available		596	491	368	281	1,691
Debt Repayments/Debt Receipts (*per cent*)		27.32	53.72	63.46	73.06	33.14

* Calculated excluding the back-to-back loan of ₹ 742 crore received from GoI in lieu of GST Compensation shortfall

(Source: Finance Accounts of respective years)

Chart 2.15: Break up of Outstanding Debt at the end of 2020-21
Total Debt - ₹ 10,894 crore

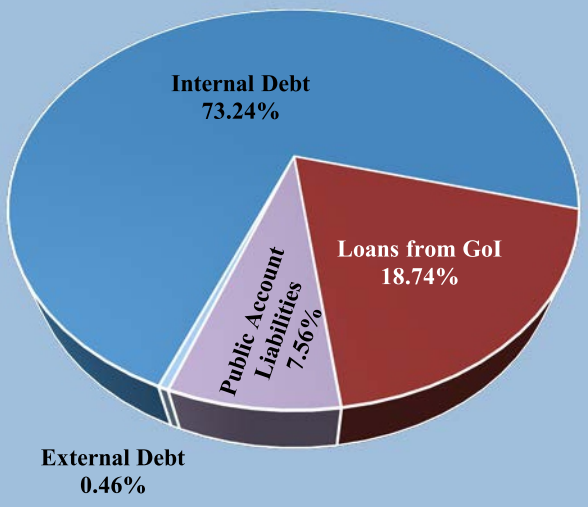
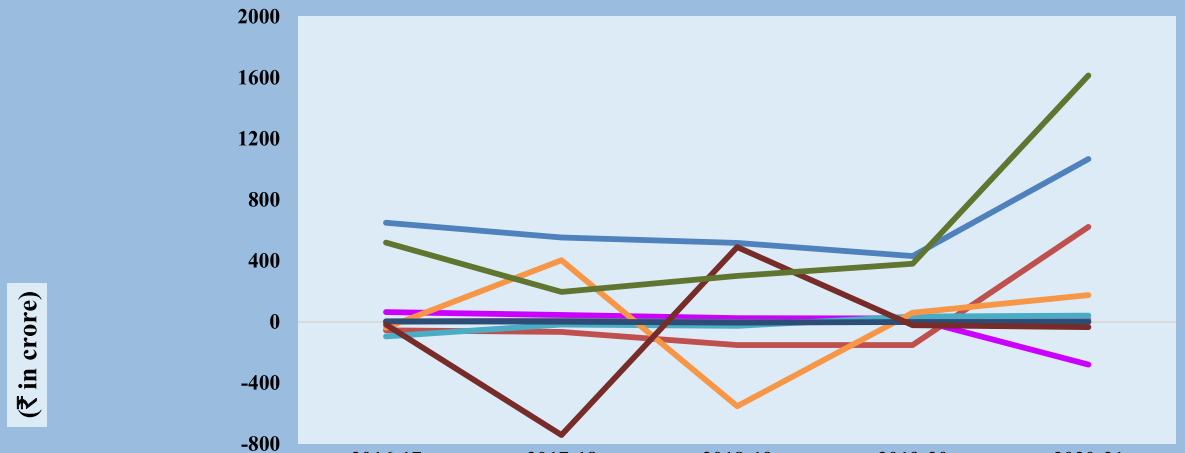
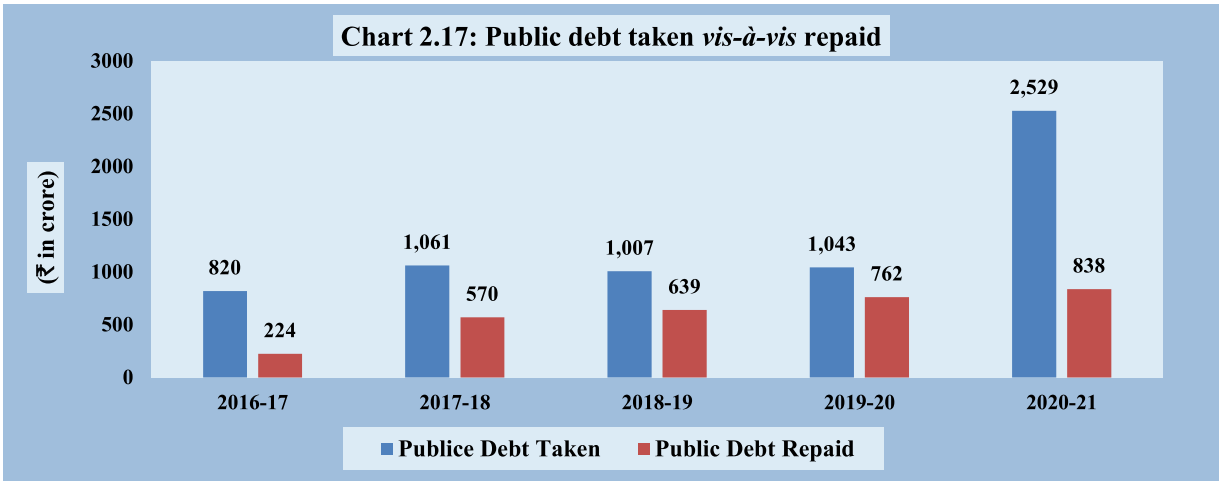


Chart 2.16: Component-wise debt trends



	2016-17	2017-18	2018-19	2019-20	2020-21
Market Borrowing	651	554	519	432	1,067
Loans from GoI	-54	-64	-151	-151	624
Small Savings, Provident Fund, etc.	64	46	25	24	-278
Reserve Fund	2	10	0.16	0	15
Deposits and Advances	-94	-16	-26	36	43
Suspense and Miscellaneous	-37	405	-551	61	177
Remittances	5	3	-5	0	0
Increase/Decrease in Cash Balance	-17	-741	491	-21	-33
Gross Fiscal Deficit	520	197	302	381	1,615



(Source: Finance Accounts of respective years)

It could be seen that the outstanding debt (including Public Account liabilities) increased from ₹ 8,299 crore in 2016-17 to ₹ 10,894 crore in 2020-21 and the rate of growth also increased from 7.03 *per cent* to 15.29 *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 27.32 to 73.06 upto 2019-20 and steeply declined to 33.14 in 2020-21. The decline was due to classification of GST compensation shortfall of ₹ 742 crore received from GoI as Public Debt. Out of the total Debt Receipt of ₹ 2,529 crore during 2020-21, an amount of ₹ 838 crore was utilised for repayment of debt, leaving a balance of only ₹ 1,691 crore available for 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** and **Chart 2.18**.

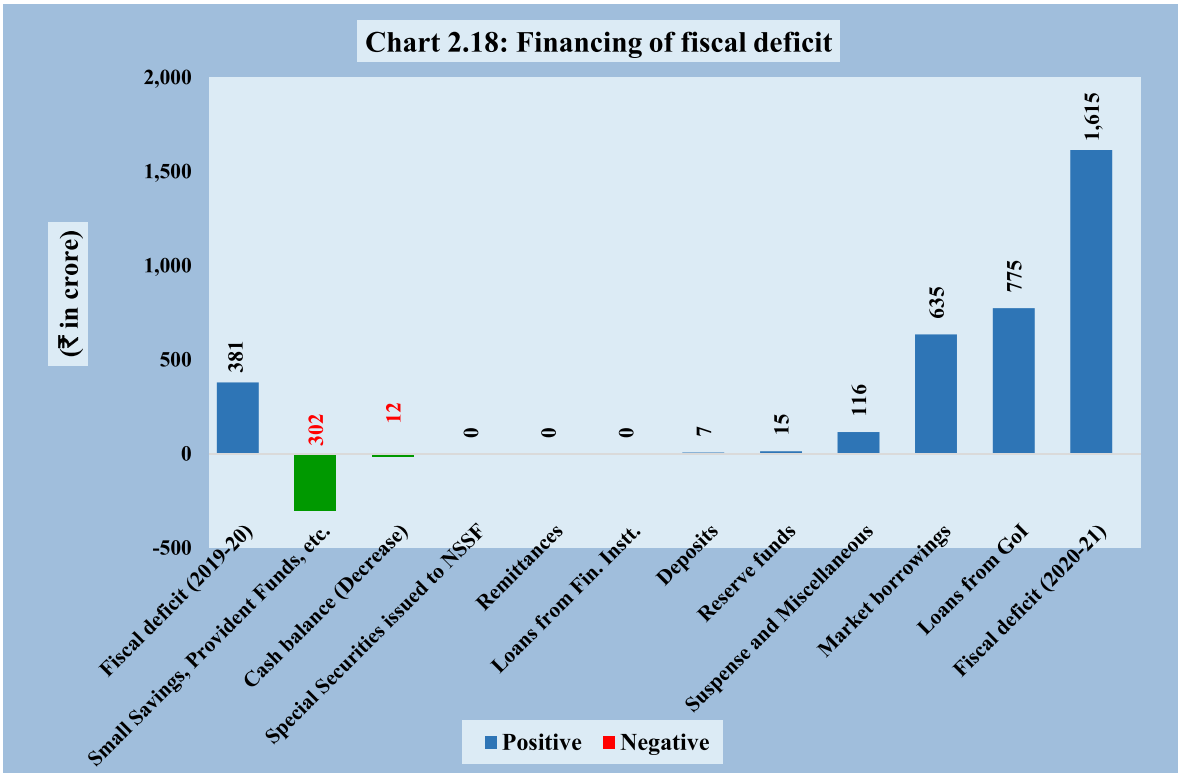
Table 2.29: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2016-17	2017-18	2018-19	2019-20	2020-21
Composition of Fiscal Deficit		**(-) 520**	**(-) 197**	**(-) 302**	**(-) 381**	**(-) 1,615**
1	Revenue Deficit	(-) 75	196	13	(-) 54	(-) 1,370
2	Net Capital Expenditure	(-) 447	(-) 394	(-) 313	(-) 327	(-) 240
3	Net Loans and Advances	2	1	(-) 2	0	(-) 5
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	651	554	519	432	1,067
2	Loans from GoI	(-) 54	(-) 64	(-) 151	(-) 151	624
3	Special Securities issued to NSSF	--	--	--	--	--
4	Loans from Financial Institutions	--	--	--	--	--

Particulars		2016-17	2017-18	2018-19	2019-20	2020-21
5	Small Savings, PF, *etc.*	64	46	25	24	(-) 278
6	Deposits and Advances	(-) 94	(-) 16	(-) 26	36	43
7	Suspense and Miscellaneous	(-) 37	405	(-) 551	61	177
8	Remittances	5	3	(-) 5	0	0
9	Reserve Fund	2	10	0.16	0	15
10	**Overall Deficit**	**537**	**938**	**(-) 189**	**402**	**1,648**
11	Increase/Decrease in cash balance	17	741	(-) 491	21	33
12	**Gross Fiscal Deficit**	**(-) 520**	**(-) 197**	**(-) 302**	**(-) 381**	**(-) 1,615**

(Source: Finance Accounts of respective years)



(Source: Finance Accounts 2020-21)

The Fiscal deficit increased from ₹ 520 crore in 2016-17 to ₹ 1,615 crore in 2020-21. This was mainly due to increase in revenue deficit.

2.6.3 Debt profile - Maturity and Repayment

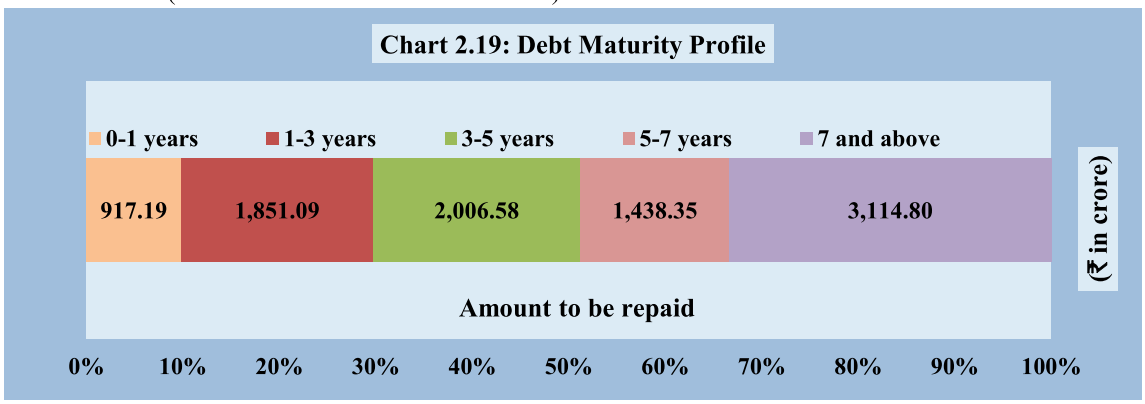
The debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing.

The debt maturity profile of repayment of debt and repayment schedule of market loans by the UT Government are given in **Table 2.30** and **Charts 2.19** and **2.20**.

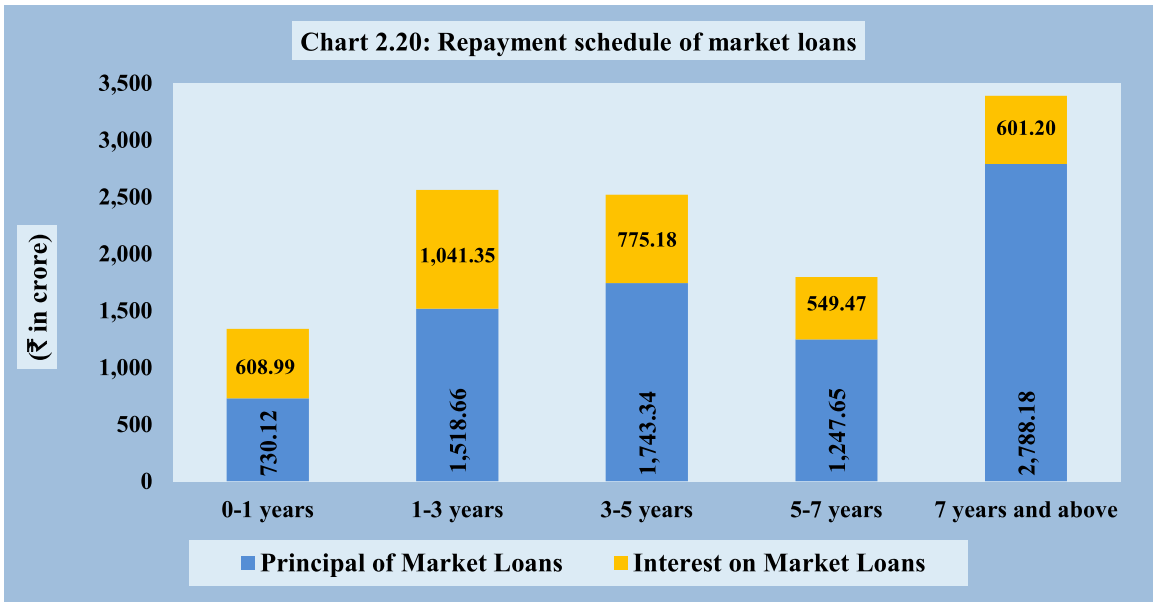
Table 2.30: Debt Maturity profile of repayment of debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage to Public debt
0 – 1	917.19	9.83
1 – 3	1,851.09	19.85
3 – 5	2,006.58	21.51
5 – 7	1,438.35	15.42
7 and above	3,114.80	33.39
Total	**9,328.01**[7]	

(Source: Finance Accounts 2020-21)



(Source: Finance Accounts 2020-21)



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

The maturity profile of UT Government's Public Debt indicates that nearly 66.61 *per cent* of the total Public debt was repayable within next seven years, which indicates a year-on-year increase in its repayment burden.

[7] Does not include ₹ 742 crore released as back-to-back loan in lieu of GST Compensation shortfall, as there is no repayment obligation to UT Government.

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[8] 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 2016-17.

Table 2.31: Trends in Debt Sustainability indicators

(₹ in crore)

Debt Sustainability Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding Public Debt*	7,246	7,737	8,098	8,379	10,070
Rate of growth of outstanding Public Debt	8.95	6.77	4.67	3.47	20.18
GSDP	29,573	32,129	36,555	37,959	36,402
Rate of growth of GSDP	11.11	8.64	13.78	3.84	(-) 4.10
Debt/GSDP	24.50	24.08	22.15	22.07	25.62
Average interest rate of outstanding Public Debt (*per cent)*	7.73	8.25	8.55	8.22	8.21
Percentage of Interest payment to Revenue receipts	10.74	11.43	11.05	10.18	12.85
Percentage of Debt Repayment to Debt Receipts	27.32	53.72	63.46	73.06	33.14
Net Debt available to the UT#	35.93	(-) 127.47	(-) 265.12	(-) 396.35	1,006.57

[8] 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.

Debt Sustainability Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
Net Debt available as *per cent* to Debt Receipts	4.38	(-) 12.01	(-) 26.33	(-) 38.00	(-) 39.80
Debt Stabilisation (Quantum spread@ + Primary Deficit)	260	517	341	541	(-) 1,889

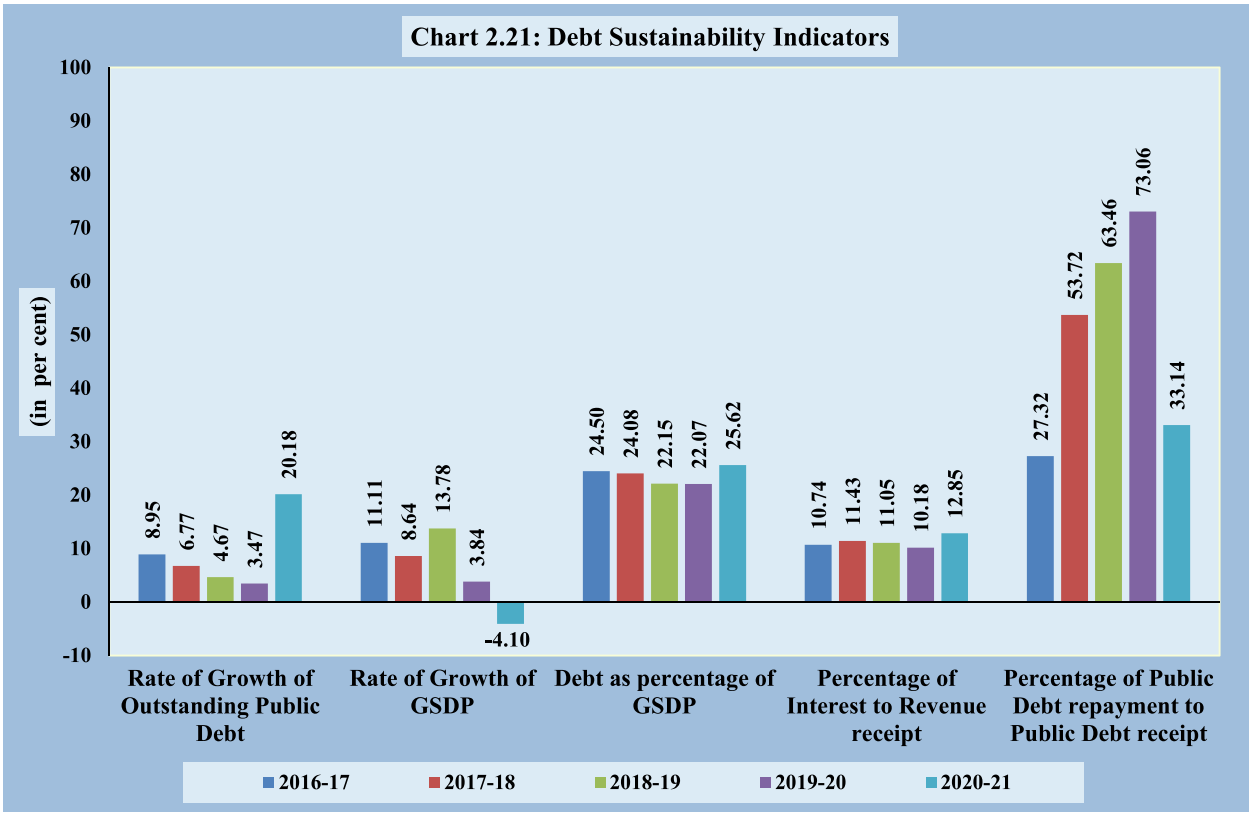
* Outstanding Public Debt is the sum of outstanding balances under the heads 6002 - External Debt, 6003 - Internal Debt and 6004 - Loans and Advances from the Central Government.

\# 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 UT's effective Public Debt after deducting the back-to-back loan of ₹ 742 crore received from GoI in lieu of GST Compensation shortfall was ₹ 9,328 crore and the Debt-GSDP ratio was 25.62 *per cent* during 2020-21. The trends of debt sustainability indicators for the period 2016-17 to 2020-21 are indicated in **Chart 2.21.**



(Source: Finance Accounts of respective years)

- The rate of growth of outstanding debt, which was at 8.95 *per cent* in 2016-17 increased to 20.18 *per cent* in 2020-21.
- UT's Debt-GSDP ratio gradually decreased from 24.50 to 22.07 during 2016-20 and increased and stood at 25.62 *per cent* during 2020-21. An increasing Debt/GSDP ratio considered as leading towards instability and unsteadiness.

- The burden of interest payments to revenue receipts increased from 10.18 *per cent* in 2019-20 to 12.85 *per cent* during 2020-21. The increase was due to reduction in Revenue receipts from ₹ 6,781 crore in 2019-20 to ₹ 5,890 crore in 2020-21 and increase in interest payments from ₹ 690 crore in 2019-20 to ₹ 757 crore in 2020-21.
- The debt repayment to debt receipts which was 27.32 *per cent* in 2016-17 increased to 53.72 *per cent* in 2017-18 and went upto 73.06 *per cent* in 2019-20. The sudden downfall in the debt repayment to debt receipts during 2020-21 to 33.14 *per cent* was mainly due to release of ₹ 742 crore as back-to-back loan in lieu of GST compensation shortfall by GoI.
- The net debt available to UT Government increased to ₹ 1,007 crore in 2020-21. Interest paid on public debt was ₹ 684 crore which was 27.05 *per cent* of the borrowings of ₹ 2,529 crore during 2020-21. The debt repaid during the year was ₹ 838 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 (₹ 240 crore) which was less by 35.48 *per cent* of the budget estimate of ₹ 372 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 2.22**.

Table 2.32: Utilisation of borrowed funds

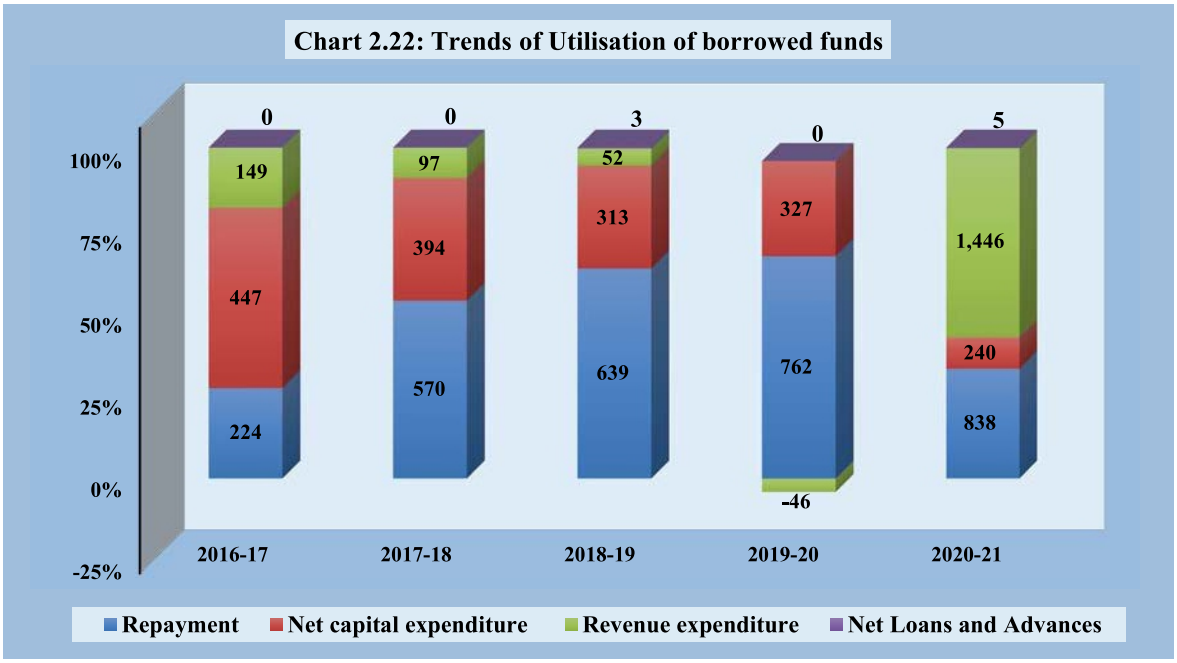
(₹ in crore)

Year	Row No.	2016-17	2017-18	2018-19	2019-20	2020-21
Total Borrowings	**1**	820	1,061	1,007	1,043	2,529
Repayment of earlier borrowings (Principal)	**2**	224	570	639	762	838
Net Capital expenditure	**3**	447	394	313	327	240
Net Loans and Advances	**4**	0	0	3	0	5
Portion of Revenue expenditure met out of net available borrowings	**5=1-2-3-4**	149	97	52	(-) 46	1,446

(Source: Finance Accounts of respective years)

It could be seen from **Table 2.32** that total borrowing had increased by 208.41 *per cent* from ₹ 820 crore in 2016-17 to ₹ 2,529 crore in 2020-21,

whereas the repayment of borrowing increased by 395.86 *per cent* during the same period. During the five-year period 2016-21, 46.95 *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 ₹ 838 crore (33.14 *per cent*) out of the borrowing of ₹ 2,529 crore has been utilised for repayment of debt and the balance utilised for meeting Revenue expenditure 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	2016-17	2017-18	2018-19	2019-20	2020-21
Maximum amount guaranteed (₹ in crore)	56.18	63.18	63.18	63.18	53.68
Outstanding amount of guarantees (₹ in crore)	44.48	49.16	48.24	42.17	39.98
Percentage of maximum amount guaranteed to total Revenue receipts	1.04	1.05	0.99	0.93	0.91

(Source: Finance Accounts of respective years)

As a percentage of Revenue receipts, the maximum amount guaranteed decreased from 0.93 in 2019-20 to 0.91 in 2020-21. 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 2020-21 are given in **Table 2.34**.

Table 2.34: Cash Balances and their investment

(₹ in crore)

		Opening balance as on 1 April 2020	Closing balance as on 31 March 2021
(A)	**General cash balance**		
(i)	Cash in treasuries	Nil	Nil
(ii)	Deposits with RBI	0.15	0.16
(iii)	Deposits with other banks	Nil	Nil
(iv)	Local remittances	Nil	Nil
Total		**0.15**	**0.16**
(v)	Investment held in cash balance investment account	1,272.48	1,279.73
Total (A)		**1,272.63**	**1,279.89**

		Opening balance as on 1 April 2020	Closing balance as on 31 March 2021
(B)	**Other cash balances and investments**		
(vi)	Departmental cash balances	0.44	0.44
(vii)	Permanent Imprest	2.03	2.97
(viii)	Investment in earmarked funds	366.95	392.09
Total (B)		**369.42**	**395.50**
Grand Total (A) + (B)		**1,642.05**	**1,675.39**
Interest realised		**67.90**	**38.16**

(Source: Finance Accounts 2020-21)

The cash balance increased from ₹ 1,642.05 crore in 2019-20 to ₹ 1,675.39 crore in 2020-21. During the year, the cash balance investment[9] was ₹ 1,279.73 crore. The cash balance investment and the interest earned during the period 2016-21 are given in **Table 2.35**.

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

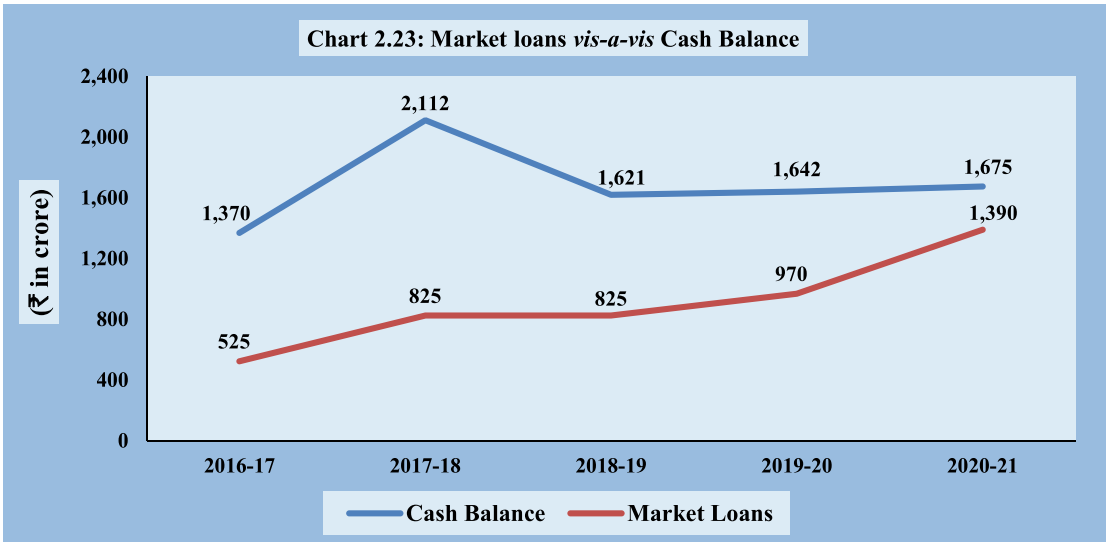
(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
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
2020-21	1,272.48	1,279.73	7.25	38.16

(Source : Finance Accounts of respective years)

It could be seen from **Table 2.35** that the cash balance investment had increased by 18.26 *per cent* from ₹ 1,082.10 crore in 2016-17 to ₹ 1,279.73 crore in 2020-21. It is pertinent to point out that during the same period, the Public Debt receipts increased by 208.41 *per cent* from ₹ 820 crore in 2016-17 to ₹ 2,529 crore in 2020-21. The Cash balances and Market loans during the five-year period 2016-21 are indicated in **Chart 2.23.**

[9] 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.



(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**.

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 2020	457.61	893.65	1,351.26	2.11
May 2020	0.00	1,142.65	1,142.65	2.50
June 2020	118.30	1,098.62	1,216.92	--
July 2020	477.62	1,098.62	1,576.24	1.89
August 2020	482.70	924.65	1,407.35	185.94
September 2020	571.75	801.64	1,373.39	351.34
October 2020	579.21	801.63	1,380.84	125.00
November 2020	497.84	801.63	1,299.47	390.53
December 2020	607.90	801.63	1,409.53	310.28
January 2021	596.41	801.43	1,397.84	411.60
February 2021	973.92	801.43	1,775.35	348.35
March 2021	483.92	801.43	1,285.35	399.09
Total				**2,528.63**

(Source : Details furnished by DAT, Puducherry and Finance Accounts 2020-21)

It could be seen from **Table 2.36** above that the average monthly cash balance investment during 2020-21 was ₹ 1,384.68 crore, whereas the UT Government resorted for borrowings of ₹ 2,528.63[10] crore during 2020-21. While the average interest rate on Government borrowing was 7.73 *per cent*,

[10] Including back-to-back loan in lieu of GST compensation shortfall from GoI.

the average interest earned on cash balance investment was only 2.99 *per cent.* Thus, resorting to borrowings despite availability of huge cash balance was against the principles of financial prudence.

Government stated (January 2022) that since UT had bulk payments in February and March and if market loans were resorted during the period, the interest rates would be relatively high. The reply was not acceptable as the borrowings in February and March was ₹ 747.44 crore (29.56 *per cent*) out the total borrowings of ₹ 2,528.63 crore and specific reasons for resorting to borrowing was not furnished.

2.8 Conclusion

Revenue receipts: Revenue receipts of the UT decreased by 13.14 *per cent* over the previous year. However, the Revenue expenditure increased by 6.20 *per cent* when compared to previous year which resulted in revenue deficit of ₹ 1,370 crore. The growth rate of GSDP was negative at (-) 4.10 *per cent* whereas the growth rate of revenue receipts was (-) 13.14 *per cent*.

Revenue expenditure: Revenue expenditure increased from ₹ 6,836 crore in 2019-20 to ₹ 7,260 crore (6.20 *per cent*) in 2020-21. The proportion of Revenue expenditure to total expenditure stood at 96.73 *per cent* during the year. The committed expenditure such as salaries, pension and interest payment constituted 57.47 *per cent* of Revenue expenditure. The increase in aggregate expenditure of UT Government, as a percentage to GSDP, from 19.97 in 2016-17 to 20.62 in 2020-21, indicated that UT Government spent higher proportion of its GSDP on aggregate expenditure in 2020-21.

Capital expenditure: The Capital expenditure decreased by ₹ 87 crore over the previous year, which indicated that the UT was not prioritising on infrastructure development. As against the Capital expenditure of ₹ 447 crore incurred during 2016-17, the expenditure incurred during 2020-21 was only ₹ 240 crore which constituted only 3.20 *per cent* of the total expenditure. Besides this, an amount of ₹ 212.95 crore has been incurred on projects which remained incomplete as of March 2021 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 increased from ₹ 381 crore in 2019-20 to ₹ 1,615 crore in 2020-21 and during the five-year period, it increased by ₹ 1,095 crore. The huge increase in Fiscal deficit during the current year was due to release of GST compensation shortfall of ₹ 742 crore as back-to-back loan by GoI and reduced Capital expenditure. UT's Debt-GSDP ratio increased from 24.50 *per cent* in 2016-17 to 25.62 *per cent* in 2020-21.

Increasing Debt/GSDP ratio is considered as leading towards instability and unsteadiness.

Arrears of revenue: As of March 2021, there was huge arrears in collection of revenue to the tune of ₹ 1,241.99 crore and out of which ₹ 552.59 crore were outstanding for more than five years.

Return on investment: The average rate of return on investment was 0.01 *per cent* during 2017-18 to 2019-20 and negligible during 2020-21. The difference in interest rate on borrowings by Government was 7.44 *per cent* when compared to the return on investment.

Fiscal liabilities: The outstanding fiscal liabilities increased from ₹ 8,299 crore in 2016-17 to ₹ 10,894 crore in 2020-21 and the rate of growth also increased from 7.03 *per cent* to 15.29 *per cent* during the same period.

Debt maturity profile: The maturity profile of public debt indicated that nearly 66.61 *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 at the rate prescribed as it is amortisation fund for redemption of the outstanding liabilities.
- Efforts need 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

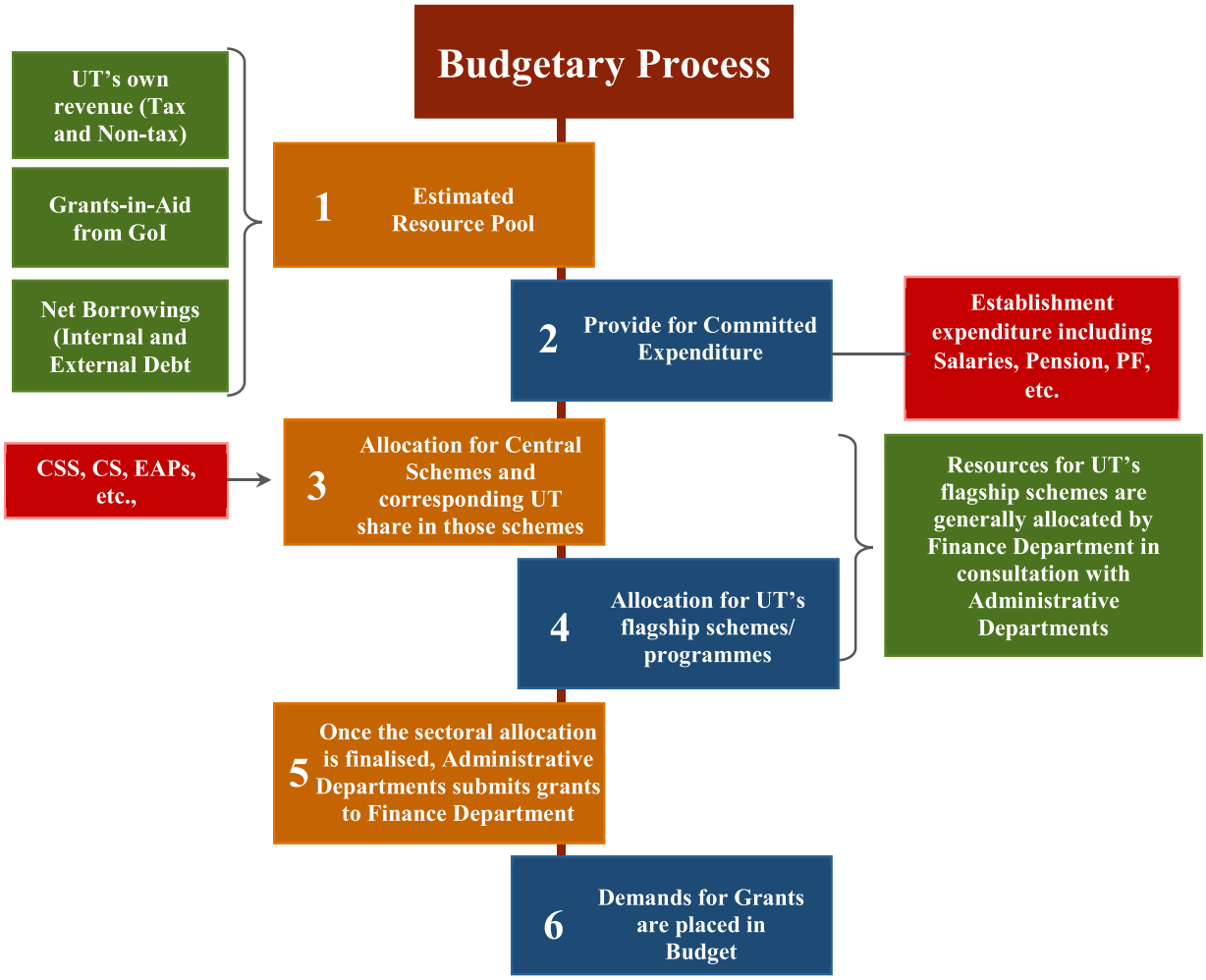
BUDGETARY MANAGEMENT

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 the 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 2020-21

A summarised position of total budget provision, disbursements and saving/excess with bifurcation into voted/charged for the year 2020-21 are given in **Table 3.1**:

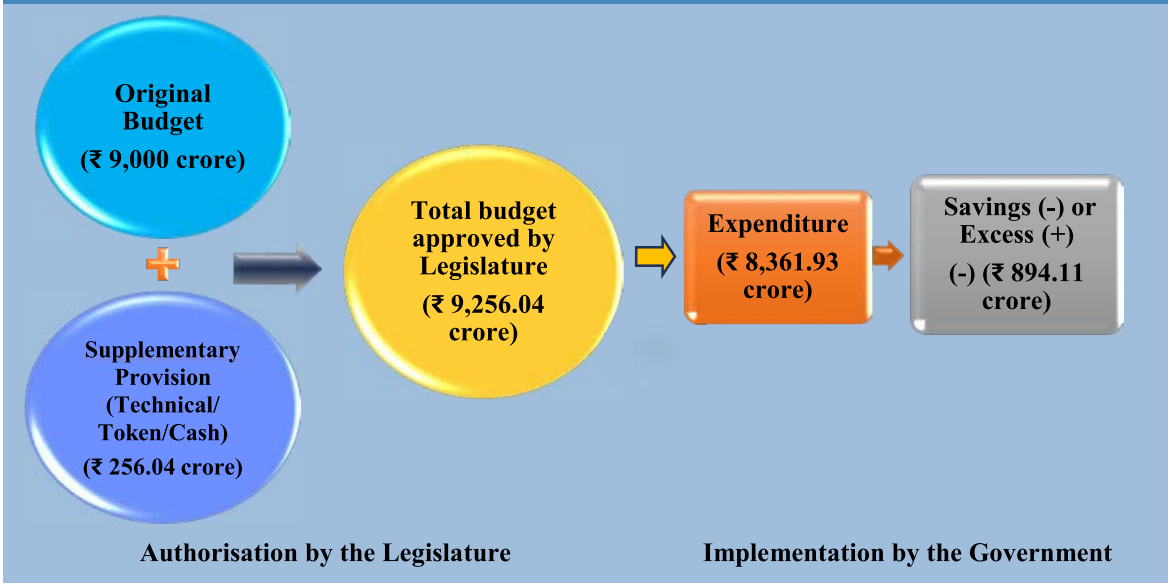
Table 3.1: Budget provision, disbursement and savings/excess during 2020-21

(₹ in crore)

Total Budget provision		Disbursements		Savings (-)/Excess (+)	
Voted	**Charged**	**Voted**	**Charged**	**Voted**	**Charged**
7,460.29	1,795.75	6,629.78	1,732.15	(-) 830.51 (11.13 *per cent*)	(-) 63.60 (3.54 *per cent*)

The total amount approved by the UT Legislature including Original and Supplementary budgets, expenditure and savings during 2020-21 are depicted in the **Chart 3.1**:

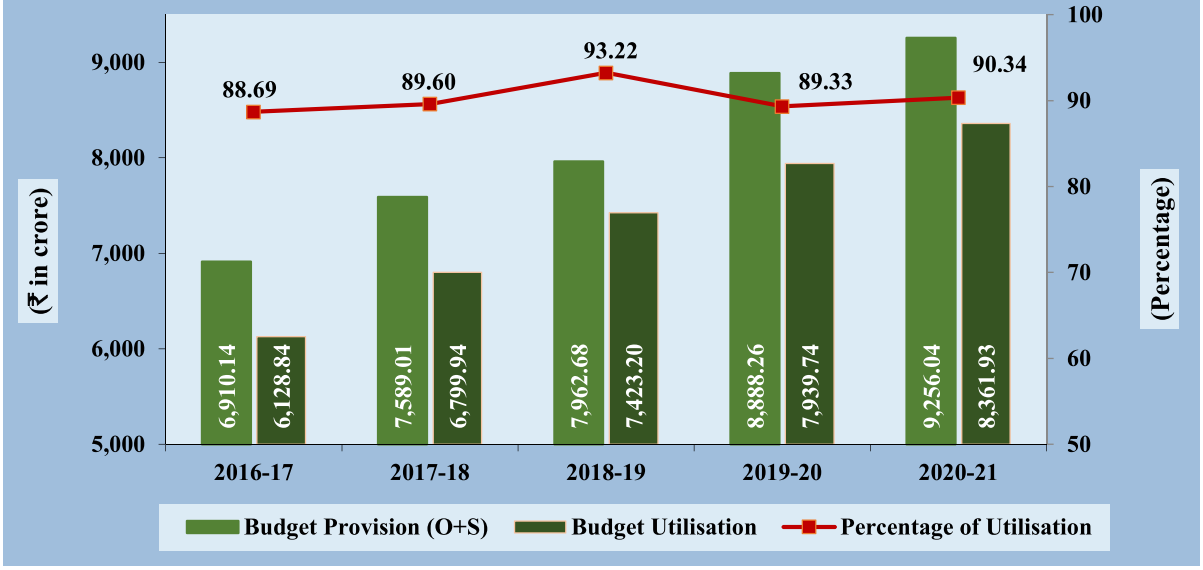
Chart 3.1: Components of Budget



The total provision authorised by the UT legislature including original and supplementary budget was ₹ 9,256.04 crore, out of which an expenditure of ₹ 8,361.93 crore was incurred resulting in savings of ₹ 894.11 crore (9.66 *per cent* of total provision). Out the savings of ₹ 894.11 crore, an amount of ₹ 256.04 crore (28.64 *per cent*) was surrendered on 31 March 2021. In view of the overall savings, the Supplementary provision of ₹ 180.10 crore proved wholly unnecessary in respect of 13 grants and ₹ 75.94 crore provided in four grants proved partially unnecessary

The following **Chart 3.2** shows the Budget provision and utilisation during 2016-17 to 2020-21.

Chart 3.2 : Budget provision and utilisation during 2016-17 to 2020-21 along with percentage of utilisation



(Source: Appropriation Accounts of respective years)

During the year 2020-21, as against the total budget provision of ₹ 9,256.04 crore, the expenditure incurred was ₹ 8,361.93 crore which was 90.34 *per cent* of the total provision. The decline in utilisation during 2020-21 was mainly due to savings in the following grants:

- Under Grant Number 15 - Retirement Benefits, as against the total provision of ₹ 1,176.60 crore under Revenue, expenditure of ₹ 1,063.13 crore has been incurred resulting in savings of ₹ 113.47 crore which was 9.64 *per cent* of the total provision.
- Under Grant Number 16 - Public Works, as against the total provision of ₹ 211.73 crore under Capital, expenditure of ₹ 62.78 crore has been incurred resulting in savings of ₹ 148.95 crore (70.35 *per cent* of total provision).
- Under Grant Number 17 - Education, as against the total provision of ₹ 962.29 crore under Revenue, expenditure of ₹ 874.37 crore has been incurred resulting in savings of ₹ 87.92 crore (9.14 *per cent* of total provision).
- Under Grant Number 18 - Medical, as against the total provision of ₹ 704.08 crore under Revenue, expenditure of ₹ 607.59 crore has been incurred resulting in savings of ₹ 96.49 crore which was 13.70 *per cent* of the total provision.
- Under Grant Number 21 - Social Welfare, as against the total provision of ₹ 711.34 crore under Revenue, expenditure of ₹ 634.98 crore has been incurred resulting in savings of ₹ 76.36 crore (10.73 *per cent* of total provision).
- Under Grant Number 33 - Public Debt, as against the total provision of ₹ 1,658.34 crore, expenditure of ₹ 1,603.95 crore alone has been incurred resulting in savings of ₹ 54.39 crore which was 3.28 *per cent* of the total provision.

The reasons for savings in respect of Grant No. 15 - Retirement Benefits was due to provision restricted to actual requirement and stagnation of dearness relief. The reasons for savings in respect of Grant No. 33 - Public Debt was mainly due to postponement of repayment due to COVID pandemic. The reasons for savings in respect of the remaining four grants have been discussed under paragraph 3.3.5.4.

3.1.2 Charged and voted disbursements

The details of provision for voted grants and charged appropriations, disbursements and savings during 2016-17 to 2020-21 are given in **Table 3.2**.

Table 3.2: Total disbursement into charged and voted during 2016-21

(₹ in crore)

Year	Provisions		Disbursements		Savings(-)/Excess(+)	
	Voted	Charged	Voted	Charged	Voted (*per cent*)	Charged (*per cent*)
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)
2020-21	7,460.29	1,795.75	6,629.78	1,732.15	(-) 830.51 (11.13)	(-) 63.60 (3.54)

(Source: Appropriation Accounts of respective years)

Though the total disbursement of voted grants increased by 24.65 *per cent* from ₹ 5,318.67 crore in 2016-17 to ₹ 6,629.78 crore in 2020-21, the increase in charged appropriations was 109.75 *per cent i.e.,* from ₹ 825.82 crore in 2016-17 to ₹ 1,732.15 crore in 2020-21. The increase in charged appropriations was mainly due to increase in public debt repayment from ₹ 224 crore in 2016-17 to ₹ 838 crore in 2020-21 and increase in interest payments from ₹ 578 crore in 2016-17 to ₹ 757 crore in 2020-21.

The total savings in voted grants, though decreased from 11.50 *per cent* in 2016-17 to 8.15 *per cent* in 2018-19, it had increased to 11.13 *per cent* in 2020-21. In respect of charged appropriations also, though the savings decreased from 8.25 *per cent* in 2016-17 to 0.41 *per cent* in 2018-19, it had increased to 3.54 *per cent* in 2020-21.

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 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 ₹ 4.21 crore was re-appropriated under 15 sub-heads without any original or supplementary budget provision and expenditure of ₹ 2.74 crore was incurred resulting in savings of ₹ 1.47 crore 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					Provision	Re-appro-priation	Expenditure	Savings
1	16	2702	01	789	05	01	0.00	1.23	1.21	0.02
2	16	2702	01	789	06	01	0.00	0.95	0.95	0.00
3	16	3054	04	789	03	02	0.00	2.00	2.00	0.00
4	16	4711	03	800	06	03	0.00	0.50	0.50	0.00
5	18	2210	06	101	23	02	0.00	78.58	28.44	50.14
6	18	2210	06	101	23	04	0.00	44.14	24.13	20.01
7	18	2210	80	800	17	01	0.00	3.35	3.34	0.01
8	19	3452	80	104	08	01	0.00	244.00	169.10	74.90
9	21	2225	01	789	37	01	0.00	23.27	23.27	0.00
10	21	2225	02	796	02	01	0.00	1.63	0.57	1.06
11	22	2852	08	201	01	01	0.00	10.00	10.00	0.00

Sl. No.	Grant No.	Head of Account					Provision	Re-appro-priation	Expenditure	Savings
12	27	2505	02	101	02	02	0.00	6.57	6.57	0.00
13	29	4801	05	800	48	02	0.00	0.94	0.94	0.00
14	32	2210	01	110	05	02	0.00	2.50	2.50	0.00
15	32	2403	00	102	02	01	0.00	1.00	0.34	0.66
Total								**420.66**	**273.86**	**146.80**

(Source: Detailed Appropriation Accounts 2020-21)

Government stated (January 2022) that as per Appendix 10 of General Financial Rules (GFR), 2017, in case of urgent requirement, excess expenditure was allowed. The reply was not acceptable since as per GFR, 2017, necessary funds should be made through next batch of Supplementary Grant which was not done in these cases.

3.3.2 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.

3.3.3 Unnecessary supplementary provision

During 2020-21, as against the Budget provision of ₹ 9,256.04 crore (Original: ₹ 9,000 crore and Supplementary Grant: ₹ 256.04 crore), an expenditure of ₹ 8,361.93 crore was incurred. Supplementary provision of ₹ 50 lakh or more aggregating ₹ 241.03 crore obtained in

10 grants/appropriations during the year 2020-21 proved excessive to the extent of ₹ 214.86 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	10 - District Administration	199.37	28.52	227.89	191.50	36.39
2	12 - Police	259.36	4.51	263.87	258.10	5.77
3	18 - Medical	684.51	19.57	704.08	607.59	96.49
4	26 - Fisheries	57.91	1.24	59.15	48.01	11.14
5	28 - Industries	50.79	7.36	58.15	54.87	3.28
6	29 - Electricity	1,695.02	51.77	1,746.79	1,718.07	28.72
Total (A)		**2,946.96**	**112.97**	**3,059.93**	**2,878.14**	**181.79**
(B) Revenue - Charged						
7	33 - Public Debt	735.01	33.34	768.35	766.15	2.20
Total (B)		**735.01**	**33.34**	**768.35**	**766.15**	**2.20**
(C) Capital - Voted						
8	10 - District Administration	0.00	1.16	1.16	0.00	1.16
9	12 - Police	6.97	3.61	10.58	4.00	6.58
10	29 - Electricity	41.60	4.88	46.48	28.81	17.67
Total (C)		**48.57**	**9.65**	**58.22**	**32.81**	**25.41**
(D) Capital - Charged						
11	16 - Public Works	10.08	70.11	80.19	77.34	2.85
12	17 - Education	25.08	14.00	39.08	38.48	0.60
13	32 - Building Programmes	2.06	0.96	3.02	1.01	2.01
Total (D)		**37.22**	**85.07**	**122.29**	**116.83**	**5.46**
Grand Total		**3,767.76**	**241.03**	**4,008.79**	**3,793.93**	**214.86**

(Source: Appropriation Accounts of 2020-21)

In respect of five cases under two grants, in addition to original provision of ₹ 32.43 crore, an amount of ₹ 7.60 crore was provided in the supplementary grant. However, the expenditure incurred was ₹ 25.90 crore only. Thus, the supplementary grant provided proved wholly unnecessary in view of the savings

in the original provision of ₹ 6.53 crore as detailed in **Table 3.5**. The final savings in respect of these five cases was ₹ 14.13 crore.

Table 3.5: Details of sub-heads where supplementary provision of ₹ 50 lakh or more proved excessive/unnecessary

(₹ in lakh)

Sl. No.	Grant No.	Head of Account	Original	Supple-mentary	Total provi-sion	Expen-diture	Savings	Savings in Original
1	10	2216 80 800 19 01	2,059.55	140.00	2,199.55	1,758.86	440.69	300.69
2	10	2217 80 001 02 01	128.88	200.00	328.88	115.40	213.48	13.48
3	10	2217 80 800 10 01	123.20	60.00	183.20	61.60	121.60	61.60
4	10	4215 01 102 01 01	0.00	71.94	71.94	0.00	71.94	0.00
5	29	4801 05 799 01 01	931.60	287.90	1,219.50	654.20	565.30	277.40
Total			**3,243.23**	**759.84**	**4,003.07**	**2,590.06**	**1,413.01**	**653.17**

(Source: Detailed Appropriation Accounts 2020-21)

It was also seen that in respect of 18 cases under nine grants, in addition to the original provision of ₹ 175.43 crore, a sum of ₹ 145.47 crore was also provided through supplementary grant. However, the total expenditure was only ₹ 279.09 crore. Thus, the provision of ₹ 41.81 crore made under Supplementary Grant proved partially unnecessary (**Appendix 3.2**).

3.3.4 Unnecessary/excessive/injudicious re-appropriation

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

During 2020-21, re-appropriation order was issued on 31 March 2021 for ₹ 364.43 crore under 1,445 sub-heads which diluted 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 2020-21, the re-appropriations proved unnecessary or excessive in 203 sub-heads. It was also seen that in 77 sub-heads, unnecessary provision of more than ₹ 10 lakh were made by re-appropriation to the tune of ₹ 116.92 crore wherein the expenditure incurred was ₹ 1,594.93 crore under these heads which was within the total provision of ₹ 1,696.53 crore as indicated in **Appendix 3.3**. Further, out of these 77 sub-heads, no expenditure was incurred under 10 sub-heads wherein unnecessary provision of ₹ 17.72 crore was made by re-appropriation.

3.3.5 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 2017 contemplated that the savings as well as provisions that are not 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.

3.3.5.1 Anticipated savings not surrendered

Out of total savings of ₹ 894.11 crore, an amount of ₹ 256.04 crore was surrendered on 31 March 2021. It was noticed that in respect of 24 grants/appropriations, out of the total savings of ₹ 882 crore (saving of ₹ one crore and above), ₹ 633.73 crore (71.85 *per cent* of savings) was not surrendered. Further, in respect of nine grants/appropriations with a savings of ₹ 222.18 crore, no amount was surrendered. The details are given in **Appendix 3.4 (a)** and **Appendix 3.4 (b)** respectively.

Government agreed (January 2022) to develop a robust mechanism to review the expenditure pattern every month and to assess the anticipated savings for timely surrender of funds in future.

3.3.5.2 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 41 sub-heads. Out of the total provision of ₹ 113.22 crore made under these sub-heads, ₹ 97.76 crore (86.34 *per cent*) was surrendered (**Appendix 3.5**). 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.

3.3.5.3 Grants having huge savings

During 2020-21, out of total 33 grants/appropriations, there was savings of ₹ 812.14 crore (90.83 *per cent* of total savings of ₹ 894.11 crore) in 14 grants/ appropriations exceeding ₹ 10 crore in each case (above ₹ 50 crore in six grants). The details are indicated in **Table 3.6**.

Table 3.6: List of grants with savings of ₹ 10 crore or more

(₹ in crore)

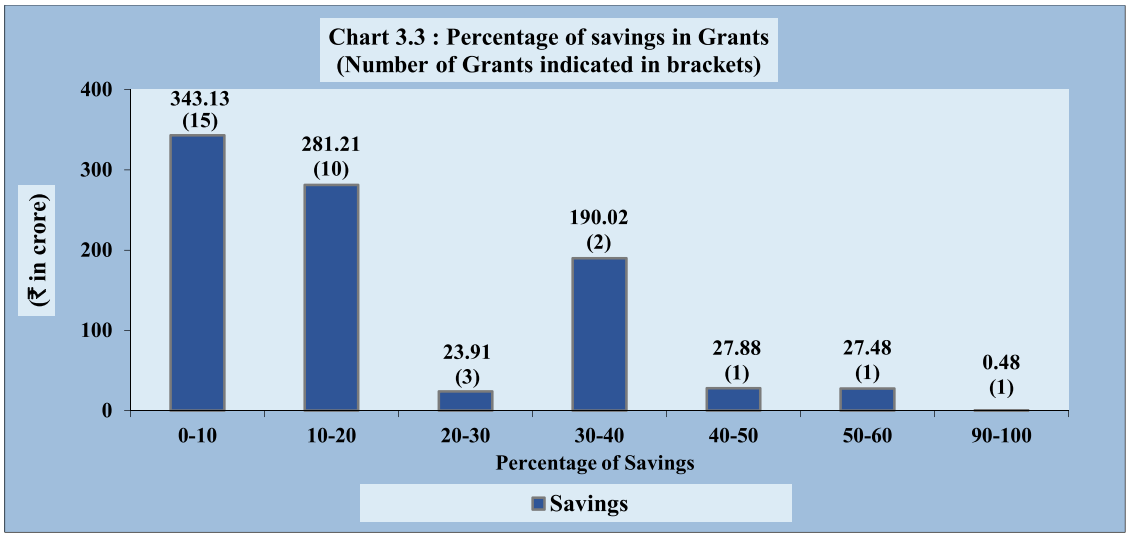
Sl. No.	Grant No.	Description	Original	Supple-mentary	Total	Expen-diture	Savings	Amount surren-dered	Percen-tage
(A)	**Revenue - Voted**								
1	06	Revenue and Food	316.84	0.00	316.84	302.56	14.28	2.66	4.51
2	10	District Administration	199.37	28.52	227.89	191.50	36.39	0.00	15.97

Sl. No.	Grant No.	Description	Original	Supple-mentary	Total	Expen-diture	Savings	Amount surren-dered	Percen-tage
3	15	Retirement Benefits	1,176.60	0.00	1,176.60	1,063.13	113.47	26.32	9.64
4	16	Public Works	296.64	0.00	296.64	269.69	26.95	20.39	9.09
5	17	Education	962.29	0.00	962.29	874.37	87.92	7.99	9.14
6	18	Medical	684.51	19.57	704.08	607.59	96.49	0.00	13.70
7	19	Information and Publicity	29.67	0.00	29.67	19.05	10.62	4.46	35.79
8	21	Social Welfare	711.34	0.00	711.34	634.98	76.36	9.91	10.73
9	24	Agriculture	126.24	0.00	126.24	104.16	22.08	2.24	17.49
10	26	Fisheries	57.91	1.24	59.15	48.00	11.15	0.00	18.83
11	27	Community Development	54.14	0.00	54.14	26.66	27.48	5.79	50.76
12	29	Electricity	1,695.02	51.77	1,746.79	1,718.07	28.72	0.00	1.64
Total (A)			**6,310.57**	**101.10**	**6,411.67**	**5,859.76**	**551.91**	**79.76**	
(B)	**Capital - Voted**								
13	16	Public Works	211.73	0.00	211.73	62.78	148.95	89.49	70.35
14	18	Medical	23.27	0.00	23.27	2.65	20.62	4.88	88.61
15	29	Electricity	41.60	4.88	46.48	28.81	17.67	0.00	38.02
16	32	Building Programmes	50.16	0.00	50.16	29.36	20.80	4.55	41.47
Total (B)			**326.76**	**4.88**	**331.64**	**123.60**	**208.04**	**98.92**	
(C)	**Capital - Charged**								
17	33	Public Debt	889.99	0.00	889.99	837.80	52.19	49.34	5.86
Total (C)			**889.99**	**0.00**	**889.99**	**837.80**	**52.19**	**49.34**	
Grand Total			**7,527.32**	**105.98**	**7,633.30**	**6,821.16**	**812.14**	**228.02**	**10.64**

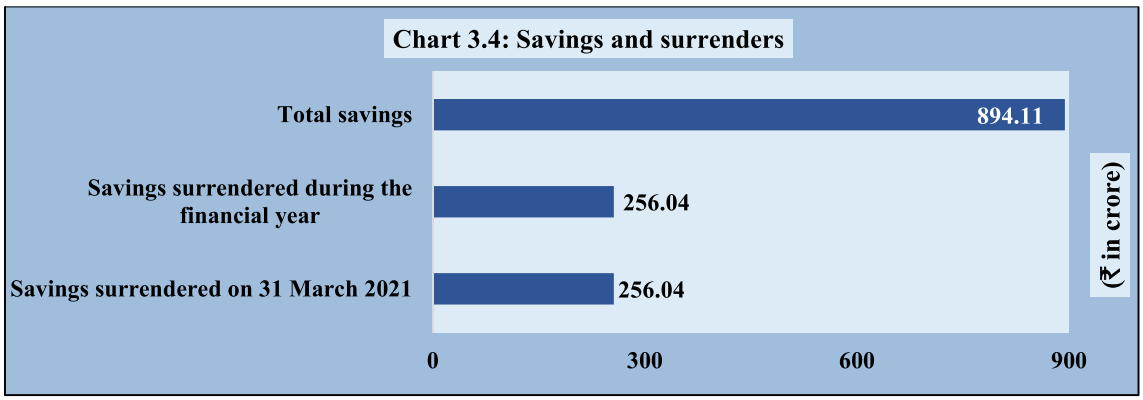
(Source: Appropriation Accounts 2020-21)

It was also noticed that in 145 cases (sub-heads), savings exceeded ₹ 50 lakh in each case and by more than 50 *per cent* of the total provision. Out of the total provision of ₹ 510.25 crore in these sub-heads, savings amounted to ₹ 421.01 crore (82.51 *per cent*) as detailed in **Appendix 3.6**. Further, out of 145 cases, in respect of 39 cases no expenditure was incurred against the provision of ₹ 145.58 crore. 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 each group.



The following **Chart 3.4** shows the savings and surrenders during 2020-21.



Out of the overall savings of ₹ 894.11 crore, only ₹ 256.04 crore (28.64 *per cent*) alone was surrendered and that too was made on 31 March 2021 giving no scope for utilisation of the amount surrendered.

3.3.5.4 Persistent savings

Out of 33 grants, savings of more than ₹ 50 lakh was noticed persistently under 19 grants during the last five years. Details of the savings are indicated in **Table 3.7**.

Table 3.7: List of grants having persistent savings of more than ₹ 50 lakh during 2016-21

(₹ in crore)

Sl. No.	Grant Number and description		Amount of savings				
			2016-17	2017-18	2018-19	2019-20	2020-21
(A) Revenue - Voted							
1	6	Revenue and Food	83.01	26.64	26.16	5.40	14.28
2	9	Secretariat	24.60	13.32	8.09	23.28	2.99
3	10	District Administration	52.05	11.67	39.47	111.71	36.39

Sl. No.	Grant Number and description		Amount of savings				
			2016-17	2017-18	2018-19	2019-20	2020-21
4	12	Police	13.77	10.25	5.81	9.11	5.77
5	16	Public Works	14.23	9.50	18.14	20.84	26.95
6	17	Education	90.90	93.85	29.79	92.54	87.92
7	18	Medical	23.84	11.39	15.77	32.08	96.49
8	19	Information and Publicity	9.41	8.60	5.17	11.13	10.62
9	20	Labour and Employment	1.05	3.55	6.24	4.72	8.88
10	21	Social Welfare	29.30	79.07	32.99	47.12	76.36
11	22	Co-operative	11.41	15.80	3.92	4.85	5.16
12	24	Agriculture	22.93	29.27	13.56	13.02	22.08
13	25	Animal Husbandry	5.91	3.81	1.90	6.68	3.83
14	26	Fisheries	1.84	3.64	7.68	10.67	11.14
15	27	Community Development	17.96	12.32	28.93	27.17	27.48
16	28	Industries	6.97	12.74	5.37	10.81	3.28
17	29	Electricity	11.07	0.80	33.20	9.46	28.72
18	32	Building Programmes	7.02	2.84	1.52	5.67	5.08
Total (A)			**427.27**	**349.06**	**283.71**	**446.26**	**473.42**
(B)	**Capital - Voted**						
1	16	Public Works	168.32	109.63	44.15	114.93	148.95
2	29	Electricity	4.35	9.32	21.75	21.89	17.67
3	30	Ports and Pilotage	0.83	3.09	18.03	1.22	2.44
4	32	Building Programmes	59.56	39.10	24.95	35.88	20.80
Total (B)			**233.06**	**161.14**	**108.88**	**173.92**	**189.86**
Grand Total			**660.33**	**510.20**	**392.59**	**620.18**	**663.28**

(Source: Appropriation Accounts of the respective years)

Grant No. 16 - Public Works - The persistent savings under Capital head ranged between ₹ 44.15 crore and ₹ 168.32 crore during 2016-21. During 2020-21, the savings of ₹ 148.95 crore was mainly due to withdrawal of the entire provision of ₹ 60 crore made for Augmentation of water supply source and rehabilitation system in urban areas of Puducherry (Agency Francaise Development). Out of the savings of ₹ 148.95 crore, only ₹ 89.49 crore (60.08 *per cent*) was surrendered.

Grant No. 17 - Education - The persistent savings under Revenue head ranged between ₹ 29.79 crore and ₹ 93.85 crore during 2016-21. The reasons for savings of ₹ 87.92 crore during 2020-21 was mainly due to closure of schools due to COVID pandemic. Out of the savings of ₹ 87.92 crore, only ₹ 7.99 crore (9.09 *per cent*) was surrendered.

Grant No. 18 - Medical - The persistent savings under Revenue head ranged between ₹ 11.39 crore and ₹ 96.49 crore during 2016-21. During 2020-21, the savings of ₹ 96.49 crore was mainly due to savings of almost the entire provision of ₹ 15.28 crore under financial assistance to the poor in case of serious illness and savings of ₹ 19.94 crore under Prevention and Control of COVID-19 Pandemic. Out of the savings of ₹ 96.49 crore, no amount was surrendered.

Grant No. 21 - Social Welfare - The persistent savings under Revenue head ranged between ₹ 29.30 crore and ₹ 79.07 crore during 2016-21. During 2020-21, the savings of ₹ 76.36 crore was mainly due to savings of ₹ 20.06 crore under the scheme "Award of various scholarship, stipend and incentive to SC students" on account of closure of all educational institutions due to COIVD pandemic. The savings under seven Centrally Sponsored Schemes was due to restriction of expenditure to the extent of CSS funds released by Government of India. Out of the savings of ₹ 76.36 crore, only ₹ 9.91 crore (12.98 *per cent*) was surrendered.

Government stated (January 2022) that persistent savings was a very important issue and immediate action would be taken to reduce the savings.

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 2020-21 (Voted Grants/Charged Appropriations) is given in **Table 3.8**.

Table 3.8: Position of Actual Expenditure *vis-à-vis* Original/Supplementary provisions

(₹ in crore)

	Nature of expenditure		Original grant/ appro-priation	Supple-mentary grant/ appropriation	Total	Actual expen-diture[1]	Saving (-)/ Excess (+)	Amount surrendered on 31 March 2021	Percentage of savings surren-dered during March 2021
Voted	I	Revenue	6,970.78	125.01	7,095.79	6,491.31	604.48	99.12	16.40
	II	Capital	348.99	10.01	359.00	133.44	225.56	103.91	46.07
	III	Loans and Advances	5.50	0.00	5.50	5.03	0.47	0.46	97.87
Total - Voted			**7,325.27**	**135.02**	**7,460.29**	**6,629.78**	**830.51**	**203.49**	**24.50**
Charged	IV	Revenue	*744.22*	*33.78*	*778.00*	*773.73*	*4.27*	*1.72*	40.28
	V	Capital	*40.52*	*87.24*	*127.76*	*120.63*	*7.13*	*1.49*	20.90
	VI	Public Debt-Repayment	*889.99*	*0.00*	*889.99*	*837.79*	*52.20*	*49.34*	94.53
Total - Charged			***1,674.73***	***121.02***	***1,795.75***	***1,732.15***	***63.60***	***52.55***	***82.63***
Grand total			**9,000.00**	**256.04**	**9,256.04**	**8,361.93**	**894.11**	**256.04**	**28.64**

(Source: Appropriation Accounts 2020-21)

- The overall savings of ₹ 894.11 crore worked out to 9.66 *per cent* of total provision including supplementary provision of ₹ 256.04 crore made against the respective grants in 2020-21.
- Out of the savings of ₹ 894.11 crore, an amount of ₹ 256.04 crore was surrendered on the last day of financial year.
- Savings of ₹ 608.75 in 31 grants and 11 appropriations under Revenue section, ₹ 232.70 crore in 18 grants and eight appropriations under Capital section and ₹ 52.66 crore under Loan section were occurred.
- As against the original provision of ₹ 9,256.04 crore, expenditure of ₹ 8,361.93 crore was incurred. In view of overall savings of ₹ 894.11 crore, the supplementary provision of ₹ 180.10 crore proved wholly unnecessary in respect of 13 grants and ₹ 75.94 crore provided in four grants proved partially unnecessary.

Trends of expenditure during the past five years with reference to Original Budget and Revised Estimates are given in **Table 3.9**.

[1] Excludes recoveries shown as reduction of expenditure.

Table 3.9: Original Budget, Revised Estimate and Actual Expenditure during 2016-21

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Original provision	6,665.01	6,945.00	7,530.00	8,425.00	9,000.00
Supplementary provision	245.13	644.01	432.68	463.26	256.04
Total Provision	6,910.14	7,589.01	7,962.68	8,888.26	9,256.04
Actual expenditure	6,128.84	6,799.94	7,423.20	7,939.74	8,361.93
Savings (-)/excess (+)	(-) 781.30	(-) 789.07	(-) 539.48	(-) 948.52	(-) 894.11
Percentage of savings	11.31	10.40	6.78	10.67	9.66

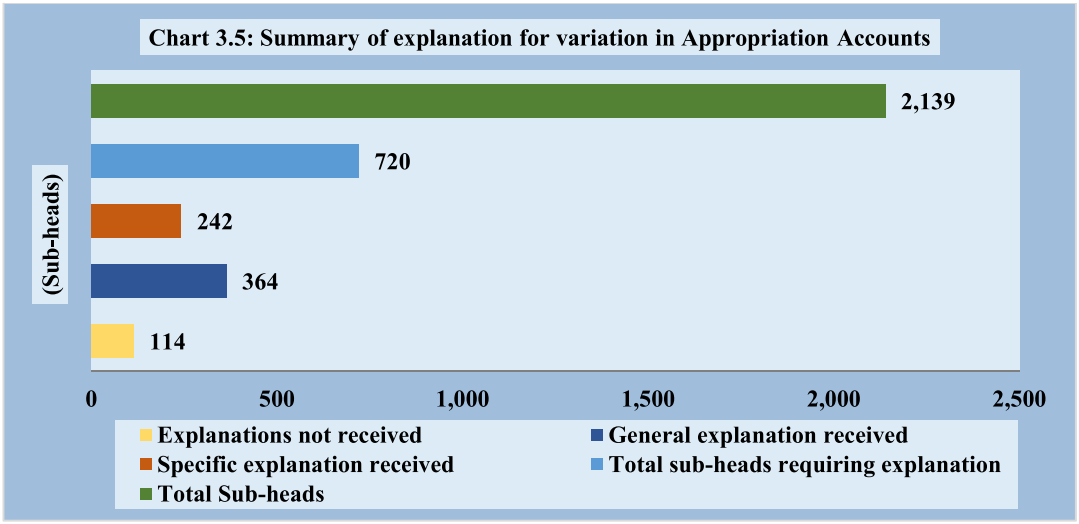
(Source: Appropriation Accounts of respective years)

It could be seen from **Table 3.9** 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 though declined from 11.31 *per cent* in 2016-17 to 6.78 *per cent* in 2018-19, it had increased to 9.66 *per cent* in 2020-21.

3.4.2 Reasons for savings/excess

Rule 57 (7) 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**.



It could be seen from **Chart 3.5** that as against 720 sub-heads requiring explanation, the Departments have not furnished specific explanations for 478 sub-heads. **Table 3.10** details the status of non-furnishing of explanations in respect of six grants.

Table 3.10: Details of non-furnishing of explanation

Sl. No.	Grant No and Name	Total Sub-heads requiring explanation	Specific explanation not furnished	Percentage
1	6 - Food and Revenue	25	18	72.00
2	16 - Public Works	109	84	77.06
3	18 - Medical	77	59	76.62
4	21 - Social Welfare	79	41	51.90
5	24 - Agriculture	42	37	88.10
6	32 - Building Programmes	69	56	81.16

(Source : Appropriation Accounts 2020-21)

Government stated (January 2022) that specific explanations would be given for all variations in future.

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 2020-21 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 3.11**.

Table 3.11: Details of schemes announced in the Budget Speech 2020-21

Sl. No	Name of the Department	Scheme name	Objective of the scheme	Reasons
1	Agriculture	"Nammazhvar Agricultural Rejuvenation Mission"	(i) A revolving fund of ₹ three crore will be created to grant loan to farmers.	No proposal was made in the Budget Provision for 2020-21 at the time of preparation of BE 2020-21 and due to restrictions in the allocation to this Department in the RE 2020-21.
			(ii) A new Agricultural Sciences University will be established.	No proposal was made for inclusion of this component in the Budget Estimates for the year 2020-21.
2	Fisheries and Fishermen Welfare	"Sinthanai Sirpi Singaravelar Fisheries Rejuvenation Scheme"	(i) Grant of financial assistance to fishermen to undertake repair works for boats during lean season to the extent of ₹ 5,000.	Proposal for inclusion in the Budget Estimate for the financial year 2020-21 was not sent to the Finance Department due to overall budgetary constraints.
			(ii) Distribution of 2,650 Ice-boxes for fish vendors.	Proposal for inclusion in the Budget Estimate for the financial year 2020-21

Sl. No	Name of the Department	Scheme name	Objective of the scheme	Reasons
				was not sent to the Finance Department due to overall budgetary constraints.
3	Science, Technology and Environment (DSTE)	"Pondy Necklace" Tourism Project	The World Bank assisted - Enhancing Coastal and Ocean Resource Efficiency (ENCORE) Project at an estimated cost of ₹ 111.90 crores, (earlier known as Integrated Coastal Zone Management Project).	The DSTE, Puducherry had submitted the Project proposal to Ministry of Environment, Forests and Climate Change in May 2019, but the project could not be started as the final nod of Cabinet Committee of Economic Affairs is awaited.
4	School Education	Kalaignar Karunanidhi Breakfast Scheme	The Government has proposed "Kalaignar Karunanidhi Breakfast Scheme", under which Idly, Pongal, Kitchadi will be provided to students as breakfast.	The proposal was not sent to the Finance Department for inclusion in the Budget Estimate for the year 2020-21 due to administrative reasons.

3.4.4 Rush of expenditure

According to Rule 62 (3) of the GFR, 2017, rush of expenditure particularly in the closing months of the financial year should be avoided. Contrary to this, in respect of 81 sub-heads listed in **Appendix 3.7**, expenditure exceeding ₹ 50 lakh and by more than 50 *per cent* of the total expenditure for the year was incurred in March 2021. It was further observed that in respect of the following grants, as detailed in **Table 3.12**, huge amounts were spent in the last quarter of 2020-21.

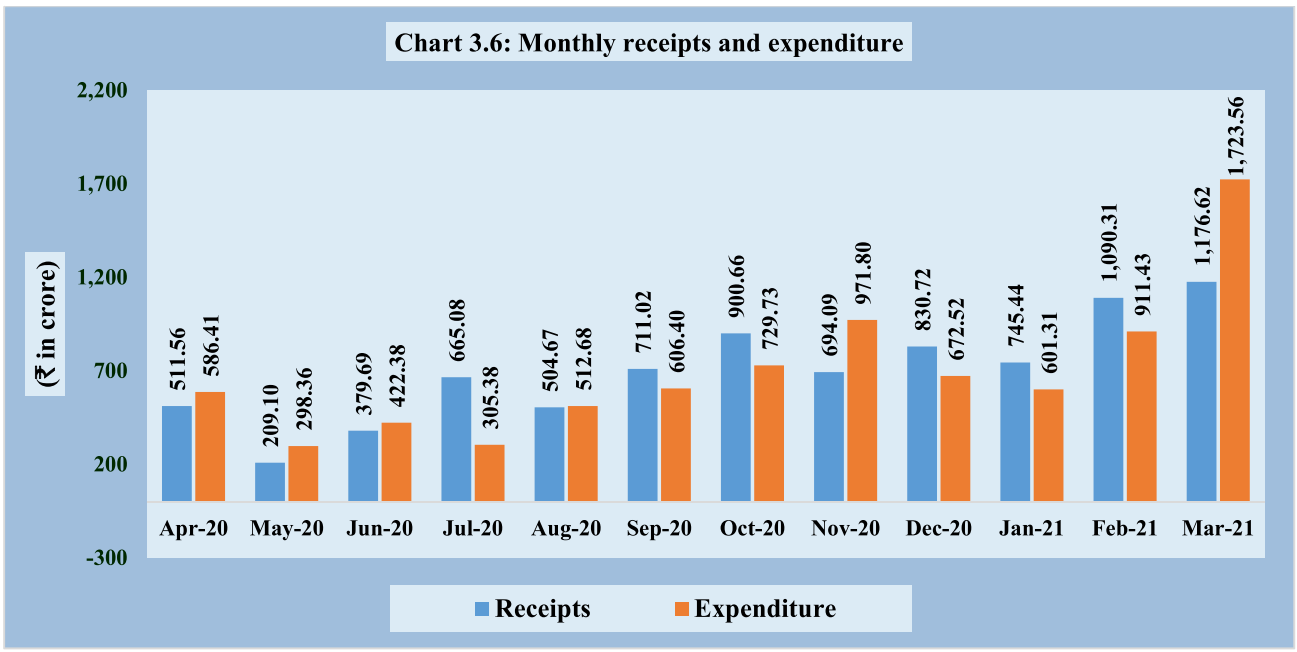
Table 3.12: Utilisation of funds during the last quarter of 2020-21

(₹ in crore)

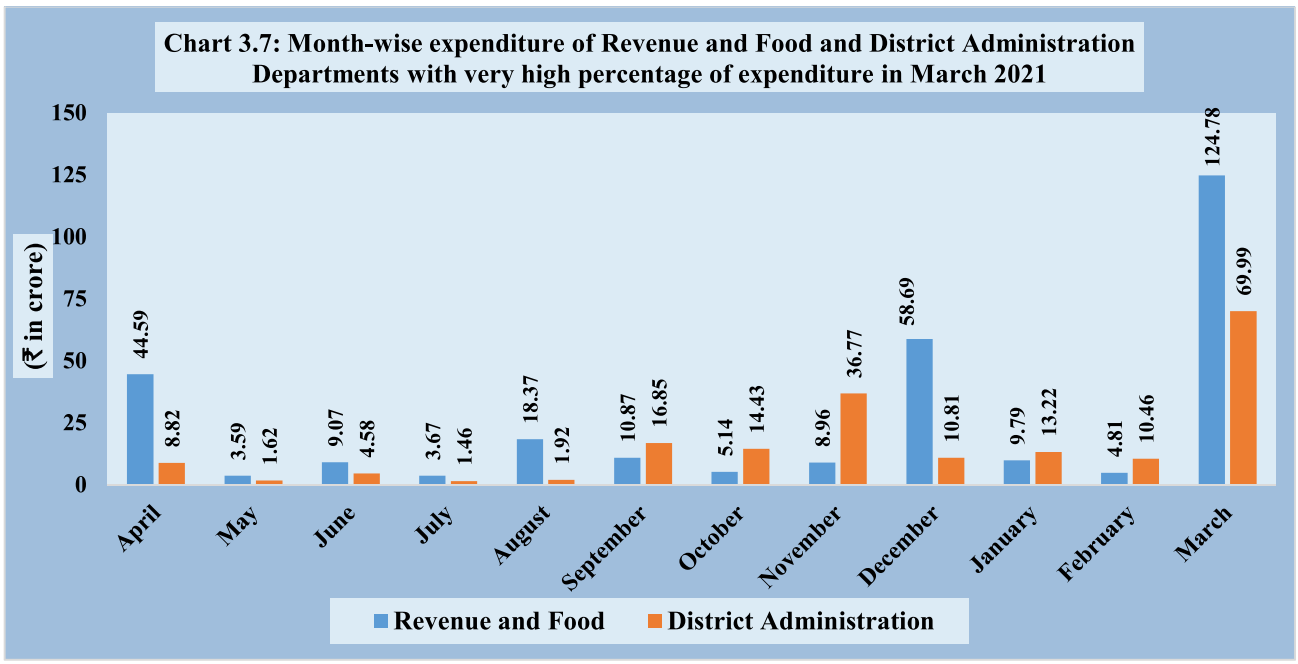
Sl. No	Name of the Department	Total Expenditure	Expenditure incurred in the last quarter	Utilisation of funds in the last quarter (in *per cent*)
1	05 - Elections	17.30	14.45	83.53
2	06 - Revenue and Food	302.34	139.38	46.10
3	10 - District Administration	190.93	93.67	49.06
4	29 - Electricity	1,732.39	1,009.15	58.25

It could be seen from **Table 3.12** that 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 2020-21 is given in **Chart 3.6**.



The month-wise expenditure during 2020-21 under Grant No. 06 - Revenue and Food and Grant No. 10 - District Administration where rush of expenditure was noticed are depicted in **Chart 3.7**.



It could be seen from **Chart 3.7** that in Grant No. 06 - Revenue and Food and Grant No 10 - District Administration, a total expenditure of ₹ 302.33 crore and ₹ 190.93 crore respectively was incurred during 2020-21. In these two grants, the expenditure incurred during the month of March 2021 alone was ₹ 124.78 crore and ₹ 69.99 crore which was 41.27 *per cent* and 36.67 *per cent* respectively. The rush of expenditure in these two grants at the end of the financial year was regarded as breach of financial propriety.

3.4.5 Review of selected grants

A review of the budgetary procedure and control over expenditure followed in Grant No. 18 - Medical 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.18 - Medical during the year 2020-21 are given in **Table 3.13.**

Table 3.13: Details of Budget Provision and Actual Expenditure under Grant No. 18

(₹ in crore)

	Nature of expenditure	Original	Supple-mentary	Total	Expendi-ture	Savings(-)/ Excess (+)	Percent-age of savings	Amount surren-dered
Voted	I Revenue	684.51	19.57	**704.08**	607.59	(-) 96.49	13.70	0.00
	II Capital	23.27	0.00	**23.27**	2.65	(-) 20.62	88.61	4.88
Total Voted (A)		**707.78**	**19.57**	**727.35**	**610.24**	**(-) 117.11**	**16.10**	**4.88**
Charged	IV Revenue	*0.20*	*0.00*	*0.20*	*0.04*	*(-) 0.16*	*80.00*	*0.16*
	V Capital	*1.50*	*0.00*	*1.50*	*0.00*	*(-) 1.50*	*100.00*	*1.50*
Total Charged (B)		***1.70***	***0.00***	***1.70***	***0.04***	***(-) 1.66***	***97.65***	***1.66***
Grand Total (A+B)		**709.48**	**19.57**	**729.05**	**610.28**	**(-) 118.77**	**16.29**	**6.54**

(Source: Appropriation Accounts for the year 2020-21)

It could be seen from **Table 3.13** that under Revenue Section of Voted grants, as against the total provision of ₹ 704.08 crore, the expenditure incurred was ₹ 607.59 crore, which was 86.30 *per cent* of the total provision. As against the saving of ₹ 96.49 crore, the department did not surrender any amount. In view of the final saving of ₹ 96.49 crore, the Supplementary provision of ₹ 19.57 crore proved wholly unnecessary. Similarly, under Capital Section of Voted grants, as against the original provision of ₹ 23.27 crore, the expenditure incurred was only ₹ 2.65 crore, which was only 11.21 *per cent* of the total provision and the amount surrendered was ₹ 4.88 crore (23.67 *per cent*). Huge savings under the Grant was indicative of incorrect estimation of requirement.

3.4.5.2 Unnecessary provision of Supplementary Grant

In four sub-heads, supplementary provision of ₹ 19.57 crore was provided. In addition, an amount of ₹ 25.78 crore was provided through re-appropriation. As against the total provision of ₹ 45.35 crore, expenditure of ₹ 20.96 crore alone has been incurred resulting in final savings of ₹ 24.39 crore. In this connection,

it was noticed that as against ₹ 28.77 crore[2] provided for Prevention and Control of COVID-19 Pandemic, ₹ 8.83 crore alone was spent leading to final savings of ₹ 19.94 crore. When pointed out, the Department stated that the amount could not be utilised as the proposal for purchase of Gloves, Rapid Antigen Test kits and Universal Filter Pipette Tips for ₹ 6.15 crore was not sanctioned by Government due to administrative reasons.

3.4.5.3 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 17 cases, in addition to the original provision of ₹ 267.54 crore, an amount of ₹ 24.24 crore was provided through re-appropriation (**Appendix 3.8**). However, the expenditure incurred under these heads was only ₹ 252.88 crore resulting in unwarranted provision and saving 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

- The 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 should be 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.

[2] Supplementary Grant: ₹ 16 crore; Re-appropriation: ₹ 12.77 crore.

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 permits. For this purpose, a Personal Deposit Account (PD) was required to be operated by Transport Commissioner in accordance with the General Financial Rules, 2017 (GFR 2017). Rule 97(1) of the GFR, 2017 contemplated that the 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 vendors 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 (SBI), 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 as on March 2021 was ₹ 8.70 crore (₹ 2.98 crore in the current account maintained in SBI and ₹ 5.72 crore in deposits in Puduvai Bharathiar Grama Bank, Puducherry). Thus, maintaining 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.

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

Government stated (January 2022) that the comments of Transport Department would be obtained and furnished to audit as to why the service charges received was kept outside the Government Account.

4.2 Non-inclusion of clear cut liabilities in the budget

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

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 a committed pending liability to the tune of ₹ 48.45 crore as of March 2020. Clearing the committed liability was not prioritised and the Department had further accumulated a liability of ₹ 24.35 crore towards contractors bills and ₹ 29.34 crore towards land acquisition, court cases, arbitration, etc., in 2020-21 leading to a total committed liability of ₹ 102.14 crore as of March 2021. Incidentally, it was seen that there was a saving of ₹ 174.61 crore under Capital Section of Grant No.16 and 32.

Similarly, in respect of Puducherry Electricity Department, the outstanding liability as of March 2021 was ₹ 323.53 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 Joint Electricity Regulatory Commission (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 to 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 of April for the year,

payable annually on the consumer's SD with effect from the date of such deposit in case of new connections energized 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 from 2018-19 to 2020-21 are detailed in the following **Table 4.1**.

Table 4.1: 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
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
2020-21	10.23	6.89	33	6.84	0.05	3.39
Total	**34.81**	**17.27**	**49**	**16.15**	**1.12**	**18.66**

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

The shortfall in allocation ranged between 33 and 59 *per cent* during the period 2018-21 which led to continued non-discharge of liability towards interest amounting to ₹ 18.66 crore on Security Deposits.

4.4 Funds transferred directly to State Implementing Agencies

Government of India transfers funds directly to Government Departments/ Implementing Agencies in the UT for implementation of various schemes/programmes. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts. As these funds are not routed through the State Budget/Treasury system, Finance accounts do not capture the flow of these funds or the related expenditure.

During the year 2020-21, GoI transferred ₹ 189.55 crore directly to UT Government Departments/Implementing agencies for various Central Schemes/programmes. The agencies that have received funds more than ₹ one crore directly from GoI for implementing various schemes during 2020-21 are shown in **Table 4.2**.

Table 4.2: 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 2020-21
1	Food Subsidy for Decentralised Procurement of Food grains under NFSA	Department of Civil Supplies and Consumer Affairs, Puducherry	137.28
2	Mahatma Gandhi National Rural Employment Guarantee Programme	SEGF-Ne-FMS Account	24.73
3	Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	Department of Agriculture	6.68
4	National AIDS and STD Control Programme	Puducherry AIDS Control Society	5.42
5	Product/Infrastructure Development for Destination and Circuits	Puducherry Tourism Development Corporation Limited	5.00
6	Research Training and Studies and Other Road Safety Schemes	Transport Department	2.77
7	National Mission on Horticulture	UT of Puducherry Horticulture Development Society	1.40

Government stated (January 2022) that this issue was beyond the control of the UT Government and for some schemes GoI was transferring money directly to the implementing agencies.

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 2021, UCs amounting to ₹ 462.25 crore in respect of 788 cases were outstanding. The year-wise breakup of outstanding UCs is given in **Table 4.3**.

Table 4.3: 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	226	39.88
2	9-5 years	86	36.84
3	5-1 year	476	385.53
Total		**788**	**462.25**

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

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

- Out of 788 UCs, 226 UCs involving ₹ 39.88 crore (8.63 *per cent*) were pending for more than nine years.
- 86 UCs involving ₹ 36.84 crore (7.97 *per cent*) were pending for periods ranging from nine to five years.
- 476 UCs involving ₹ 385.53 crore (83.40 *per cent*) were pending for periods ranging from five to one year.

Pendency of 510 UCs for an aggregate amount of ₹ 383.28 crore pertained to departments of Adi-Dravidar Welfare, Local Administration, Rural Development and Town and Country Planning. The details of age-wise arrears in submission of UCs are given in **Table 4.4**.

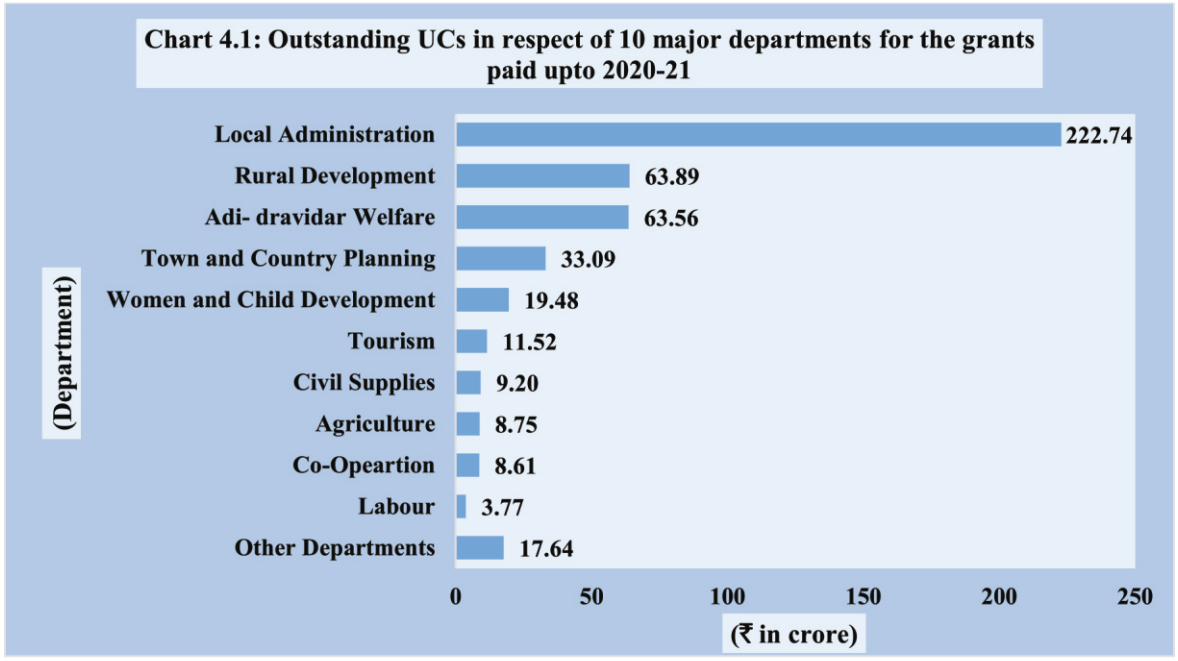
Table 4.4: Age-wise arrears in submission of Utilisation Certificates

(₹ in crore)

Year	Opening Balance	Amount	Closing Balance	Amount
Upto 2016-17	339	92.33	411	125.80
2017-18	411	125.80	491	255.51
2018-19	491	255.51	591	382.93
2019-20	591	382.93	788	462.25
2020-21	788	462.25	792	462.85

* UCs for the GIA disbursed during 2020-21 become due only during 2021-22
(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.

Government stated (January 2022) that a Committee had been formed by the Directorate of Accounts and Treasuries, Puducherry to clear the outstanding UCs.

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.

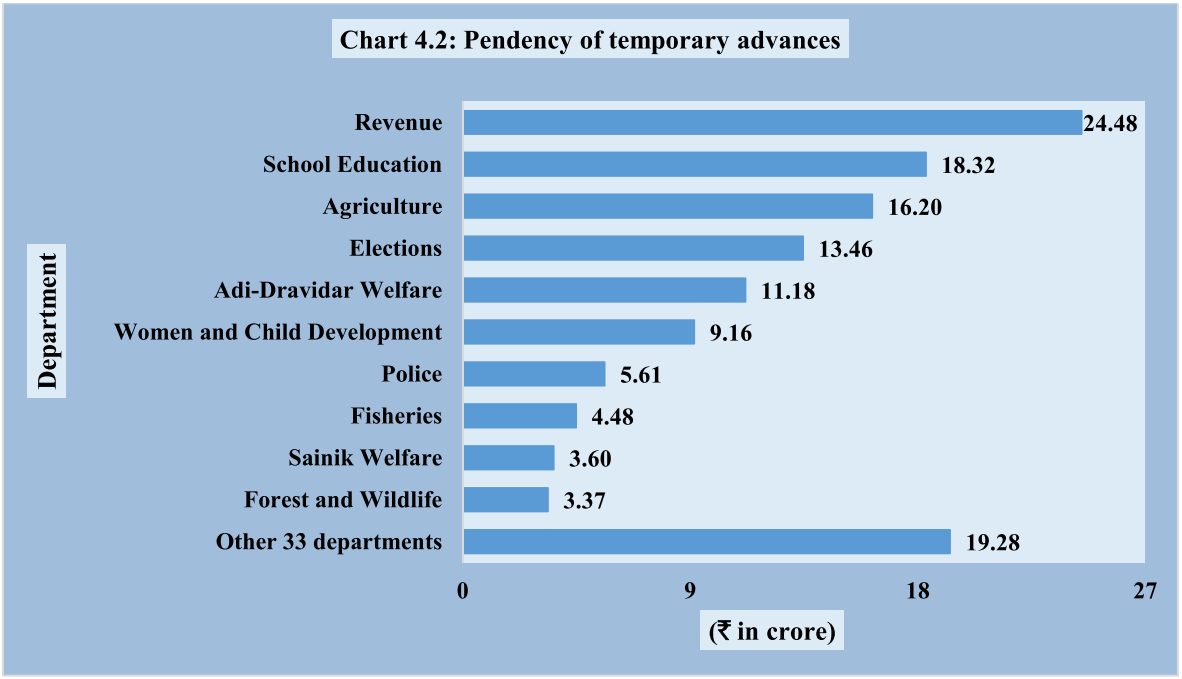
As of 31 March 2021, 1,460 advances aggregating to ₹ 129.14 crore were pending in respect of 268 out of 656 DDOs, as per the records of the Directorate of Accounts and Treasuries, Puducherry. Age-wise analysis of the pending advances is given in **Table 4.5**.

Table 4.5: Age-wise analysis of pending advances

Sl. No.	Pendency	Number of advances	Amount (₹ in crore)
1	More than 10 years	285	19.26
2	More than five years but less than 10 years	241	12.50
3	More than one year but less than five years	552	33.48
4	Less than one year	382	63.90
Total		**1,460**	**129.14**

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

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



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

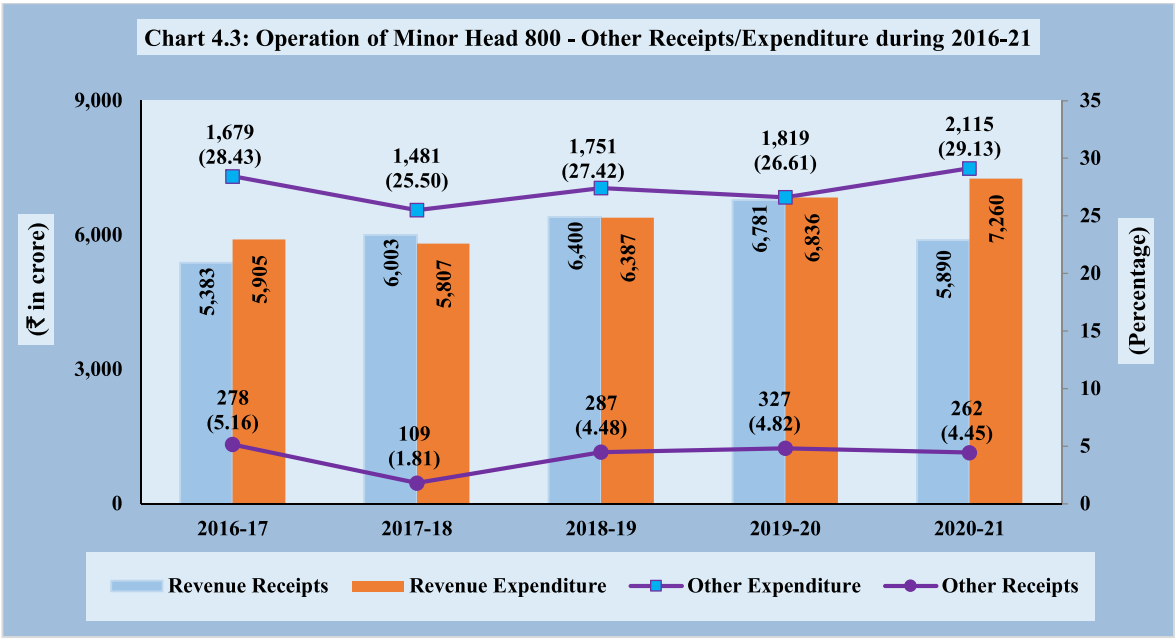
The pendency in respect of 285 advances involving ₹ 19.26 crore for more than 10 years indicated serious laxity on the part of the departments in enforcing the provisions contemplated for adjustment of the advances. Further, there is no assurance that the expenditure of ₹ 129.14 crore has actually been 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.

Government stated (January 2022) that a Committee had been formed by the Directorate of Accounts and Treasuries, Puducherry to clear the outstanding advances.

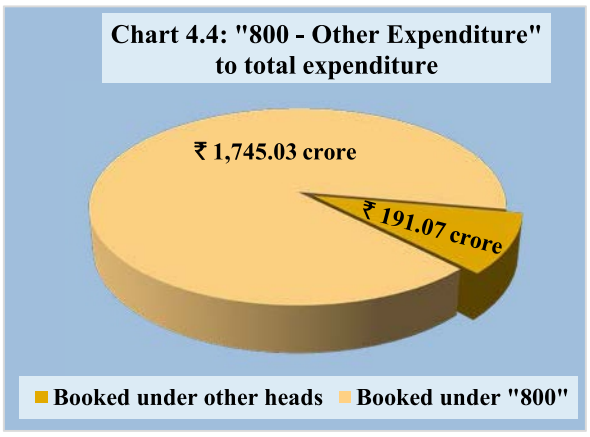
4.7 Indiscriminate use of Minor Head '800'

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.

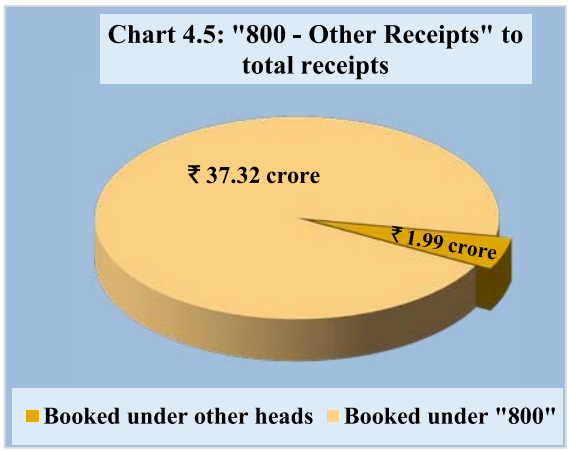
The details of total revenue expenditure/receipts incurred and the expenditure/ receipts booked under the Minor Head "800 - Other expenditure/receipts" and its percentage to revenue receipts/expenditure for the years 2016-17 to 2020-21 are given in **Chart 4.3**.



Figures in brackets indicates percentages to Revenue Receipts/Revenue Expenditure
(Source: Finance Accounts of respective years)



During 2020-21, under eight Major Heads, expenditure aggregating to ₹ 1,745.03 crore (90.13 *per cent* of the total expenditure of ₹ 1,936.10 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', instead of depicting the same under relevant minor heads below the functional major heads. The details are given in **Appendix 4.1**.



Similarly, under nine major heads, Revenue receipts aggregating to ₹ 37.32 crore (94.94 *per cent* of the total receipt of ₹ 39.31 crore under these heads), were classified under the minor head '800 - Other Receipts'. The entire receipts under "Public Works", "Social Security and Welfare", "Ports and Light Houses", "Minor Irrigation" 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 ₹ 1,782.35 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 Directorate of Accounts and Treasuries, the institutions are identified for the purpose of conducting audit.

The audit of accounts of 70 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 4.6**.

Table 4.6: 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	17
2	5 - 3 years	18
3	2 - 1 year	33
	Total	**68**

(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 of the GFR, 2017. 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 departments of UT Government reported 321 cases of misappropriation, loss and defalcation upto March 2021, involving Government money amounting to ₹ 28.05 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 255 cases involving an amount of ₹ 26.55 crore.

The age-profile of the pending cases of theft and misappropriation/loss are summarised in **Table 4.7**.

Table 4.7: Age-wise profile of misappropriation/losses and defalcation

Range in years	Number of cases	Amount involved (₹ in lakh)
More than 25	63	5.86
20-25	108	7.76
15-20	73	108.44
10-15	21	174.51
5 - 10	38	2,485.53
0 - 5	18	22.93
Total	**321**	**2,805.03**

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

The reasons for pendency in outstanding cases of theft and misappropriation/ losses are given in **Table 4.8**.

Table 4.8 : 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	29	25.07
(ii)	Departmental actions initiated but not finalised/ Pending in Courts of Law	20	2,705.82
(iii)	Awaiting orders for recovery or write-off	272	74.14
Total		**321**	**2,805.03**

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

In respect of 49 cases of misappropriation, theft/loss of materials, amounting to ₹ 27.31 crore, FIRs were lodged, but results of the investigations are awaited.

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 2019-20 have been tabled in the UT Legislature. The Public Accounts Committee (PAC) had discussed the reports till the year 2013-14. From the year 2014-15 upto the year 2018-19, 60 paragraphs are pending discussion by PAC.

4.11 Conclusion

Undischarged liability: Provision for discharge of clear-cut liabilities to the tune of ₹ 425.67 crore was not made in the Budget Estimates. There was an undischarged liability of ₹ 18.66 crore on interest bearing deposits.

Direct transfer of funds: Funds transferred directly to various Government departments/implementing agencies by Government of India to the tune of ₹ 189.55 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 ₹ 462.25 crore and it ranged from one year to more than nine years.

Temporary Advances: Temporary Advances aggregating to ₹ 129.14 crore were pending adjustment by Drawing and Disbursing Officers.

Classification under Minor Head 800-other expenditure: In respect of eight major heads, an amount of ₹ 1,745.03 crore (90.13 *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 321 cases of misappropriation, loss, theft upto March 2021 involving Government money of ₹ 28.05 crore.

4.12 Recommendations

- The Departments should ensure submission of UCs by the grantee before releasing subsequent grant to the grantee institutions.
- Action needs to be taken to clear the outstanding Temporary Advances to avoid any misappropriation.
- 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.

[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 2021, 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 UT PSUs covered in the Report				
		Accounts up to			2017-18[4] and prior	Total
		2020-21	2019-20	2018-19		
Working Government Companies	12	Nil	1[5]	2	9	12
Total Companies	12	Nil	1	2	9	12
Non-functional Government Companies	1#	--	--	--		--
Total	**13**	**Nil**	**1**	**2**	**9**	**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 2020-21 are given in **Appendix 5.1**. None of these Government Companies are listed in 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 2021 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	2018-19	2019-20	2020-21
Turnover	376.43	414.89	435.46
GSDP of Puducherry	36,555	37,959	36,402
Percentage of Turnover to GSDP of Puducherry	1.03	1.09	1.20

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, 2016-17: 2 and 2017-18: 2.

5 Puducherry Power Corporation Limited.

As per their latest audited accounts available in respective years, the turnover of these PSUs recorded increase of 15.68 *per cent* during 2020-21 as compared to 2018-19. 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 2021 was ₹ 738.03 crore (₹ 728.36 crore till 31.03.2020) 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 2021			As on 31 March 2020		
		Equity	Long Term Loans	Total	Equity	Long Term Loans	Total
1.	UT Government	712.39	10.67	723.06	712.39	5.70	718.09
2.	Central Government	1.68	0.00	1.68	1.68	0.00	1.68
3.	Financial Institutions and Others	8.59	4.70	13.29	8.59	0.00	8.59
Total		**722.66**	**15.37**	**738.03**	**722.66**	**5.70**	**728.36**
	Percentage of investment of UT Government to total investment	98.58	69.42	97.97	98.58	100	98.59

(Source: Details received from PSUs)

The total long-term loans outstanding in three PSUs[7] out of 12 Government companies from UT Government as on 31 March 2021 was ₹ 10.67 crore. During 2020-21, the long-term loans of Government Companies registered increase of ₹ 4.97 crore due to availing of fresh loans by one PSU[8].

5.5.2 Disinvestment, restructuring or privatisation

During the year 2020-21, 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 eight years.

7 Puducherry Adi-Dravidar Development Corporation Limited, Puducherry Road Transport Corporation Limited and Puducherry Backward Classes and Minorities Development Corporation Limited.

8 Puducherry Backward classes and Minorities Development Corporation Limited.

5.6 Returns from PSUs

5.6.1 Profit earned by PSUs

Six PSUs which reported profit in 2019-20 earned profit in 2020-21 also as per the latest accounts finalised during the respective years. The profit earned increased to ₹ 35.07 crore in 2020-21 from ₹ 28.05 crore in 2019-20.

The increase in profit to ₹ 35.07 crore (2020-21) from ₹ 28.05 crore (2019-20) increased the Return on Equity (ROE) of the six PSUs to 10.63 *per cent* in 2020-21 as compared to 8.36 *per cent* in these six PSUs in 2019-20. However, despite the increase in profit, the ROE of all the 12 PSUs (*i.e.,* including six loss making companies) was negative in 2020-21.

5.6.2 Dividend pay-out by PSUs

During 2020-21, 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[9]	108.23	10.60	2.71
Total	**2**	**108.23**	**10.60**	**2.71**

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

The dividend declared by two PSUs was ₹ 2.71 crore as against dividend of ₹ 1.16 crore declared by these two PSUs during the previous year. The dividend declared as a percentage of net profit of these two profit earning PSUs was 25.57.

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 0.38 *per cent* as against 0.16 *per cent* during the previous year.

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

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

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 2018-19 to 2020-21 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
2018-19	20.13	(-) 36.29	7	2	5
2019-20	19.46	0.01	8	4	4
2020-21	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 2018-19 to 2020-21 is given in **Table 5.6**.

Table 5.6: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in percentage)
2018-19	(-) 34.42	62.72	--
2019-20	(-) 3.03	62.11	--
2020-21	(-) 2.00	52.19	--

(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 2020-21 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 *per cent*)	No. of PSUs	EBIT	Capital employed	ROCE (in *per cent*)
		(₹ in crore)				(₹ in crore)		
2018-19	6	(-) 1.77	208.49	--	6	(-) 32.65	(-) 145.77	--
2019-20	6	(-) 9.62	213.62	--	6	6.59	(-) 151.51	--
2020-21	6	1.47	219.41	0.67	6	(-) 3.47	(-) 167.22	--

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

The ROCE of the six monopoly sector companies was 0.67 in 2020-21. 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 2018-19 to 2020-21 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)
2018-19	(-) 57.76	19.66	--
2019-20	(-) 24.32	19.34	--
2020-21	(-) 27.36	9.42	--

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

[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.

It was observed from **Table 5.8** that during the last three years ending 2020-21, net income was negative and therefore, the ROE also remained negative.

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 *per cent*)	No. of PSUs	Equity	Net Profit after Tax	ROE (in *per cent*)
		(₹ in crore)				(₹ in crore)		
2018-19	6	168.15	(-) 6.69	--	6	(-) 148.49	(-) 51.07	--
2019-20	6	173.65	(-) 13.32	--	6	(-) 154.31	(-) 11.00	--
2020-21	6	179.44	(-) 6.30	--	6	(-) 170.02	(-) 21.06	--

(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 negative during all the three years ended 2020-21. The equity of non-monopoly PSUs as well as ROE remained negative during all the three years ended 2020-21.

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 2020-21 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 2020-21

(₹ 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
2020-21	572.92	--	--	--	0.26	572.66	7.44	615.27	45.78	(-) 27.36	(-) 4.45
Total		**284.50**	**--**	**--**	**34.52**	**4,751.39**					

(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 2020-21

Total Earnings/Loss in 2020-21 (₹ in crore)	Investment by the UT Government since inception till 2020-21 (₹ 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 2020-21 (₹ 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
(-) 27.36	249.98	(-) 10.95	615.27	(-) 4.45

It could be seen from **Table 5.11** that since the PSUs incurred overall loss during 2020-21, the RORR calculated on historical value was negative at (-) 10.95 *per cent* as compared to present value which was also negative and worked out to (-) 4.45 *per cent*.

5.9 PSUs incurring losses

5.9.1 Loss incurred by Government Companies

There were six Government Companies that incurred losses during the year 2020-21. The losses incurred by these PSUs increased to ₹ 62.43 crore in 2020-21 from ₹ 52.37 crore during 2019-20 (six PSUs) as given in **Table 5.12**.

Table 5.12: Number of PSUs that incurred losses during 2020-21

Year	No. of PSUs incurred loss	Net loss for the year (₹ in crore)	Accumulated loss (₹ in crore)	Net worth[15] (₹ in crore)
2018-19	8	67.11	764.61	(-) 175.36
2019-20	6	52.37	720.17	(-) 274.43
2020-21	6	62.43	735.88	(-) 290.14

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

Heavy losses were incurred by Pondicherry Textile Corporation Limited amounting to ₹ 27.31 crore due to heavy expenditure incurred towards employee cost and finance costs and Puducherry Road Transport Corporation

[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.

Limited amounted to ₹ 15.71 crore mainly due to provision for gratuity liability and accountal of demand from Employees State Insurance Corporation.

Thus, out of the total 12 working PSUs, six PSUs earned profit of ₹ 35.07 crore and six PSUs incurred losses of ₹ 62.43 crore aggregating to overall loss of ₹ 27.36 crore during 2020-21.

5.9.2 Erosion of capital in Government Companies

As on 31 March 2021, there were eight Government companies with accumulated losses of ₹ 817.59 crore. Of these eight PSUs, six PSUs incurred losses amounting to ₹ 62.43 crore and two[16] PSUs had not incurred losses as per their latest finalised accounts, even though they had accumulated losses 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 ₹ 321.30 crore against equity investment of ₹ 482.13 crore by UT Government in these PSUs as on 31 March 2021. Out of seven PSUs, whose capital had been eroded (negative net worth), two PSUs had earned profit of ₹ 23.24 crore as per their latest finalised accounts (**Appendix 5.4**).

In respect of one PSU[17] whose capital had been eroded, Government loans outstanding as on 31 March 2021 amounted to ₹ 2.72 crore.

Net worth was less than half of the paid-up capital in respect of one[18] out of five PSUs whose net worth was positive at the end of 31 March 2021, indicating its potential financial sickness.

Five PSUs had positive net worth of ₹ 330.72 crore. In the overall, net worth of all the 12 working Government companies was ₹ 9.42 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 and 395 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).

18 Puducherry Adi-Dravidar Development Corporation Limited.

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 2021, 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, two companies submitted their two 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 31.03.2021		12	1	13
Number of companies from which accounts for 2020-21 were due		12	--	12
Number of companies which presented the accounts for 2020-21 for CAG's audit		--	--	--
Number of Companies whose accounts are in arrears[19]		12	--	12
Break-up of Arrears	(i) Under Liquidation			
	(ii) Defunct			

[19] as on 30 November 2021.

Particulars		Government Companies		
		Government Companies	Non-functional Company#	Total
	(iii) First Accounts not submitted			
	(iv) Others	12	--	12
Age–wise analysis of arrears	One year (2020-21)	1	0	1
	Two years (2020-21 and 2019-20)	2	0	2
	Three years and more	9	0	9

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.

Government agreed (January 2022) to look into the issue of delay in preparation of accounts.

5.11 CAG's oversight role - 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 2020-21. 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, two companies submitted their arrear accounts during the year 2021-22. Of these, one accounts[20] was reviewed in audit by the CAG.

The results of the review are detailed below:

5.12.1 Revision of Auditor's Report

There were no instances of revision of Statutory Auditor's report in respect of the supplementary audit conducted on the above arrear accounts.

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

[20] Puducherry Power Corporation Limited.

(Ind AS) through Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 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 one company[21] 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, 'Management Letter' was issued to one PSU[22]. 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 2021, the UT Government of Puducherry had made a total investment (Equity and Long term loans) of ₹ 723.06 crore in 12 PSUs. Out of these PSUs, six PSUs earned a profit of ₹ 35.07 crore and six PSUs incurred a loss of ₹ 62.43 crore, leading to overall loss of ₹ 27.36 crore.
- The Net worth of seven PSUs was negative at ₹ 321.30 crore as its equity had been completely eroded by accumulated losses.
- Accounts of all the 12 Government PSUs were in arrears for periods ranging from one to eight years.

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21 Puducherry Road Transport Corporation Limited.

22 Puducherry Power Corporation 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 23 March 2022

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

Countersigned



New Delhi,
The 25 March 2022

(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)

	2016-17	2017-18	2018-19	2019-20	2020-21
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Part A. Receipts					
1. Revenue Receipts	**5,383 (76)**	**6,003 (77)**	**6,400 (78)**	**6,781 (77)**	**5,890 (63)**
(i) Tax Revenue	**2,401(45)**	**2,806 (47)**	**3,188 (50)**	**2,475 (37)**	**1,948 (33)**
Goods and Services Tax (GST)	Nil	852	1,499	781	433
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc.	1,576	1,008	632	596	549
State Excise	671	770	850	868	798
Taxes on Vehicles	87	104	114	139	84
Stamp Duty and Registration Fees	66	71	92	88	82
Land Revenue	1	1	1	2	2
Taxes on Goods and Passengers	Nil	Nil	Nil	Nil	0
(ii) Non-Tax Revenue	**1,245 (23)**	**1,374 (23)**	**1,584 (25)**	**1,638 (24)**	**1,460 (25)**
(iii) State's share of Union taxes and duties	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
(iv) Grants-in-aid from Government of India	**1,737 (32)**	**1,823 (30)**	**1,628 (25)**	**2,668 (39)**	**2,482 (42)**
2. Miscellaneous Capital Receipts	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
3. Recoveries of Loans and Advances	**2**	**1**	1	**Nil**	**Nil**
4. Total Revenue and Non-debt capital receipts (1+2+3)	**5,385**	**6,004**	**6,401**	**6,781**	**5,890**
5. Public Debt Receipts	**820 (12)**	**1,061(14)**	**1,007 (12)**	**1,044 (12)**	**2,529 (27)**
External Debt	-	-	50	--	0
Internal Debt and Market Loan	748	989	957	1,043	1,787
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	72	72	Nil	1	742
6. Total Receipts in the Consolidated Fund (4+5)	**6,205**	**7,065**	**7,408**	**7,825**	**8,419**
7. Contingency Fund Receipts	Nil	Nil	Nil	Nil	Nil
8. Public Account Receipts	**845 (12)**	**717 (9)**	**778 (10)**	**928 (11)**	**906 (10)**
9. Total Receipts of UT (6+7+8)	**7,050**	**7,782**	**8,186**	**8,753**	**9,325**

	2016-17	2017-18	2018-19	2019-20	2020-21
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Part B. Expenditure/Disbursement					
10. Revenue expenditure	**5,458 (79)**	**5,807 (82)**	**6,387 (74)**	**6,836 (78)**	**7260 (78)**
(i) Plan	1,644 (30)	1,659 (29)	6,387 (100)	6,836 (100)	7,260 (100)
(ii) Non-Plan	3,814 (70)	4,148 (71)	Nil	Nil	Nil
(iii) General Services (including interest payments)	1,639	1,874	2,154	2,313	2,432
(iv) Social Services	2,129	2,235	2,401	2,440	2,450
(v) Economic Services	1,684	1,694	1,832	2,083	2,378
(vi) Grants-in-aid and Contributions	6	4	Nil	Nil	Nil
11. Capital expenditure	**447 (6)**	**394 (6)**	**313 (4)**	**327 (4)**	**240 (3)**
(i) Plan	440 (98)	388 (98)	313 (100)	327 (100)	240 (100)
(ii) Non-Plan	7 (2)	6 (2)	Nil	Nil	Nil
(iii) General Services	85	88	19	21	39
(iv) Social Services	121	107	126	160	87
(v) Economic Services	241	199	168	146	114
12. Disbursement of Loans and Advances	**Nil**	**Nil**	**3**	**Nil**	**5**
13. Total (10+11+12)	**5,905**	**6,201**	**6,703**	**7,163**	**7505**
14. Repayments of Public Debt	**224 (3)**	**570 (8)**	**639 (7)**	**762 (9)**	**838 (9)**
External debt	..	..	..	..	**..**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	98	434	488	611	719
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	126	136	151	151	119
15. Appropriation to Contingency Fund	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
16. Total disbursement out of Consolidated Fund (13+14+15)	**6,129**	**6,771**	**7,342**	**7,925**	**8,343**
17. Contingency Fund disbursements	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
18. Public Account disbursements	**800 (12)**	**269(4)**	**1,335 (15)**	**807 (9)**	**950 (10)**
19. Total disbursement by UT (16+17+18)	**6,929**	**7,040**	**8,677**	**8,732**	**9,293**
Part C. Deficits					
20. Revenue deficit(-)/Revenue surplus (+) (1-10)	**(-) 75**	**196**	**13**	**(-) 55**	**(-) 1,370**
21. Fiscal deficit (-)/Fiscal surplus (+) (4-13)	**(-) 520**	**(-) 197**	**(-) 302**	**(-) 381**	**(-) 1,615**
22. Primary deficit (-)/surplus (+) (21+23)	**58**	**489**	**405**	**308**	**(-) 858**

	2016-17	2017-18	2018-19	2019-20	2020-21
(1)	(2)	(3)	(4)	(5)	(6)
Part D. Other data					
23. Interest payments (included in revenue expenditure)	**578**	**686**	**707**	**690**	**757**
24. Financial Assistance to local bodies etc.	**669**	**660**	**748**	**779**	**780**
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)	**29,573**	**32,129**	**36,555**	**37,959**	**36,402**
28. Outstanding fiscal liabilities (year-end)	**8,299**	**8,799**	**9,144**	**9,449**	**10,894**
29. Outstanding guarantees (year-end) (including interest)	**45**	**51**	**51**	**44**	**43**
30. Maximum amount guaranteed (year-end)	**56**	**63**	**63**	**63**	**53**
31. Number of incomplete projects	**14**	**12**	**30**	**74**	**58**
32. Capital blocked in incomplete projects	**75.71**	**76.96**	**184.49**	**151.53**	**212.95**
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP	0.08	0.09	0.09	0.06	0.05
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	0.20	0.19	0.19	0.19	0.21
Total Expenditure/Revenue Receipts	1.10	1.03	1.05	1.06	1.27
Revenue Expenditure/Total Expenditure	0.92	0.94	0.95	0.95	0.97
Expenditure on Social Services/Total Expenditure	0.36	0.36	0.36	0.34	0.33
Expenditure on Economic Services/Total Expenditure	0.29	0.27	0.27	0.29	0.32
Capital Expenditure/Total Expenditure	0.08	0.06	0.05	0.05	0.03

	2016-17	2017-18	2018-19	2019-20	2020-21
(1)	(2)	(3)	(4)	(5)	(6)
Capital Expenditure on Social and Economic Services/Total Expenditure	0.06	0.05	0.04	0.04	0.03
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	(-) 0.003	0.006	0.000	(-) 0.001	(-) 0.038
Fiscal deficit/GSDP	(-) 0.018	(-) 0.006	(-) 0.008	(-) 0.010	(-) 0.044
Primary Deficit (surplus) /GSDP	0.002	0.015	0.011	0.008	(-) 0.024
Revenue Deficit/Fiscal Deficit	0.144	(-) 0.995	(-) 0.043	0.144	0.848
Primary Revenue Balance/GSDP	0.017	0.027	0.020	0.017	(-) 0.017
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.28	0.27	0.25	0.25	0.28
Fiscal Liabilities/RR	1.54	1.47	1.43	1.39	1.85
Primary deficit vis-à-vis quantum spread	0.17	2.93	1.38	0.92	83.18
Debt Redemption (Principal +Interest)/ Total Debt Receipts	0.96	1.12	1.18	1.37	0.6
V Other Fiscal Health Indicators					
Return on Investment (₹ in crore)	Nil	0.09	0.09	Nil	0.09
Financial Assets/Liabilities	0.85	0.89	0.89	0.89	0.78
Revenue Expenditure /Revenue Receipts	101	97	100	101	123

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 3.3.3; Page 69)

Supplementary provision of ₹ 50 lakh or more proved wholly unnecessary

(₹ in lakh)

Sl. No.	Grant No.	Head of account					Original	Supple-mentary	Total Provision	Expen-diture	Savings
1	10	2216	80	789	11	01	772.80	270.00	1,042.80	790.20	252.60
2	10	2216	80	800	02	01	63.08	170.00	233.08	169.90	63.18
3	10	2216	80	800	04	01	1,237.19	400.00	1,637.19	1,485.41	151.78
4	10	2216	80	800	22	01	45.00	115.00	160.00	45.31	114.69
5	12	2055	00	104	02	01	5,496.15	285.06	5,781.21	5,646.93	134.28
6	12	2055	00	109	01	02	1,213.81	96.26	1,310.07	1,301.00	9.07
7	12	2070	00	107	01	01	1,036.64	68.11	1,104.75	1,100.95	3.80
8	12	4055	00	207	01	01	75.00	356.77	431.77	219.66	212.11
9	16	5054	04	800	01	02	64.00	5,400.00	5,464.00	5,421.58	42.42
10	17	4202	01	800	02	01	0.00	950.00	950.00	946.36	3.64
11	17	4202	02	105	01	02	2,015.00	449.83	2,464.83	2,464.28	0.55
12	18	2210	02	800	02	01	0.00	100.00	100.00	29.90	70.10
13	18	2210	06	101	23	01	0.00	1,600.00	1,600.00	883.37	716.63
14	19	5452	01	800	02	01	108.27	161.73	270.00	269.84	0.16
15	29	2049	60	101	01	01	150.00	495.40	645.40	645.39	0.01
16	29	4801	05	800	06	01	264.00	200.00	464.00	303.45	160.55
17	32	4202	03	800	01	01	2.00	95.90	97.90	86.66	11.24
18	33	2049	03	104	01	07	5,000.00	3,333.60	8,333.60	6,099.12	2,234.48
Total							**17,542.94**	**14,547.66**	**32,090.60**	**27,909.31**	**4,181.29**

Appendix 3.3
(Reference: Paragraph 3.3.4; Page 69)

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

(₹ in lakh)

Sl. No.	Grant No.	Head of account					Provision	Re-appropriation	Expenditure	Savings in Provision
1	06	2235	60	101	01	01	200.00	14.75	199.80	0.20
2	10	2216	80	800	02	02	38.42	22.71	28.03	10.39
3	10	2216	80	800	04	02	257.30	13.66	202.30	55.00
4	10	2217	80	001	02	01	328.88	82.32	115.40	213.48
5	12	2055	00	003	02	01	0.01	53.99	0.00	0.01
6	12	2055	00	003	03	01	1.24	58.76	0.00	1.24
7	15	2071	01	101	01	07	49,700.00	1,009.43	47,012.76	2,687.24
8	15	2071	01	105	01	07	14,557.00	662.70	14,162.54	394.46
9	15	2071	01	115	01	07	13,100.00	1,651.14	12,000.90	1,099.10
10	16	2059	80	001	02	01	8,860.65	104.71	8,277.68	582.97
11	16	2215	02	001	01	01	5,267.50	38.36	5,063.09	204.41
12	16	3054	04	789	03	01	12.80	39.21	10.31	2.49
13	16	3054	04	789	03	04	54.00	42.00	12.20	41.80
14	16	3054	04	789	04	01	59.50	41.52	31.11	28.39
15	16	4215	01	800	03	01	1,352.35	147.65	1,310.28	42.07
16	16	4215	01	800	03	02	700.00	200.00	414.00	286.00
17	16	5054	04	800	09	03	285.00	15.00	84.36	200.64
18	17	2202	01	800	01	01	18,358.83	658.85	18,336.47	22.36
19	17	2202	02	109	17	01	6,933.99	587.35	6,822.69	111.30
20	17	2202	02	109	17	02	1,759.68	20.00	1,503.72	255.96
21	17	2202	02	109	17	04	24.70	61.81	21.10	3.60
22	17	2202	02	109	18	02	2,158.98	497.64	2,128.53	30.45
23	17	2202	02	109	18	04	894.44	40.20	889.25	5.19
24	17	2202	03	103	03	01	2,253.11	41.32	2,222.81	30.30
25	17	2202	03	103	07	04	228.74	14.90	219.40	9.34
26	17	2202	80	789	07	01	202.45	44.95	201.32	1.13
27	17	2202	80	789	10	01	55.10	46.78	38.55	16.55

Sl. No.	Grant No.	Head of account					Provision	Re-appropriation	Expenditure	Savings in Provision
28	17	2202	80	789	12	01	19.12	29.41	5.56	13.56
29	17	2202	80	800	02	01	258.01	34.24	233.26	24.75
30	17	2202	80	800	16	01	245.52	60.59	207.85	37.67
31	17	2202	80	800	18	01	100.36	30.92	55.39	44.97
32	17	2203	00	001	02	01	229.42	13.52	212.93	16.49
33	17	2204	00	102	01	01	365.77	80.93	321.85	43.92
34	17	2236	02	102	03	03	107.00	44.78	19.03	87.97
35	17	2236	02	102	05	01	676.78	26.27	560.31	116.47
36	18	2210	01	001	09	01	520.00	30.00	465.70	54.30
37	18	2210	01	110	01	01	11,093.76	588.91	11,092.44	1.32
38	18	2210	01	110	01	03	1,863.18	108.90	1,817.93	45.25
39	18	2210	01	110	02	01	5,978.66	91.64	5,889.14	89.52
40	18	2210	01	110	09	02	41.20	91.03	15.73	25.47
41	18	2210	01	789	06	01	75.00	18.64	57.60	17.40
42	18	2210	02	800	02	01	100.00	27.00	29.90	70.10
43	18	2210	03	104	01	01	375.94	20.96	338.77	37.17
44	18	2210	03	110	01	01	3,264.76	18.89	3,153.38	111.38
45	18	2210	06	101	04	01	375.57	40.56	340.32	35.25
46	18	2210	06	101	23	01	1,600.00	1,277.28	883.37	716.63
47	18	2210	80	789	01	01	200.00	100.00	0.00	200.00
48	21	2225	01	789	24	01	130.09	31.99	12.54	117.55
49	21	2225	01	789	38	01	0.01	167.44	0.00	0.01
50	21	2225	01	789	39	01	0.01	299.99	0.00	0.01
51	21	2225	01	789	42	01	0.01	16.22	0.00	0.01
52	21	2225	03	190	05	01	34.50	99.55	13.32	21.18
53	21	2225	03	277	09	01	0.01	29.68	0.00	0.01
54	21	2235	02	102	12	01	419.72	32.44	411.58	8.14
55	21	2235	02	103	24	01	50.00	23.52	1.61	48.39
56	21	2235	02	800	04	01	37.50	24.04	0.00	37.50
57	21	2235	60	102	01	02	4,602.12	36.40	4,586.89	15.23

Sl. No.	Grant No.	Head of account					Provision	Re-appropriation	Expenditure	Savings in Provision
58	21	2235	60	102	01	04	807.72	14.80	781.86	25.86
59	22	2852	08	195	01	01	96.43	22.53	88.96	7.47
60	24	2401	00	102	01	01	1,581.57	119.73	1,445.09	136.48
61	24	2401	00	102	01	02	965.94	39.09	534.25	431.69
62	24	2401	00	109	07	01	123.51	146.84	115.96	7.55
63	24	2401	00	119	08	01	750.50	72.78	739.91	10.59
64	24	2401	00	800	16	02	66.93	14.00	28.42	38.51
65	26	2405	00	800	01	02	48.18	20.12	26.70	21.48
66	26	2405	00	800	19	01	1,037.42	28.14	1,016.12	21.30
67	26	2405	00	800	19	02	292.18	15.67	291.99	0.19
68	26	2405	00	800	19	04	405.74	18.96	405.05	0.69
69	27	2515	00	800	11	01	0.01	999.99	0.00	0.01
70	29	4801	05	799	01	01	1,219.50	77.20	654.20	565.30
71	29	4801	05	800	06	01	464.00	26.42	303.45	160.55
72	29	4801	05	800	46	01	180.00	160.00	177.66	2.34
73	29	4801	05	800	50	01	410.00	135.30	69.80	340.20
74	32	4202	01	201	04	03	0.01	21.75	0.00	0.01
75	32	4202	01	202	02	04	30.00	20.00	18.00	12.00
76	32	4210	01	110	01	04	20.00	20.00	16.22	3.78
77	33	6003	00	109	03	07	744.26	10.74	744.24	0.02
Total							**1,69,652.59**	**11,691.51**	**1,59,492.88**	

Appendix 3.4
(Reference: Paragraph 3.3.5.1; Page 70)

(a) 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	03	Council of Ministers	2.32	0.63	1.69
2	04	Administration of Justice	7.11	5.47	1.64
3	06	Revenue and Food	14.28	2.66	11.62
4	09	Secretariat	2.99	0.98	2.01
5	10	District Administration	36.39	0.00	36.39
6	12	Police	5.77	0.00	5.77
7	14	Stationery and Printing	3.86	2.35	1.51
8	15	Retirement Benefits	113.48	26.32	87.16
9	16	Public Works	26.95	20.39	6.56
10	17	Education	87.92	7.99	79.93
11	18	Medical	96.49	0.00	96.49
12	19	Information and Publicity	10.62	4.46	6.16
13	20	Labour and Employment	8.88	4.94	3.94
14	21	Social Welfare	76.36	9.91	66.45
15	22	Co-operation	5.16	1.34	3.82
16	24	Agriculture	22.08	2.24	19.84
17	25	Animal Husbandry	3.83	1.74	2.09
18	26	Fisheries	11.14	0.00	11.14
19	27	Community Development	27.48	5.79	21.69
20	28	Industries	3.28	0.00	3.28
21	29	Electricity	28.72	0.00	28.72
22	32	Building Programmes	5.08	0.00	5.08
Total (A)			**600.19**	**97.21**	**502.98**

Sl. No.	Grant No.	Description	Savings	Amount Surrendered	Amount not Surrendered
(B) Revenue - Charged					
23	33	Public Debt	2.20	0.00	2.20
Total (B)			**2.20**	**0.00**	**2.20**
(C) Capital - Voted					
24	10	District Administration	1.16	0.00	1.16
25	12	Police	6.58	0.00	6.58
26	16	Public Works	148.95	89.49	59.46
27	18	Medical	20.62	4.88	15.74
28	26	Fisheries	2.84	0.00	2.84
29	29	Electricity	17.67	0.00	17.67
30	30	Ports and Pilotage	2.44	1.30	1.14
31	32	Building Programmes	20.80	4.55	16.25
Total (C)			**221.06**	**100.22**	**120.84**
(D) Capital Charged					
32	16	Public Works	2.85	0.00	2.85
33	18	Medical	1.50	1.50	0.00
33	32	Building Programmes	2.01	0.00	2.01
34	33	Public Debt	52.19	49.34	2.85
Total (D)			**58.55**	**50.84**	**7.71**
Grant Total			**882.00**	**248.27**	**633.73**

Appendix 3.4
(Reference: Paragraph 3.3.5.1; Page 70)

(b) Details of cases where entire savings (₹ one crore and above) were not surrendered

(₹ in crore)

Sl. No.	Grant No.	Description	Savings	Amount Surrendered	Amount not Surrendered
(A) Revenue - Voted					
1	10	District Administration	36.39	0.00	36.39
2	12	Police	5.77	0.00	5.77
3	18	Medical	96.49	0.00	96.49
4	26	Fisheries	11.14	0.00	11.14
5	28	Industries	3.28	0.00	3.28
6	29	Electricity	28.72	0.00	28.72
7	32	Building Programmes	5.08	0.00	5.08
Total (A)			**186.87**	**0.00**	**186.87**
(B) Revenue - Charged					
8	33	Public Debt	2.20	0.00	2.20
Total (B)			**2.20**	**0.00**	**2.20**
(C) Capital - Voted					
9	10	District Administration	1.16	0.00	1.16
10	12	Police	6.58	0.00	6.58
11	26	Fisheries	2.84	0.00	2.84
12	29	Electricity	17.67	0.00	17.67
Total (C)			**28.25**	**0.00**	**28.25**
(D) Capital Charged					
13	16	Public Works	2.85	0.00	2.85
14	32	Building Programmes	2.01	0.00	2.01
Total (D)			**4.86**	**0.00**	**4.86**
Grant Total			**222.18**	**0.00**	**222.18**

Appendix 3.5
(Reference: Paragraph 3.3.5.2; Page 70)

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	06	2245	02	101	01	02	V	20.00	0.00	3.00	17.00	14.00	82.35
2	06	2245	80	001	05	02	V	60.96	(-) 0.29	22.64	38.03	38.00	99.93
3	09	2052	00	092	07	01	V	19.00	0.00	0.15	18.85	18.70	99.20
4	10	2053	00	800	01	01	C	10.00	0.00	0.00	10.00	10.00	100.00
5	16	2059	01	053	03	01	V	12.00	(-) 0.99	0.00	11.01	11.00	99.91
6	16	2059	01	053	03	02	V	20.00	(-) 0.99	0.00	19.01	19.00	99.95
7	16	2059	80	052	01	01	V	52.41	(-) 0.59	9.32	42.50	40.00	94.12
8	16	2059	80	053	02	02	V	20.00	(-) 0.05	0.00	19.95	19.94	99.95
9	16	2215	01	101	02	01	V	200.00	0.00	63.00	137.00	137.00	100.00
10	16	2215	01	101	02	02	V	46.69	(-) 0.57	11.57	34.55	34.42	99.64
11	16	2215	01	102	02	01	V	100.00	(-) 0.99	0.00	99.01	99.00	99.99
12	16	2215	01	102	11	01	V	150.00	(-) 2.94	32.00	115.06	115.06	100.00
13	16	2215	01	789	03	01	V	50.00	(-) 1.00	19.00	30.00	30.00	100.00
14	16	2216	01	106	02	01	C	25.00	0.00	0.00	25.00	25.00	100.00
15	16	2217	05	001	07	02	V	22.00	(-) 0.75	0.22	21.03	21.00	99.86
16	16	2217	05	789	02	01	V	55.00	0.00	22.00	33.00	33.00	100.00
17	16	2711	03	103	02	02	V	63.00	0.00	25.00	38.00	38.00	100.00
18	16	3054	04	789	04	01	C	30.00	0.00	0.00	30.00	30.00	100.00
19	16	4215	01	101	05	01	V	6,000.00	0.00	0.00	6,000.00	6,000.00	100.00
20	16	4215	01	102	01	01	V	250.00	0.00	55.00	195.00	170.00	87.18
21	16	4711	03	800	04	04	V	100.00	(-) 23.90	0.00	76.10	66.10	86.86
22	16	5054	04	800	11	01	V	655.00	(-) 127.52	84.52	442.96	435.48	98.31
23	18	2210	01	001	01	01	C	20.00	0.00	4.14	15.86	15.50	97.75
24	18	4210	01	110	01	01	V	350.00	(-) 8.43	44.86	296.71	190.00	64.03
25	18	4210	01	110	01	02	V	217.00	(-) 25.65	37.58	153.77	150.00	97.55

Sl. No.	Grant No.	Head of account					Voted/ Charged	Provi-sion	Re-appro-priation	Expen-diture	Savings	Surren-der	Surren-der (in *per cent*)
26	18	4210	80	800	02	01	C	150.00	0.00	0.00	150.00	149.50	99.67
27	20	2230	03	789	16	01	V	44.33	0.00	16.33	28.00	28.00	100.00
28	20	2230	03	796	01	01	V	25.96	(-) 0.66	0.00	25.30	25.30	100.00
29	21	2235	02	102	10	01	V	373.60	(-) 3.60	84.54	285.46	250.00	87.58
30	21	2235	02	102	10	02	V	93.40	(-) 3.39	0.00	90.01	90.00	99.99
31	21	2235	02	103	25	01	V	202.50	(-) 3.00	75.29	124.21	120.00	96.61
32	21	4225	01	789	01	01	V	160.00	0.00	0.00	160.00	160.00	100.00
33	21	4225	01	789	29	01	V	200.00	0.00	0.00	200.00	200.00	100.00
34	24	2401	00	102	01	04	V	89.02	(-) 0.74	31.11	57.17	57.00	99.70
35	27	2505	02	101	07	01	V	750.00	(-) 2.06	14.00	733.94	450.00	61.31
36	30	5051	02	200	06	01	V	67.00	0.00	0.00	67.00	67.00	100.00
37	30	5051	02	200	07	01	V	17.99	0.00	0.00	17.99	17.99	100.00
38	31	7610	00	201	01	07	V	25.00	0.00	0.00	25.00	25.00	100.00
39	31	7610	00	204	02	07	V	25.00	0.00	2.50	22.50	21.00	93.33
40	32	4210	01	800	03	01	V	380.00	(-) 6.25	78.33	295.42	210.00	71.09
41	32	4210	01	800	03	02	V	170.00	(-) 25.29	0.00	144.71	144.71	100.00
Total								**11,321.86**			**10,346.11**	**9,775.70**	

Appendix 3.6
(Reference: Paragraph 3.3.5.3; 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	03	2013	00	108	01	01	71.00	17.77	53.23	74.97
2	03	2013	00	800	01	01	240.19	104.87	135.32	56.34
3	05	2015	00	105	01	01	100.00	15.49	84.51	84.51
4	06	2029	00	101	07	01	50.50	0.00	50.50	100.00
5	10	2216	80	800	22	01	160.00	45.31	114.69	71.68
6	10	2217	05	800	08	01	800.00	0.00	800.00	100.00
7	10	2217	80	001	02	01	328.88	115.40	213.48	64.91
8	10	2217	80	191	18	01	270.00	0.00	270.00	100.00
9	10	2217	80	800	10	01	183.20	61.60	121.60	66.38
10	10	2217	80	800	10	02	91.60	30.80	60.80	66.38
11	10	2575	60	101	01	01	700.00	330.00	370.00	52.86
12	10	4215	01	102	01	01	71.94	0.00	71.94	100.00
13	12	4055	00	207	03	01	278.25	0.00	278.25	100.00
14	12	4055	00	800	01	01	168.36	24.68	143.68	85.34
15	16	2215	01	101	02	01	200.00	63.00	137.00	68.50
16	16	2215	01	102	02	01	100.00	0.00	100.00	100.00
17	16	2215	01	102	11	01	150.00	32.00	118.00	78.67
18	16	2215	01	789	04	01	120.00	4.93	115.07	95.89
19	16	4059	01	051	01	01	115.00	16.06	98.94	86.03
20	16	4059	01	051	10	01	714.01	247.33	466.68	65.36
21	16	4059	01	800	03	01	201.00	0.44	200.56	99.78
22	16	4215	01	101	01	02	76.00	10.00	66.00	86.84
23	16	4215	01	101	04	01	70.69	0.00	70.69	100.00
24	16	4215	01	101	05	01	6,000.00	0.00	6,000.00	100.00
25	16	4215	01	102	01	01	250.00	55.00	195.00	78.00
26	16	4215	01	800	05	01	150.00	15.00	135.00	90.00

Sl. No.	Grant No.	Head of account					Provision	Expenditure	Savings	Percentage of savings
27	16	4702	00	800	02	01	600.00	58.02	541.98	90.33
28	16	4711	03	800	02	01	230.00	51.50	178.50	77.61
29	16	4711	03	800	04	01	200.00	29.50	170.50	85.25
30	16	4711	03	800	04	02	300.00	0.00	300.00	100.00
31	16	4711	03	800	04	04	100.00	0.00	100.00	100.00
32	16	5054	04	789	02	01	101.00	4.19	96.81	95.85
33	16	5054	04	800	01	01	295.00	131.51	163.49	55.42
34	16	5054	04	800	01	03	175.00	0.00	175.00	100.00
35	16	5054	04	800	05	01	1,000.00	172.87	827.13	82.71
36	16	5054	04	800	05	04	200.00	15.95	184.05	92.03
37	16	5054	04	800	09	01	4,112.65	177.61	3,935.04	95.68
38	16	5054	04	800	09	02	800.00	349.70	450.30	56.29
39	16	5054	04	800	09	03	285.00	84.36	200.64	70.40
40	16	5054	04	800	11	01	655.00	84.52	570.48	87.10
41	17	2202	01	800	06	01	890.58	279.02	611.56	68.67
42	17	2202	01	800	06	02	187.60	57.76	129.84	69.21
43	17	2202	02	789	07	01	120.00	0.00	120.00	100.00
44	17	2202	02	800	09	01	630.00	0.00	630.00	100.00
45	17	2202	80	789	09	01	121.54	57.83	63.71	52.42
46	17	2202	80	800	15	01	638.10	258.18	379.92	59.54
47	17	2202	80	800	17	01	266.82	36.65	230.17	86.26
48	17	2205	00	107	08	01	60.00	6.00	54.00	90.00
49	17	2236	02	102	03	01	990.51	431.14	559.37	56.47
50	17	2236	02	102	03	02	325.00	124.03	200.97	61.84
51	17	2236	02	102	03	03	107.00	19.03	87.97	82.21
52	17	2236	02	102	03	04	124.56	45.91	78.65	63.14
53	17	2236	02	102	05	03	106.10	21.74	84.36	79.51
54	17	2236	02	102	05	04	113.15	10.18	102.97	91.00
55	17	2236	02	789	02	01	207.50	39.85	167.65	80.80
56	17	2236	02	789	02	02	75.00	4.16	70.84	94.45

Sl. No.	Grant No.	Head of account					Provision	Expenditure	Savings	Percentage of savings
57	17	2236	02	789	03	01	137.50	56.04	81.46	59.24
58	18	2210	01	789	05	01	120.00	44.20	75.80	63.17
59	18	2210	02	800	01	01	500.00	47.67	452.33	90.47
60	18	2210	02	800	02	01	100.00	29.90	70.10	70.10
61	18	2210	05	105	10	01	250.00	0.00	250.00	100.00
62	18	2210	06	104	05	01	145.00	8.95	136.05	93.82
63	18	2210	80	004	02	01	1,528.43	18.00	1,510.43	98.82
64	18	2210	80	789	01	01	200.00	0.00	200.00	100.00
65	18	2210	80	800	14	07	424.00	0.00	424.00	100.00
66	18	2211	00	101	02	01	311.55	122.06	189.49	60.82
67	18	2211	00	101	02	02	150.00	5.63	144.37	96.25
68	18	4210	01	110	01	01	350.00	44.86	305.14	87.18
69	18	4210	01	110	01	02	217.00	37.58	179.42	82.68
70	18	4210	01	110	01	03	118.00	0.00	118.00	100.00
71	18	4210	01	110	01	04	110.00	2.74	107.26	97.51
72	18	4210	01	110	02	01	233.00	5.86	227.14	97.48
73	18	4210	01	800	01	01	225.00	0.28	224.72	99.88
74	18	4210	02	110	01	01	126.00	20.15	105.85	84.01
75	18	4210	02	110	01	02	103.00	0.97	102.03	99.06
76	18	4210	04	107	02	01	845.00	0.00	845.00	100.00
77	18	4210	80	800	02	01	150.00	0.00	150.00	100.00
78	19	3452	80	104	07	01	270.00	52.32	217.68	80.62
79	19	3452	80	800	30	01	665.00	0.00	665.00	100.00
80	20	2230	03	101	28	01	232.75	85.75	147.00	63.16
81	20	2230	03	800	02	01	427.00	208.33	218.67	51.21
82	21	2225	01	277	17	01	700.00	150.22	549.78	78.54
83	21	2225	01	789	23	04	88.31	34.82	53.49	60.57
84	21	2225	01	789	24	01	130.09	12.54	117.55	90.36
85	21	2225	01	789	27	04	100.00	24.38	75.62	75.62
86	21	2225	01	789	32	01	3,330.00	1,528.82	1,801.18	54.09

Sl. No.	Grant No.	Head of account					Provision	Expenditure	Savings	Percentage of savings
87	21	2225	01	789	32	02	250.00	99.93	150.07	60.03
88	21	2225	01	789	32	04	110.00	55.00	55.00	50.00
89	21	2225	01	789	35	04	100.01	32.00	68.01	68.00
90	21	2225	03	277	08	01	250.00	50.31	199.69	79.88
91	21	2235	02	102	01	01	506.58	188.07	318.51	62.88
92	21	2235	02	102	10	01	373.60	84.54	289.06	77.37
93	21	2235	02	102	10	02	93.40	0.00	93.40	100.00
94	21	2235	02	102	20	01	226.87	0.00	226.87	100.00
95	21	2235	02	102	23	01	609.04	49.81	559.23	91.82
96	21	2235	02	102	23	02	80.38	11.03	69.35	86.28
97	21	2235	02	102	26	01	87.99	10.21	77.78	88.39
98	21	2235	02	103	06	01	298.65	119.59	179.06	59.96
99	21	2235	02	103	25	01	202.50	75.29	127.21	62.82
100	21	2235	02	800	03	01	61.10	6.49	54.61	89.38
101	21	2236	02	789	01	01	92.85	37.50	55.35	59.62
102	21	4225	01	789	01	01	160.00	0.00	160.00	100.00
103	21	4225	01	789	29	01	200.00	0.00	200.00	100.00
104	22	2216	02	104	01	01	222.20	100.00	122.20	55.00
105	22	2401	00	195	01	01	192.80	0.00	192.80	100.00
106	22	2851	00	103	02	01	90.20	0.00	90.20	100.00
107	24	2401	00	102	01	04	89.02	31.11	57.91	65.06
108	24	2401	00	105	04	01	103.86	11.40	92.46	89.03
109	24	2401	00	119	07	01	150.54	0.00	150.54	100.00
110	24	2401	00	789	01	01	106.72	53.01	53.71	50.33
111	24	2401	00	789	01	04	71.00	20.96	50.04	70.48
112	24	2401	00	789	15	01	62.93	5.86	57.07	90.68
113	24	2401	00	800	16	01	180.07	66.12	113.95	63.28
114	26	2405	00	800	21	01	806.69	195.57	611.12	75.76
115	26	4405	00	104	02	01	531.09	247.48	283.61	53.40
116	27	2505	02	101	01	01	670.00	239.88	430.12	64.20

Sl. No.	Grant No.	Head of account					Provision	Expenditure	Savings	Percentage of savings
117	27	2505	02	101	04	01	300.00	11.09	288.91	96.30
118	27	2505	02	101	07	01	750.00	14.00	736.00	98.13
119	27	2505	02	789	04	01	500.00	0.00	500.00	100.00
120	27	2515	00	800	08	01	500.00	170.00	330.00	66.00
121	27	2515	00	800	10	01	190.00	0.00	190.00	100.00
122	28	2851	00	800	06	01	65.00	0.00	65.00	100.00
123	29	2801	05	800	05	01	215.72	98.50	117.22	54.34
124	29	2801	80	800	01	01	200.00	82.28	117.72	58.86
125	29	2801	80	800	01	02	60.00	5.98	54.02	90.03
126	29	4801	05	789	06	01	211.20	0.00	211.20	100.00
127	29	4801	05	800	48	01	307.60	94.90	212.70	69.15
128	29	4801	05	800	50	01	410.00	69.80	340.20	82.98
129	30	5051	02	200	06	01	67.00	0.00	67.00	100.00
130	32	2210	06	104	01	01	55.00	0.00	55.00	100.00
131	32	3452	01	800	14	6	70.00	0.69	69.31	99.01
132	32	4070	00	800	01	01	100.00	23.83	76.17	76.17
133	32	4202	01	800	02	02	127.00	39.46	87.54	68.93
134	32	4202	03	800	01	01	182.00	70.33	111.67	61.35
135	32	4202	03	800	01	02	146.00	0.00	146.00	100.00
136	32	4210	01	800	03	01	380.00	78.33	301.67	79.39
137	32	4210	01	800	03	02	170.00	0.00	170.00	100.00
138	32	4210	01	800	03	03	200.00	36.00	164.00	82.00
139	32	4225	01	789	01	02	100.00	0.00	100.00	100.00
140	32	4405	00	104	01	04	112.22	16.85	95.37	84.98
141	32	4405	00	104	02	03	182.00	0.00	182.00	100.00
142	32	5425	00	800	01	02	60.00	0.00	60.00	100.00
143	32	5452	01	800	29	01	80.00	0.00	80.00	100.00
144	32	5452	01	800	34	03	220.00	7.00	213.00	96.82
145	33	2049	05	105	02	07	120.00	31.03	88.97	74.14
Total							**51,025.19**	**8,924.19**	**42,101.00**	

Appendix 3.7
(Reference: Paragraph 3.4.4; Page 78)

Rush of Expenditure

(₹ in lakh)

Sl. No.	Grant No.	Head of Account					Description	Total Expenditure 2020- 2021	Expenditure for March 2021	Percen-tage
1	04	2014	00	102	01	01	High Courts, Madras	90.09	90.09	100.00
2	05	2015	00	106	01	01	Charges for conduct of elections to Union Territory Legislature	1,380.18	1,346.63	97.57
3	06	2408	01	102	08	04	Distribution of essential commodities	1,222.60	699.80	57.24
4	06	2408	01	789	02	01	Distribution of essential commodities	3,700.00	2,519.53	68.10
5	09	3451	00	091	02	01	Introduction of e-Governance	595.96	519.65	87.20
6	10	2216	80	800	02	01	Slum upgradation Programme / Economically Weaker Section Housing Scheme	169.90	106.82	62.87
7	10	2216	80	800	19	04	Housing for All - Pradhan Mantri Awas Yojana (Central Share) (CSS)	123.00	100.80	81.95
8	10	2217	01	191	01	01	Assistance to Local Bodies, Corporations, Town Improvement Boards etc.	200.25	200.25	100.00
9	10	2217	05	800	09	01	Disposal of Legacy Waste Project (Negotiated Loan) (State Share)	800.00	800.00	100.00
10	10	2217	80	191	17	01	Swachh Bharat Mission (CSS) (Central Share)	578.50	578.50	100.00
11	10	2217	80	800	06	01	Urban Infrastructure Development Scheme (Negotiated Loan)	525.20	525.20	100.00
12	10	2217	80	800	08	01	Implementation of Smart Cities Mission (CSS) (Central Share)	800.00	500.00	62.50
13	10	2217	80	800	09	01	Implementation of AMRUT Mission by Local Administration Department (CSS)	1,026.25	972.75	94.79
14	10	2575	60	101	01	01	M.L.A's Local Area Development Scheme	330.00	330.00	100.00
15	10	2575	60	789	01	01	M.L.A's Local Area Development Scheme	250.00	250.00	100.00
16	10	3475	00	108	03	01	National Urban Livelihood Mission (CSS)	489.45	409.45	83.66

Sl. No.	Grant No.	Head of Account					Description	Total Expenditure 2020- 2021	Expenditure for March 2021	Percen-tage
17	12	4055	00	207	01	01	Office of the Director General of Police	219.66	159.21	72.48
18	16	2059	80	001	05	04	Payment of Current Consumption Charges, Water Consumption Charges, Telephone Charges, etc.,	99.96	76.72	76.75
19	16	3054	04	105	02	01	Rural Roads	81.00	53.82	66.44
20	16	3054	04	800	04	01	Maintenance of District and Other Roads	263.22	158.55	60.23
21	16	3054	04	800	05	01	Maintenance of Rural Roads	169.99	113.95	67.04
22	16	4059	01	051	01	02	Construction of buildings for various offices	1,997.52	1,997.33	99.99
23	16	4059	01	051	10	01	Infrastructural facilities for Judiciary - Construction of Court Complex (CSS)	247.33	181.81	73.51
24	16	4059	01	800	02	01	Development of Infrastructure facilities (Negotiated Loan)	503.13	365.31	72.61
25	16	4711	03	103	01	01	Drainage Schemes	128.71	67.37	52.34
26	16	5054	04	800	01	01	District and other Roads	926.34	581.79	62.81
27	16	5054	04	800	01	02	District and other Roads	5,456.54	2,946.71	54.00
28	17	2202	01	108	01	01	Free supply of books, stationery, uniforms and foot wear to poor children	517.33	332.06	64.19
29	17	2202	01	108	01	02	Free supply of books, stationery, uniforms and foot wear to poor children	229.17	116.24	50.72
30	17	2202	01	789	03	01	Free Supply of Books, Stationery, Uniforms and Footwear to poor Students	317.09	166.16	52.40
31	17	2202	01	789	03	02	Free Supply of Books, Stationery, Uniforms and Footwear to poor Students	91.63	56.49	61.65
32	17	2202	01	800	04	01	National Programme of Nutritional support to Primary Education (CSS)	415.81	284.25	68.36
33	17	2202	02	110	01	01	Assistance to Non-Government High Schools	3,131.29	2,214.19	70.71
34	17	2202	02	110	01	02	Assistance to Non-Government High Schools	597.89	337.00	56.37

Sl. No.	Grant No.	Head of Account					Description	Total Expenditure 2020- 2021	Expenditure for March 2021	Percen-tage
35	17	2202	02	110	01	04	Assistance to Non-Government High Schools	141.62	74.14	52.35
36	17	2202	02	110	02	01	Assistance to Non-Government Secondary Schools	176.41	100.03	56.70
37	17	2202	03	789	15	01	Rashtriya Uchchatar Shiksha Abhiyan (CSS) (State Share)	218.50	218.50	100.00
38	17	2202	03	800	03	01	Rashtriya Uchchatar Shiksha Abhiyan (CSS) (State Share)	759.50	759.50	100.00
39	17	2202	04	200	04	01	Padhna Likhna Abhiyan (CSS)	75.57	75.57	100.00
40	17	2225	01	277	01	01	Award of Pre-Matric Scholarship to other economically backward class students	66.36	64.97	97.91
41	17	2236	02	789	03	01	Midday meals to school students	56.04	56.04	100.00
42	17	4202	01	800	02	01	Acquisition of Land for Construction of Schools	946.36	946.36	100.00
43	18	2210	02	101	05	03	Setting up of Rajiv Gandhi Ayurveda Medical College	515.83	284.71	55.19
44	18	2210	80	789	02	01	National Health Mission (CSS)	281.00	281.00	100.00
45	18	2210	80	789	03	01	National Health Mission (CSS) (State Share)	508.64	508.64	100.00
46	18	2210	80	800	15	07	National Health Protection Scheme (State Share)	90.00	90.00	100.00
47	18	2210	80	800	19	01	COVID-19 Emergency Response and Health System Preparedness Package under NHM(CSS)	1,031.02	1,031.02	100.00
48	19	5452	01	800	02	01	Acquisition of Land for Tourism Projects	269.84	269.84	100.00
49	20	2230	03	101	28	01	Upgradation of Government ITIs into Model ITIs (CSS)	85.75	85.75	100.00
50	20	2230	03	789	12	01	Pradhan Mantri Kaushal Vikas Yojana (CSS)	106.89	71.42	66.82
51	20	2230	03	800	02	01	Pradhan Mantri Kaushal Vikas Yojana (CSS)	208.33	181.48	87.11
52	21	2225	01	789	27	01	Providing Civic and Basic Amenities to the areas of Scheduled Castes	1,048.24	596.74	56.93

Sl. No.	Grant No.	Head of Account					Description	Total Expenditure 2020- 2021	Expenditure for March 2021	Percen-tage
53	21	2225	01	789	27	02	Providing Civic and Basic Amenities to the areas of Scheduled Castes	192.75	192.75	100.00
54	21	2225	01	789	32	01	Award of various scholarship, stipend and incentive to SC students	1,528.82	1,149.96	75.22
55	21	2225	01	789	35	02	Financial assistance for Construction of low cost dwelling units/development of housing colonies/housesits and grant of house construction subsidies	227.90	121.50	53.31
56	21	2225	01	789	40	01	Pre-Matric Scholarship for SC Students (CSS)	57.79	53.35	92.32
57	21	2225	01	789	41	01	Post-Matric Scholarship for SC Students (CSS)	221.09	221.09	100.00
58	21	2225	01	789	43	01	Grant of full fees to SC and ST students (1st to 12th Standard) studying in private schools run by the Government including Government aided schools	195.98	195.98	100.00
59	21	2225	03	277	10	01	Post Matric Scholarship for OBC students (CSS)	71.46	71.46	100.00
60	21	2235	02	102	10	01	Integrated Child Development Services Scheme - Special Nutrition Programme (CSS)	84.54	84.54	100.00
61	21	2235	02	103	06	01	Other Programmes for welfare of women	141.94	138.62	97.67
62	21	2235	02	103	25	01	Maternity Benefit Programme (State Share)	75.29	71.87	95.45
63	22	2852	08	195	01	01	Assistance to Consumer Co-operatives	88.96	88.96	100.00
64	24	2401	00	109	07	01	Rashtriya Krishi Vikas Yojana (CSS Flagship)	115.96	59.29	51.13
65	24	2401	00	110	02	01	Scheme for promoting crop insurance	350.00	350.00	100.00
66	26	2405	00	800	22	01	Pradhan Mantri Matsya Sampada Yojana (CSS)	150.78	150.78	100.00
67	26	4405	00	104	02	01	Up-gradation of the existing Fishing Harbour at Thengaithittu, Puducherry under "Integrated Development of management of fisheries" scheme (CSS)	247.48	207.86	83.99

Sl. No.	Grant No.	Head of Account					Description	Total Expenditure 2020- 2021	Expenditure for March 2021	Percen-tage
68	27	2515	00	800	08	01	Rural Sanitation Scheme of Swachh Bharat Mission (Gramin) Negotiated Loan	170.00	170.00	100.00
69	28	2852	08	202	02	01	Assistance to Pondicherry Textile Corporation	1,981.75	1,064.90	53.74
70	29	2049	60	101	01	01	Interest on Deposits	645.39	645.39	100.00
71	29	2801	05	800	11	01	Purchase of Power (Negotiated Loan)	2,500.00	2,500.00	100.00
72	29	4801	05	800	06	01	System improvement for reduction of Transmission and distribution losses	303.45	273.31	90.07
73	29	4801	05	800	06	02	System improvement for reduction of Transmission and distribution losses	80.00	75.96	94.96
74	29	4801	05	800	46	01	Extension and Development of Power Supply to all categories of consumers and street lights	177.66	159.66	89.87
75	29	4801	05	800	46	02	Extension and Development of Power Supply to all categories of consumers and street lights	90.00	82.56	91.73
76	29	4801	05	800	48	01	Erection/ Establishment/ upgradation/ providing of 230 KV and 110 KV primary main sub-station and EH	94.90	62.74	66.12
77	32	4202	03	800	01	01	Physical Education	156.99	95.97	61.13
78	32	4202	04	800	03	01	Financial Assistance for the construction of Tagore Cultural Complex (CSS) (State share)	209.63	132.95	63.42
79	33	2048	00	200	01	07	Non-obligatory Sinking Fund towards discharge of open Market Loans	1,500.00	1,500.00	100.00
80	33	2049	03	108	01	07	Interest on Union Territory Government Employees Group Insurance Scheme	482.64	482.64	100.00
81	33	6003	00	109	03	07	Rural Electrification Corporation	744.24	744.24	100.00
Total								**47,148.28**	**37,002.47**	**78.48**

Appendix 3.8
(Reference: Paragraph 3.4.5.3; Page 81)

Unnecessary provision of funds

(₹ in lakh)

Sl. No.	Major Head		Budget Estimate 2019-20	Re-appro-priation	Total Provision	Expen-diture	Savings in BE
2210 - Medical and Public Health							
	01. Urban Health Services - Allopathy						
1	2210.01.001.09.01	Payment of Current Consumption Charges, Water Consumption Charges, Telephone Charges, etc.,	520.00	30.00	550.00	465.70	54.30
2	2210.01.110.01.01	General Hospital	11,093.76	588.91	11,682.67	11,092.44	1.32
3	2210.01.110.01.03	General Hospital	1,863.18	108.90	1,972.08	1,817.93	45.25
4	2210.01.110.02.01	Rajiv Gandhi Government Women and Children Hospital	5,978.66	91.64	6,070.30	5,889.14	89.52
5	2210.01.110.04.01	Government Hospital for Chest Diseases, Gorimedu	959.57	1.42	960.99	939.62	19.95
6	2210.01.110.09.02	Government Pharmacy	41.20	91.03	132.23	15.73	25.47
7	2210.01.789.06.01	General Hospital	75.00	18.64	93.64	57.60	17.40
	02. Urban Health Services - Other systems of medicine						
8	2210.02.101.01.01	Ayurveda Dispensary	226.19	1.60	227.79	196.38	29.81
9	2210.02.101.03.01	Setting up of Panchakarma Therapy	32.79	1.62	34.41	26.21	6.58
10	2210.02.102.01.04	Homeopathy Dispensary	31.80	4.40	36.20	29.14	2.66
11	2210.02.104.01.02	Siddha Dispensary	15.21	1.12	16.33	12.35	2.86
12	2210.02.800.02.01	Matching Grant as State Share to AYUSH	100.00	27.00	127.00	29.90	70.10
	03. Rural Health Services - Allopathy						
13	2210.03.104.01.01	Community Health Centre, Karikalampakkam	375.94	20.96	396.90	338.77	37.17
14	2210.03.110.01.01	Rural Dispensaries	3,264.76	18.89	3,283.65	3,153.38	111.38
	06. Public Health						
15	2210.06.101.04.01	Tuberculosis	375.57	40.56	416.13	340.32	35.25
16	2210.06.101.23.01	Prevention and Control of COVID 19 pandemic	1,600.00	1,277.28	2,877.28	883.37	716.63
	80. General						
17	2210.80.789.01.01	Financial assistance to the poor in case of serious illness	200.00	100.00	300.00	0.00	200.00
Total			**26,753.63**	**2,423.97**	**29,177.60**	**25,287.98**	**1,465.65**

Appendix 4.1
(Reference: Paragraph 4.7; Page 90)

Booking under Minor Head "800 - Other Expenditure" during 2020-21

(₹ in crore)

Major Head		Total Expenditure	Expenditure under 800 - Other Expenditure	Percentage of 800 - Other Expenditure
2062	Vigilance	1.76	1.76	100.00
2075	Miscellaneous General Services	1.64	1.64	100.00
2216	Housing	62.28	49.87	80.07
2217	Urban Development	107.24	83.10	77.49
2405	Fisheries	48.00	37.92	79.00
2801	Power	1,711.19	1,566.96	91.57
2810	New and Renewable Energy	0.42	0.42	100.00
3425	Other Scientific Research	3.57	3.36	94.12
Total		**1,936.10**	**1,745.03**	**90.13**

Appendix 4.2
(Reference: Paragraph 4.7; Page 90)

Booking under Minor Head "800 - Other Receipts" during 2020-21

(₹ in crore)

Major Head		Total Receipts	Receipts under 800 - Other Receipts	Percentage of 800 - Other Receipts
0059	Public Works	1.06	1.06	100.00
0070	Other Administrative Services	15.99	14.59	91.24
0216	Housing	6.88	6.46	93.90
0235	Social Security and Welfare	1.46	1.46	100.00
0401	Crop Husbandry	0.38	0.23	60.53
0405	Fisheries	1.10	1.08	98.18
0702	Minor Irrigation	1.47	1.47	100.00
1051	Ports and Light Houses	10.32	10.32	100.00
1054	Roads and Bridges	0.65	0.65	100.00
Total		**39.31**	**37.32**	**94.94**

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 2019-20
2	Oulgaret Municipality, Puducherry	2008-09 to 2019-20
3	Karaikal Municipality, Karaikal	2008-09 to 2019-20
4	Ariankuppam Commune Panchayat, Puducherry	2008-09 to 2019-20
5	Villianur Commune Panchayat, Puducherry	2008-09 to 2019-20
6	Bahour Commune Panchayat, Puducherry	2008-09 to 2019-20
7	Mannadipet Commune Panchayat, Puducherry	2008-09 to 2019-20
8	Nettapakkam Commune Panchayat, Puducherry	2008-09 to 2019-20
9	Neravy Commune Panchayat, Karaikal	2008-09 to 2019-20
10	Kottucherry Commune Panchayat, Karaikal	2008-09 to 2019-20
11	Thirunallar Commune Panchayat, Karaikal	2008-09 to 2019-20
12	Nedungadu Commune Panchayat, Karaikal	2008-09 to 2019-20
13	Thirumalairayanpattinam Commune Panchayat, Karaikal	2008-09 to 2019-20
14	Mahe Municipality, Mahe	2008-09 to 2019-20
15	Yanam Municipality, Yanam	2008-09 to 2019-20
16	PONLAIT, Puducherry	2014-15 to 2019-20
17	Puducherry Coastal Zone Management Authority	2014-15 to 2019-20
18	Dr.B.R. Ambedkar Polytechnic College, Yanam	2016-17 to 2019-20
19	SPINCO, Puducherry	2016-17 to 2019-20
20	Pondicherry Co-operative Sugar Mills, Lingareddipalayam, Puducherry	2016-17 to 2019-20
21	Perunthalaivar Kamarajar Krishi Vigyan Kendra, Puducherry	2016-17 to 2019-20
22	Indira Gandhi College of Arts and Science, Kadhirkamam, Puducherry	2017-18 to 2019-20

Sl. No.	Name of the Autonomous Body/Authority	Year for which accounts were due
23	Perunthalaivar Kamarajar Arts College, Kalitheerthalkuppam, Puducherry	2017-18 to 2019-20
24	Karaikal Polytechnic College, Karaikal	2017-18 to 2019-20
25	Pondicherry State Sports Council, Puducherry	2017-18 to 2019-20
26	Pandit Jawaharlal Nehru College of Agriculture and Research Institute (PAJANCOA), Karaikal	2017-18 to 2019-20
27	Pondicherry Institute of Hotel Management & Catering Technology, Puducherry	2017-18 to 2019-20
28	Pondicherry Khadi and Village Industries Board, Puducherry	2017-18 to 2019-20
29	Indra Gandhi Polytechnic College, Mahe	2017-18 to 2019-20
30	District Institute of Education and Training, Puducherry	2017-18 to 2019-20
31	Women's Polytechnic College, Karaikal	2017-18 to 2019-20
32	Puducherry e-Governance Society	2017-18 to 2019-20
33	Pondicherry State Social Welfare Advisory Board, Puducherry	2017-18 to 2019-20
34	Women's Polytechnic College, Puducherry	2017-18 to 2019-20
35	Puducherry Fishermen Welfare and Distress Relief Society, Puducherry	2018-19 and 2019-20
36	Indira Gandhi Medical College and Research Institute, Puducherry	2018-19 and 2019-20
37	Mother Theresa Institute of Health Science Society, Puducherry	2018-19 and 2019-20
38	Mahatma Gandhi Post-Graduate Institute of Dental Sciences, Gorimedu, Puducherry	2018-19 and 2019-20
39	Puducherry Urban Development Agency	2018-19 and 2019-20
40	Puducherry State Fisherman Co-operative Federation	2018-19 and 2019-20
41	Renewable Energy Agency of Puducherry	2018-19 and 2019-20
42	Pondicherry Pollution Control Committee, Puducherry	2018-19 and 2019-20
43	Pondicherry Council for Science and Technology, Puducherry	2018-19 and 2019-20
44	Rajiv Gandhi College of Veterinary and Animal Sciences, Puducherry.	2018-19 and 2019-20
45	Rajiv Gandhi Arts and Science College, Thavalakuppam	2018-19 and 2019-20

Sl. No.	Name of the Autonomous Body/Authority	Year for which accounts were due
46	Rajiv Gandhi Ayurvedha Medical College, Mahe	2018-19 and 2019-20
47	Perunthalaivar Kamarajar Institute of Engineering and Technology, Karaikal	2018-19 and 2019-20
48	Kasturba College for Women, Villianur	2018-19 and 2019-20
49	Pondicherry Institute of Linguistics and Culture, Puducherry	2018-19 and 2019-20
50	Pondicherry Agricultural Workers Welfare Society, Puducherry	2018-19 and 2019-20
51	Puducherry Seed Certification Agency, Puducherry.	2019-20
52	Bharathiar Palkalaikoodam, Puducherry	2019-20
53	Pondicherry Engineering College, Puducherry	2019-20
54	Sarva Shiksha Abhiyan, Puducherry	2019-20
55	Puducherry Slum Clearance Board, Puducherry	2019-20
56	Pondicherry Housing Board, Puducherry	2019-20
57	Pondicherry Women's Commission, Puducherry	2019-20
58	Pondicherry Ground Water Authority, Puducherry	2019-20
59	Pondicherry Fishing Harbour Management Society, Puducherry	2019-20
60	Perunthalaivar Kamarajar College of Education, Karaikal	2019-20
61	Rajiv Gandhi School of Sports, Puducherry	2019-20
62	Puducherry Society for the Care of the Aged, Puducherry	2019-20
63	Puducherry Water Resource Organisation, Puducherry	2019-20
64	Puducherry Market Committee	2019-20
65	Krishi Vigyan Kendra, Karaikal	2019-20
66	Puducherry Wakf Board, Puducherry.	2019-20
67	Karaikal Market Committee, Karaikal	2019-20
68	Puducherry Building and Other Construction Workers' Welfare Board, Puducherry	2016-17 to 2019-20

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	3.62	2	0.49	1	0.43	1	2.70
Agriculture	8	30.94	4	16.07	2	9.59	2	5.28
Animal Husbandry & Animal Welfare	5	41.75	0	0.00	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	0.00	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	0.00
Industries & Commerce	2	5.62	1	0.00	1	5.62	0	0.00
Information & Technology	1	1.15	0	0.00	0	0.00	1	1.15
Labour	3	1.27	0	0.00	0	0.00	3	1.27
Local Administration	6	2.51	2	1.49	1	0.47	3	0.55
Police	2	0.30	0	0.00	2	0.30	0	0.00
PWD	3	5.21	0	0.00	0	0.00	3	5.21
Revenue	3	0.87	0	0.00	0	0.00	3	0.87
School Education	8	9.76	6	4.42	0	0.00	2	5.34
Tourism	1	0.22	1	0.22	0	0.00	0	0.00
Women & Child Development	1	3.75	0	0.00	0	0.00	1	3.75
Total	**321**	**2,805.03**	**29**	**25.07**	**20**	**2,705.82**	**272**	**74.14**

Appendix 5.1
(Reference: Paragraph 5.3; Page 96)

List of Government Companies under the purview of CAG audit during 2020-21

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	2018-19			2019-20			2020-21		
		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	(-) 23.26	--	(-) 1.28	(-) 23.26	--
2	Swadeshee Bharathee Textile Mills Limited	(-) 9.59	(-) 14.58	--	23.17	(-) 21.11	--	23.17	(-) 21.11	--
3	Puducherry Road Transport Corporation Limited	(-) 5.29	(-) 6.19	--	(-) 5.65	(-) 15.98	--	(-) 15.71	(-) 31.69	--
4	Puducherry Tourism Development Corporation Limited	(-) 0.91	(-) 10.27	--	1.13	(-) 9.22	--	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	13.15	1.64	57.28	2.86	1.64	57.28	2.86
7	Puducherry Power Corporation Limited	1.87	134.08	1.39	3.89	135.69	2.87	14.98	141.48	10.59
8	Pondicherry Industrial Promotion Development and Investment Corporation Limited	(-) 4.80	113.59	--	0.00	124.41	--	0.00	124.41	--
9	Puducherry Corporation for the Development of Women and Differently Abled Persons Limited	(-) 8.35	4.68	--	(-) 8.35	4.68	--	(-) 8.35	4.68	--

Sl. No.	PSU	2018-19			2019-20			2020-21		
		EBIT	**Capital Employed**	**ROCE (in *per cent*)**	**EBIT**	**Capital Employed**	**ROCE (in *per cent*)**	**EBIT**	**Capital Employed**	**ROCE (in *per cent*)**
10	Puducherry Backward classes and Minorities Development Corporation Limited	1.66	31.23	5.32	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	(-) 1.92	1.79	--	(-) 1.92	1.79	--
12	Puducherry Agro Products, Food and Civil Supplies Corporation Limited	(-) 6.54	(-) 17.05	--	(-) 6.54	(-) 17.05	--	(-) 6.54	(-) 17.05	--
Total		**(-) 34.42**	**62.72**	**--**	**(-) 3.03**	**62.11**	**--**	**(-) 2.00**	**52.19**	**--**

Appendix 5.3
(Reference: Paragraph 5.8.2; Page 100)

Return on Equity of PSUs

(₹ in crore)

Sl. No.	PSU	2018-19			2019-20			2020-21		
		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	(-) 23.26	--	(-) 1.28	(-) 23.26	--
2	Swadeshee Bharathee Textile Mills Limited	(-) 11.36	(-) 14.58	--	22.19	(-) 21.19	--	22.19	(-) 21.19	--
3	Puducherry Road Transport Corporation Limited	(-) 5.29	(-) 8.91	--	(-) 5.65	(-) 18.70	--	(-) 15.71	(-) 34.41	--
4	Puducherry Tourism Development Corporation Limited	(-) 1.03	(-) 10.27	--	1.05	(-) 9.22	--	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	0.96	57.28	1.68	0.96	57.28	1.68
7	Puducherry Power Corporation Limited	0.64	134.08	0.48	2.62	135.69	1.93	9.64	141.48	6.81
8	Puducherry Industrial Promotion Development and Investment Corporation Limited.	(-) 4.80	113.59	--	0.00	124.41	--	0.00	124.41	--

Sl. No.	PSU	2018-19			2019-20			2020-21		
		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	(-) 8.81	(-) 9.68	--	(-) 8.81	(-) 9.68	--	(-) 8.81	(-) 9.68	--
10	Puducherry Backward classes and Minorities Development Corporation Limited	1.23	6.80	18.09	1.23	6.80	18.09	1.23	6.80	18.09
11	Puducherry Adi-Dravidar Development Corporation Limited	2.53	2.84	89.08	(-) 2.09	0.75	--	(-) 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	**(-) 57.76**	**19.66**	**--**	**(-) 24.32**	**19.34**	**--**	**(-) 27.36**	**9.42**	**--**

Appendix 5.4
(Reference: Paragraph 5.9.2; Page 104)

List of PSUs having negative Net Worth as on 31 March 2021

(₹ 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	(-) 15.71	(-) 34.41	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 2020-21
2	Swadeshee Bharathee Textile Mills Limited	2015-16 to 2020-21
3	Puducherry Road Transport Corporation Limited	2019-20 to 2020-21
4	Puducherry Tourism Development Corporation Limited	2019-20 to 2020-21
5	Pondicherry Textiles Corporation Limited	2016-17 to 2020-21
6	Puducherry Distilleries Limited	2017-18 to 2020-21
7	Puducherry Power Corporation Limited	2020-21
8	Pondicherry Industrial Promotion Development and Investment Corporation Limited	2018-19 to 2020-21
9	Puducherry Corporation for the Development of Women and Differently Abled Persons Limited	2018-19 to 2020-21
10	Puducherry Backward classes and Minorities Development Corporation Limited	2015-16 to 2020-21
11	Puducherry Adi-Dravidar Development Corporation Limited	2017-18 to 2020-21
12	Puducherry Agro Products, Food and Civil Supplies Corporation Limited	2014-15 to 2020-21

Glossary of abbreviations

Abbreviations	Full form
AGM	Annual General Meeting
CAG	Comptroller and Auditor General of India
CE	Capital expenditure
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
DSTE	Department of Science, Technology and Environment
EBIT	Earnings Before Interest and Taxes
ENCORE	Enhancing Coastal and Ocean Resource Efficiency
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
ICAI	Institute of Chartered Accountants of India
ICR	Interest Coverage Ratio
IGST	Integrated Goods and Services Tax

Abbreviations	Full form
Ind AS	Indian Accounting Standards
JERC	Joint Electricity Regulatory Commission
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
PBCMDC	Puducherry Backward Classes and Minorities Development Corporation Limited
PCDWDAP	Puducherry Corporation for the Development of Women and Differently Abled Persons Limited
PD	Personal Deposit
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
RR	Revenue Receipts
ROCE	Return on Capital Employed
ROE	Return on Equity
ROR	Rate of Return

Abbreviations	Full form
RORR	Rate of Real Return
SBI	State Bank of India
SBTML	Swadeshee Bharathee Textile Mills Limited
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
UTGST	Union Territory Goods and Services Tax
VAT	Value Added Tax
WMA	Ways and Means Advances

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